

Ratification of ILO's Convention No. 102 – the international minimum standard on social security



International
Labour
Office

Russian Federation

A firm commitment to internationally established minimum standards of social security

On 3 October 2018, following approval by the Committee on Labour, Social Policy and Veterans' Affairs, the Federal Assembly of the Russian Federation (State Duma) adopted Law no. 349 on the ratification of the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102). It accepted the obligations for seven of the nine branches systematized by this key ILO Convention, i.e. those related to medical care, sickness benefit, old-age benefit, employment injury benefit, maternity benefit, invalidity benefit and survivors' benefit.

The formal ratification was registered by the ILO Director General on 26 February 2019, the date on which the instrument of ratification was deposited with the Legal Advisor of the ILO.



Mr Nikita Zhukov, Deputy Permanent Representative of the Russian Federation to the United Nations Office and other International Organizations in Geneva, depositing the instrument of ratification of Convention No. 102 with Mr George Politakis, Legal Advisor of the ILO, on 26 February 2019.

The Social Security (Minimum Standards) Convention, 1952 (No. 102)

ILO standards provide the normative substance to implement the human right to social security. The Social Security (Minimum Standards) Convention, 1952 (No. 102) represents a global reference providing the core set of principles and minimum benchmarks for building and maintaining progressively comprehensive social security systems.

As of December 2018, 55 countries had ratified Convention No. 102.¹ Over the last ten years, 12 countries ratified it, namely Argentina, Brazil, Bulgaria, Chad, the Dominican Republic, Honduras, Jordan, Romania, Saint-Vincent and the Grenadines, Togo, Ukraine and Uruguay. The ILO is committed to actively promoting this key international standard and achieving its target of 60 ratifications by 2019, the year of the ILO's centenary.

Thereafter, the Russian Federation became the 56th ILO member State to ratify Convention No. 102 – ILO's flagship Social Security Convention.

Due to its unique features, Convention No. 102 is the main international treaty setting out the core principles and minimum standards for the establishment and governance of comprehensive social security systems, providing adequate protection against the entire range of social risks that people face throughout their lives.

The ratification of Convention No. 102 demonstrates the strong commitment of the Russian Federation to maintain a sustainable and adequate social protection system and strengthen access of the population to social rights.

¹ Ratifications of Social Security (Minimum Standards) Convention, 1952 (No. 102)
www.ilo.org/dyn/normlex/en/f?p=1000:11300:0::NO:11300:P11300_INSTRUMENT_ID:312247

Social Protection Floors in Action: 100 success stories to achieve Universal Social Protection and SDG 1.3

1. The context

Since the 1990s, based on a long history of ensuring universal social security coverage, the Russian Federation has developed a social protection system providing protection for all nine social security branches stated in Convention No. 102, namely medical care, sickness, unemployment, old-age, employment injury, family allowances, maternity, invalidity and survivorship.

Near universal pension coverage is achieved through the combination of non-contributory schemes and social insurance, covering approximately two-thirds of the working-age population. More than 90 per cent of elderly people above statutory retirement age receive an old-age pension (ILO, 2017). Close to 70 per cent of women giving birth are receiving a periodic maternity cash benefit and more than 95 per cent of people with severe disabilities receive a disability benefit.

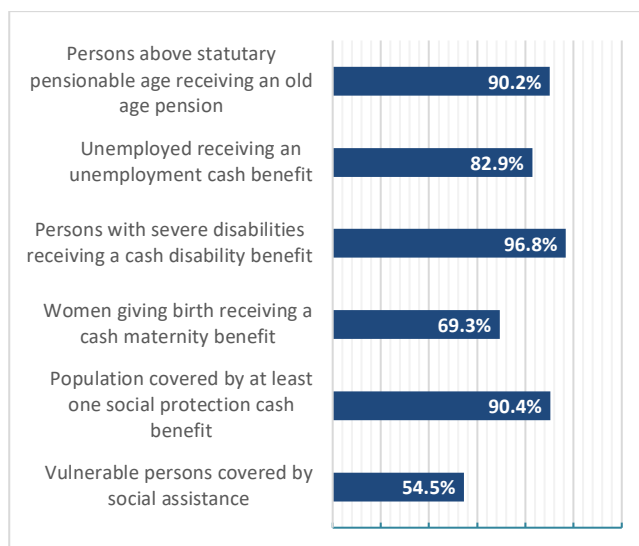


“This document is important for us, its discussion in Russia took time and involved substantial discussions.”

