

Summary of Panel discussion 4

Pensions and social security reform

7 September 2016

Chairs: Ms Isabel Ortiz, Director, Social Protection Department and Mr Nuno Cunha, Social Protection Specialist, ILO

Many countries have achieved or nearly achieved universal old-age pension coverage. This is the case in Argentina, the Plurinational State of Bolivia, Botswana, Brazil, Cabo Verde, Chile, China, Kazakhstan, Kyrgyzstan, Lesotho, Maldives, Mauritius, Mongolia, Namibia, Nepal, South Africa, Thailand, Timor-Leste and Uzbekistan. At the same time, other countries are restructuring their privatized and funded pension systems, going back to a public pay-as-you-go system. This is the case, for instance, in Argentina.

Ms Jiang Jia, Deputy Director-General, Department of Pension Insurance, Ministry of Human Resources and Social Security (MOHRSS), China

By the end of 2015, 858 million people were covered. The old-age pension has played an important role in protecting people, promoting economic development and maintaining the stability of society.

The Chinese Government attaches great importance to old-age pensions. That is why the level of pension for retired urban workers has been increased for 12 consecutive years.

One factor of our success is the realistic approach the Government has adopted, namely expanding the pension system step by step from the formal to the informal sector, and from urban to rural. Another important factor is that the Government has put social protection high on its agenda given its role in protecting people, developing the economy and maintaining social stability.

“The Chinese Government attaches a great importance to old-age pension.”

“The old-age pension has played an important role in protecting people, promoting economic development and maintaining the stability of society.”

Mr Agus Susanto, President Badan Penyelenggara Jaminan Sosial (BPJS), Indonesia

Until quite recently, old-age income security in Indonesia was mainly provided through provident funds. Now through a reform, we are shifting to a defined benefit scheme.

Fifty-eight per cent of the Indonesian labour force is informally employed and most of them have difficulties paying social insurance contributions. To address this, we are exploring new innovative ways to finance social protection. For example, one way is through a crowdfunding system whereby individual donors can finance the contributions of poor beneficiaries. We believe that this innovative mechanism will contribute to the financial sustainability of the pension system.

“We need South-South cooperation to better understand how we can finance social protection, especially for vulnerable groups.”

“Our goal is to cover all workers, including vulnerable working groups. This is an important element of our ‘no-poverty strategy’.”

Panellist: Mr I-Ben Natangwe Nashandi, Permanent Secretary, Ministry of Poverty Eradication and Social Welfare, Namibia

Our Constitution mandates that the State will provide a social pension to older citizens. The social protection system is also embedded in a number of social protection laws. In line with that, three grants (old-age, disability and funeral) are provided to all eligible citizens, resulting in coverage rates as high as 98 to 100 per cent. These grants have multiple effects and contribute significantly to poverty eradication.

There is increasing pressure from external partners to rationalize the grants since some beneficiaries receive up to three grants.

“The Government has significantly increased the level of old-age grants because they have multiple effects and they contribute significantly to poverty eradication.”