What have we learnt and the way forward

Universal Social Protection Floors to Achieve the SDGs through South-South and Triangular Cooperation

Beijing, 8 September 2016

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We are going to work together until 2030...

- The Sustainable Development Goals, particularly SDG 1.3 “Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”

- Article 22 of the [Universal Declaration of Human Rights](https://www.un.org/en/udhr/) states “Everyone, as a member of society, has the right to social security”

...to make the dream a reality: Universal social protection for all

- All schemes developed, from child/maternity benefits to old age pensions
- Coverage for all
- Benefit adequacy

Many more developing countries will achieve universal or nearly universal social protection schemes...

- Argentina
- Armenia
- Azerbaijan
- Belarus
- Bolivia
- Botswana
- Brazil
- Brunei
- Cabo Verde
- Chile
- China
- Cook Islands
- Georgia
- Guyana
- India
- Kazakhstan
- Kiribati
- Kosovo
- Kyrgyz Republic
- Lesotho
- Maldives
- Mauritius
- Mongolia
- Namibia
- Nepal
- Samoa
- Seychelles
- South Africa
- Swaziland
- Tanzania (Zanzibar)
- Thailand
- Timor-Leste
- Trinidad Tobago
- Ukraine
- Uruguay
- Uzbekistan

Example: China Expansion of old-age pension coverage over 2001-2013

... there will be more South-South cooperation...
...and more development partners will work together to promote Universal Social Protection Systems

See: universal.social-protection.org
We will build/improve universal social protection systems, including floors

*Formulating national social protection strategies through national dialogue*

- (a) Start **national dialogue** and call all relevant stakeholders, including employers, workers, UN and development partners
- (b) **Identify gaps** in social protection;
- (c) Determine **appropriate social protection schemes**, whether **contributory or non-contributory**, or both, as well as the time frame and sequencing for the progressive achievement of the objectives
- (d) **Cost** selected schemes, identify potential **fiscal space**
- (e) Discuss **financial and human resources** with Ministry of Finance
- (f) **Agree national strategy through national social dialogue**
We learnt that universal social protection is a State responsibility that can be achieved in many ways.

Governments have a wide set of options to achieve universal social protection. South-South learning shows:

- Some countries opted for immediate universal coverage – eg. Namibia, Timor Leste.
- Others gradual and progressive approach – eg. Brazil, Thailand.
- Some have universalism embedded in their national constitutions - eg. Bolivia, Indonesia.
- Some have done it by a publicly financed transfer - eg Namibia
- Others by mix of contributory and non-contributory schemes – eg Argentina, China.
We learnt that universal social protection is affordable in most developing countries...

Cost of universal pension coverage, national poverty line, %GDP

Source: ILO calculations
... but we also learnt that there are short-term pressures to cut expenditures and consolidate...

Fiscal consolidation (or austerity) in 132 countries in 2016.

- 107 countries advised to target social programs to the poor for cost-savings
- 105 countries advised to reform pensions

This advice endangers the SDGs

- Targeting against the expansion of social protection to all
  Target to the poor, punishing vulnerable groups and the middle classes?
  Middle classes are low income in developing countries and in need of
  support for human development, inclusive growth (consumption, increasing
  domestic demand) and for political stability.

- Pensions may be improved with minor parametric adjustments – but
  structural reforms to be avoided. Note current trend reversing pension
  privatizations. Argentina (2008), Bolivia (2010), Poland (2013), Hungary
  (2010), Kazakhstan (2013).

... and that this should not deviate us from the longer-term objective of universal social protection
Shifting policy paradigm 1980-2015

**Washington consensus**
- 1980s
  - Grow first, distribution later (if at all)
  - Deregulation, privatization
  - Cuts in public services/ budgets
  - Pension privatization
  - **Minimal social safety nets** to cushion the consequences of adjustment policies
  - Jobless growth

**Pro-poor growth**
- 1990s
  - