

Summary of Panel discussion 1

Universal social protection to achieve the Sustainable Development Goals (SDGs) through South-South and Triangular Cooperation

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Ms Isabel Ortiz, Director of the Social Protection Department of the ILO set the scene on the importance of universal social protection to achieve the Sustainable Development Goals (SDG) and the role of South-South and Triangular Cooperation (SSTC) to foster the extension of social protection.

Universal social protection (USP), a combination of schemes that covers all people over their life cycles, has already been achieved by numerous countries. USP has the potential not only to eradicate poverty, but also to contribute to the reduction of inequalities. Social protection also builds social stability and contributes to foster economic development. Through increased household income, domestic demand increases and promotes economic growth.

There are many paths to USP. USP development starts with national dialogues on social protection that gather all stakeholders in a country, including government, workers' and employers' representatives, to agree on the importance of expanding social protection. Identifying gaps in the existing social protection system, evaluating the cost to fill these gaps and ensuring appropriate funding sources should result in the plan to move forward.

Social protection is a government responsibility. It is affordable and fiscal space for social protection exists even in low-income countries. Many employers consider social protection as a cost, partially because they look at their own enterprises (micro level) and not at the macro level. Looking at the macro level, social protection and wages contribute to increased domestic demand, which in turn contributes to economic growth.

“Universal social protection is a State responsibility that can be achieved through a publicly financed transfer, or a mix of contributory and non-contributory schemes. Fiscal space for social protection floors exists even in the poorest countries”

Mr Virgilio Levaggi, Director of Partnership and Field Operation Department of the ILO, stressed that the Decent Work Agenda of the ILO and its tripartite structure place the Organization in the position of a key player for the achievement of the SDGs. The Decent Work Agenda has been brought to a higher stage with the adoption of SDG Goal No. 8 on decent work, and is relevant to all 17 SDGs, including Target 1.3.

South-South and Triangular Cooperation (SSTC) adds value to the achievement of the SDGs. This ambitious agenda cannot be achieved only through traditional development cooperation. Far from replacing North-South Cooperation, SSTC is based on equality, non-conditionality and respect for national ownership, non-interference and mutual benefit. SSTC also offers a more human approach to development cooperation.

In the context of SSTC, the ILO takes on the role of facilitator and acts as a trustworthy partner that provides neutral expertise, generates synergies and ensures that lessons learned are shared with more countries. Also, the ILO can support the social consensus that is needed to guarantee the endorsement of policies.

Dr Jin Weigang, Director of the Institute of Social Insurance Studies, Ministry of Human Resources and Social Security (MOHRSS), China, presented China's approach to achieve USP by 2020 and detailed the impressive progress towards USP already achieved in China.

The social insurance system of China covers all contingencies mentioned in the ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102). The social insurance is based on five pillars, namely, basic old-age insurance, unemployment insurance, basic health insurance, employment injury insurance and maternity insurance. At the end of 2015, the basic old-age insurance covered 858 million persons (82 per cent of the population), while the basic health insurance covered about 666 million persons. Combined with the non-contributory scheme, 1.36 billion people benefit from health coverage in the country, offering universal coverage to both urban and rural residents since 2009.

The social assistance system is designed to address the needs of urban and rural vulnerable groups. It includes minimum living allowances, a rural vulnerable group support programme and medical assistance.

As early as 2006, China put forward the objective of developing a universal social protection system and a plan to achieve this objective by 2020. In 2015, the USP objective was included in the 13th Five-Year Plan (2016-2020), introducing reforms to improve the social security system, ensuring that every citizen can enjoy social security equally and legally. Reforms consist of rationalizing the existing social protection system, gradually realizing broader risk pooling (national or provincial level depending on branches) and better addressing vulnerable groups.

"China is advancing a series of reforms in social security and is constantly improving and perfecting the system by gradually shifting from the largest system to a more effective and sustainable social security system and endeavouring to realize the ideal of fairness for all to enjoy social security!"

Ms Pitchanuch Supavanich, ASEAN Secretariat, recalled the importance of exchanging knowledge and good practices among members of the Association of the Southeast Asian Nations (ASEAN) for the extension of social protection and the achievement of USP that is clearly enshrined in the ASEAN Declaration on Strengthening Social Protection and a Regional Framework and Action Plan.

ASEAN was created in 1967 and is composed of ten countries, most of which are developing countries. The ASEAN GDP doubled between 2007 and 2014, making it one of the fastest growing economies in the world. However, growth has not systematically benefited vulnerable groups (rural, ethnic minorities and migrant workers, among others), and ASEAN is facing the challenge of an ageing society.

Most countries have social protection policies, but these schemes vary in terms of legal framework and levels of implementation. An important ASEAN policy document on social protection is the ASEAN Declaration on Strengthening Social Protection adopted in 2013 which includes linkages with the ILO's Social Protection Floors Recommendation, 2012 (No. 202). It promotes a nationally defined social protection system for universal entitlement to social protection, which is a human right. The primary responsibility of social protection lies with governments.

A Regional Framework and Action Plan was adopted in 2015 emphasizing the role of capacity building, multi-sectoral responses, communication and coordination, resource mobilization and monitoring and evaluation as strategic areas of work to further develop the social protection system

in Member States. Social Protection is also a part of the ASEAN Social Cultural Community Blue Print adopted in 2015 and included in the work plans 2016.2020 of the ASEAN sectoral bodies.

“Social protection is not something new to the region; we are trying to move forward together setting standards and developing new approaches. We also know that many inspiring experiences exist and this is why we are ready to share experiences with more countries, such as China and other countries that have made significant progress in the extension of social protection.”

Ms Song Jing, Deputy Director Shanghai Enterprise Confederation (SHEC), shared her views as an employers’ representative, raising an important question related to the dual objective of extending social protection and ensuring the sustainable development of enterprises.

Since 2010, the Shanghai Enterprise Confederation has conducted surveys on labour costs, showing that the cost of social protection is seen as a major burden for enterprises. This is particularly the case for the old-age benefit since Shanghai’s population is aging, as well as the maternity benefit following the adoption of the two child policy.

The main challenges from the Shanghai Enterprise Confederation’s point of view are to guarantee the sustainability, equity and fairness of the social protection system, and ensure its wide acceptance by employers and workers who might not be willing to pay premiums, especially in the case of migrant workers.

As a consequence of business concerns, contribution rates will decrease from 45 per cent to 43 per cent to reduce the burden on enterprises. SHEC was engaged in the revision of the maternity regulation. During the consultations it was noted that maternity protection can protect the right to employment among women workers, but if it is not properly reformed, it could also lead to unemployment among women workers. When recruiting staff members, some enterprises ask women candidates whether they already have two children. Therefore, awareness-raising actions were pursued among enterprises so that the right of women to employment would be better respected.

To further reform social protection systems, employers can work on four aspects: (1) a further decrease in contribution rates to ensure business sustainability; (2) the identification of more resources for the social insurance fund; (3) policies could be improved to be more transparent and fairer; and (4) social insurance administration could be further improved and streamlined.