- *Mr. Iaroslav Nilov Chairman of the Committee on Labor, Social Policy and Veterans' Affairs*

Convention No. 102 is both a comprehensive and flexible instrument. While it establishes the principles forming the backbone of social security systems, it may be ratified upon acceptance of at least three of the nine social security branches specified therein. Countries may however subsequently extend their commitments to a greater number of branches. Nonetheless, with a view to creating a level playing field among the ratifying States, it requires the acceptance upon ratification of at least one of the following benefits: old age, employment injury, disability or survivors' benefit.

Figure 1: Beneficiaries of social protection cash benefits by groups of population, 2015 (SDG 1.3.1)



Source: ILO, 2017

By ratifying Convention No. 102 for all branches except unemployment and family benefits, the Russian Federation joins the group of countries which have accepted the obligations of the Convention for the highest number of branches.

2. Russian social protection system

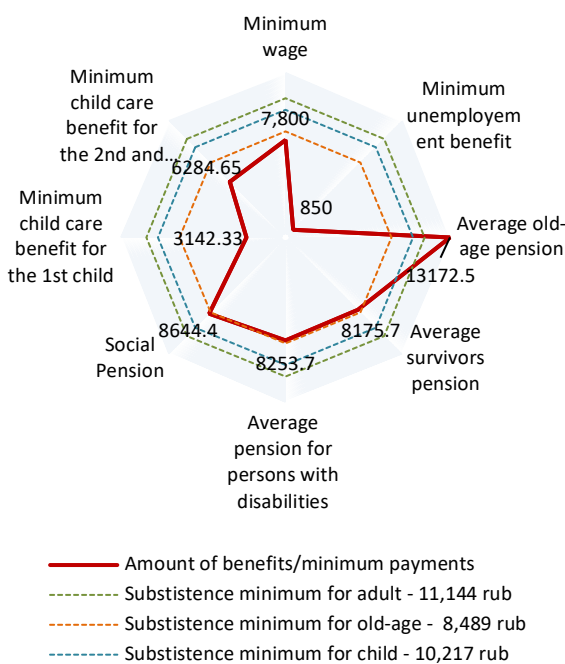
The Russian Federation attempted to maintain the legacy of universal social protection following the dissolution of the Soviet Union. Since 1991, the Russian social protection system has been reformed several times in the context of the new market economy in the 1990s, the global financial crises in 1998 and 2008 and in response to demographic challenges. The most recent pension reform in 2017-18 re-invigorated earlier debates about demographic changes and the need to ensure the sustainability of the pension system. The result of the parametric reform was to increase the retirement age for women from 55 to 60 years and for men from 60 to 65 years.

Russia's current social protection system consists of: (a) social insurance, (b) social assistance and (c) social services.

The contributory social insurance scheme comprises pension, medical, sickness and employment injury benefits for eligible workers contributing to social insurance funds as well as students and elderly people whose benefits are financed from the general budget.

Non-contributory social assistance schemes are intended for vulnerable groups of the population, such as individuals and families living on incomes below the minimum subsistence level and the elderly with insufficient social and pension insurance contributions. A range of social care services is organized for different groups of the population, such as children without adequate parental care, persons with disabilities and the elderly. In recent years, the focus has been on the development of community-based social services, including long-term care, in the context of population ageing.

Figure 2: Benefit levels in Russia in comparison with the minimum subsistence level (RUB), 2017



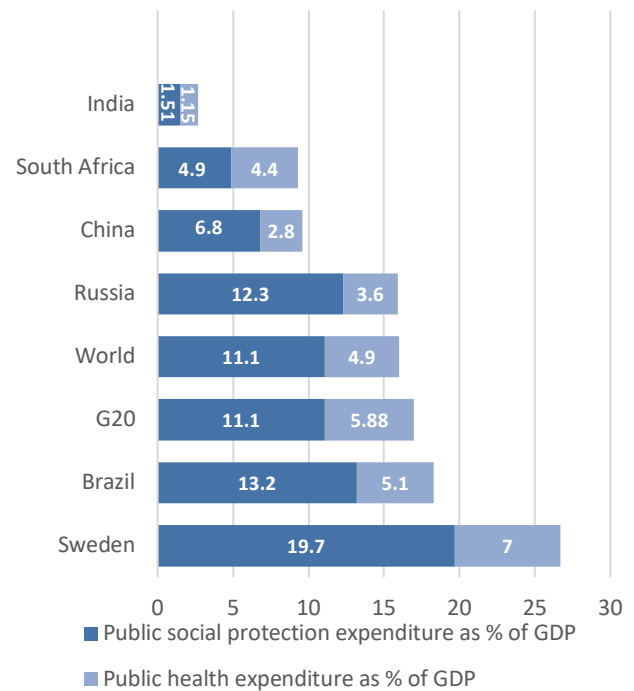
Source: Federal State Statistics Service, 2018

The minimum subsistence level is a nationally recognized minimum income level such that a person with income below this level is considered to be poor. In 2017, 19.3 million people or 13.2 per cent of the total population were living on incomes below the minimum subsistence level (Federal State Statistics Service, 2018).

