

# Universal social protection is achievable and critical to implementing the new UN development agenda

Speech by the ILO's Director-General, Guy Ryder at the ILO-China-ASEAN High-level Seminar to Achieve the Sustainable Development Goals on Universal Social Protection through South-South and Triangular Cooperation in Beijing, China.

Statement | 6 September 2016

Mr. Vice-Minister Kong Changsheng,

Honourable Ministers,

Distinguished Delegates,

Ladies and Gentlemen,

I am pleased to be here today to open this important high-level seminar on universal social protection. I would like to extend our thanks to the Government of China for hosting this event and for their significant financial support in the wake of the G20 Leaders summit.

It is not by chance that we host this event in China. Over the past several years China has achieved near universal social protection coverage in health and old-age pensions. This massive investment has led to China becoming an inspiring example for ASEAN countries and for many others.

Today we are presented with a unique opportunity to exchange knowledge and experiences on how to make the right to social protection a reality for all. I am delighted to have so many of you joining us here in China and those of you around the world joining us virtually. I would like to thank you all for your commitment to what I think is a shared vision of a world in which anyone can access income protection and support at any time -- a world with universal social protection.

### *A right unfulfilled*

Social protection is a human right. Most of you have it. I have it. But this is not the case for seventy-three per cent of the world's population who live without access to adequate social protection every day. That deprivation has very real and tangible consequences.

- Without health protection, people who are injured or ill are too often denied access to lifesaving care, while those who do receive treatment can face financial hardship — or even ruin — for seeking the health services they need.
- Without social protection, many children are born underweight and their long-term development is stunted. School-aged children are at greater risk of falling into child labour, when they should be studying for their future.
- Without social protection, unemployed or injured workers are left without any financial support while being retrained or looking for new

employment. Working parents can take no respite after childbirth to participate in their child's most formative moments.

- Without social protection, workers are left with no right to retire, and many older persons are forced to continue working as long as they physically can – often in poorly paid and precarious conditions.

In 2016, a lack of social protection is completely unacceptable. This has to change, and this can change.

### *The promise of a new agenda*

A consensus has emerged in the early 21st century that social protection is a fundamental development priority. Social protection is a key element of national strategies to promote human development, political stability and inclusive growth. This means universal social protection is necessary for all, not just as charitable support for the poor.

The ILO Social Protection Floors Recommendation, 2012 (No. 202), reflects this consensus on the extension of social security to all, reached among governments and employers' and workers' organizations from all member States at all levels of development. Further, the roll-out of social protection floors is endorsed by the G20 and the United Nations.

Last year, the international community adopted an ambitious new development agenda laying out the Sustainable Development Goals, which we aim to fulfil by the year 2030. This new agenda has been

carefully crafted to engender shared progress that will benefit everyone, everywhere. And few of its targets are more clearly formulated in this spirit than Sustainable Development Goal 1.3, which calls for implementing “nationally appropriate social protection systems and measures for all, including floors.”

To this end, the ILO has launched a new Global Flagship Programme on “Building Social Protection Floors for All”, partnering with governments, workers’ and employers’ representatives, civil society organizations, UN agencies and other development partners, academia and the private sector. The Programme will deliver accelerated technical assistance to help countries expand social protection coverage in line with the new agenda’s mantra of “leaving no one behind.”

One the most important aspects of this Programme is its clear focus on learning from the different experiences of many countries around the world, such as China, that have made remarkable strides in social protection expansion.

In its 13<sup>th</sup> five-year plan, China is pledging to reform and improve its social security system, to adhere to the principle of universal coverage and, interestingly, to significantly increase the participation rate of people with flexible employment and rural migrant workers in social security programs. It promises to address the shrinking of the working age population with comprehensive measures such as the gradual extension

of the retirement age; and increasing the employment capacity of an older workforce.

Many of you, of course, know that China has entered an “economic new normal” of medium-to-high economic growth that delivers higher quality output and significant increases in people’s well-being. That means labour markets are being reformed. The current employment structure is suited to an export-oriented development strategy relying on an abundant labour supply, and has served up a hefty environmental bill. This structure is no longer sustainable. Export markets are still recovering from the crisis while China’s labour force has started shrink since 2012 and workers are becoming more determined in pressing their case for all-round well-being.

China’s rapidly ageing society has significant implications for the structure of employment. First, demand for quality health and long-term care services is set to grow exponentially. Secondly, social protection policies will play a much bigger role in making these services affordable on a much more equitable basis than was hitherto the case. Thirdly, labour productivity – and commensurate compensation – of a gradually smaller workforce will need to rise to sustain higher social spending. That requires higher investments in human capital, but also better protection of decent working conditions, decisiveness in tacking inequality as well as measures that enable labour markets to gain more out of the available productive potential.

The nexus between social protection, quality job creation and sustainable economic growth is perfectly laid out in the aforementioned ILO Social Protection Floor Recommendation, 2012 (No. 202). Social security is an important tool to prevent and reduce poverty, inequality, social exclusion and social insecurity, to promote equal opportunity and gender and racial equality, and to support the transition from informal to formal employment.

Social security is an investment in people that empowers them to adjust to changes in the economy and in the labour market, and social security systems act as automatic social and economic stabilizers, help stimulate aggregate demand in times of crisis and beyond, and help support a transition to a more sustainable economy. The prioritization of policies aimed at sustainable long-term growth associated with social inclusion helps overcome extreme poverty and reduces social inequalities and differences within and among regions.

Nowhere in the world will this nexus be more deftly illustrated than in China in the next few years. China's successes in enhancing social inclusion will offer valuable answers to questions many other countries are asking.

We know that through South-South and Triangular Cooperation we can identify new and innovative approaches, many of which can be adapted and applied in other relevant contexts. These experiences not only provide valuable policy options to our constituents, but also serve to inform the technical advice and programming we regularly provide as an

international development agency dedicated to ensuring access to social protection for the world's people.

Ladies and Gentlemen,

I want to thank you again for your participation here today and over the course of this seminar.

Your active participation will provide valuable inputs and be a source of inspiration for countries seeking practical ways to achieve universal social protection. By providing concrete examples drawn from your own experience you will demonstrate that there is no “one-size-fits-all” approach and that universal social protection is feasible.

It is only by combining our knowledge, skills, experience and efforts that social protection will no longer be a privilege for the few, but can become a reality for all.

I wish you a successful and productive seminar!