Public social protection expenditure in the Russian Federation reaches 12.3 per cent of GDP, nearly as much as the average for G-20 countries, and slightly higher than the world average of 11.1 per cent (see Figure 3). Sweden has one of the most mature social protection systems worldwide and is investing 19.7 per

cent of its GDP. Together with Brazil, Russia is leading among BRICS countries in investment in social protection. Healthcare is an area where investments worldwide, in the G-20, and in Brazil are slightly higher than in the Russian Federation. This has been acknowledged by the Government which is prioritizing improvement of the health sector and access to health services.

Figure 3: Public social protection and health expenditure as % of GDP, 2015 or latest available year



Source: ILO, 2017; IMF; OECD

3. Significance of ratifying C102

Making the human right to social security a reality. Although the Russian Federation has used ILO social security standards as a reference for the development of its social protection system, the ratification of this landmark Convention is the first amongst ILO's up-to-date social security instruments. By ratifying Convention No. 102, the Russian Federation commits to ensure further alignment and compliance of its legal system with the instrument that is at the centre of the international legal social security architecture and which serves as a global reference point in the field of social security. The implementation of the Convention's principles and benchmarks will allow progressive

expansion of social protection coverage and improvement of the adequacy of benefits.

“Ratification of the Convention No. 102 means that Russia will undertake the relevant international obligations, including the most important one, the guarantee that a person shall receive a pension equal to at least 40 per cent of previous earnings.”

- *Andrey Isaev, a member of the Committee on Budget and Taxes*

Showing the political will to achieve the 2030 Agenda on social protection.

The ratification of Convention No. 102 shows the Russian Federation’s commitment to further develop its social protection system and observe at least internationally agreed minimum levels of protection in the context of a globalized economy, thereby promoting fair and sustainable globalization. In a broader context, the ratification of the Convention is also conducive to achieving the Sustainable Development Goals, including SDG 1.3 on social protection as well as SDG 3 (Good health and well-being), SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 10 (Reduced inequalities) and SDG 16 (Peace, justice and strong institutions).

A sound baseline and reference framework for national legislation.

As mentioned above, based on the relevant federal and regional legal frameworks as well as national practice, the Russian Federation ratified Convention No. 102 accepting obligations under all branches except those related to unemployment and family benefits.

Actual benefit levels in Russia for the accepted branches often meet and exceed the C102 minimum standards and qualifying conditions. For example, there are no eligibility criteria for maternity benefits; rather all working women as well as women studying in vocational schools are eligible for maternity benefits. Furthermore, according to the Convention, the duration of payment may be limited to 12 weeks, while in the Russian Federation, maternity benefits are paid in full for the entire period of 20 weeks of maternity leave. The maternity benefit amounts to 100 per cent of previous earnings, which is more than twice the minimum 45 per cent prescribed by ILO Convention No. 102. Another

example where the national legal framework exceeds the minimum standard prescribed in Convention No. 102 is the provision of a benefit for the care of a sick family member, which is not treated as a contingency by the Convention. Such a guarantee has a long tradition in the Russian Federation and contributes to the prevention of loss of income in case of sickness in the family.

Furthermore, in the process leading to the ratification of C102, the Russian Trilateral Commission on the Regulation of Social and Labour Relations approved in September 2015 a methodology for the calculation of replacement rates in the case of old age, disability or loss of breadwinner benefits that is based on the legal obligations stemming from the Convention (Government of Russia, 2018b). This methodology will be followed by the Government for demonstrating compliance with the quantitative benchmarks set by the Convention in order to secure adequate levels of benefits.

Protecting the social protection system in times of crisis.

When ratified, translated into and protected by national legislation, Convention No. 102 allows for the provision of adequate levels of social protection benefits that should be resistant to erosion in times of financial crises or economic downturns as well as the necessary reforms in the context of ageing and other structural transformations of the world of work. The ratification acts as a powerful tool for the maintenance of minimum standards of social security and ensures international, national and public supervision over the process of reforms. By so doing, it provides a guarantee that the country’s social security system will continue to rest on sound governance principles and ensure effective access to adequate social security.



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Social Protection Floors in Action: 100 success stories to achieve Universal Social Protection and SDG 1.3

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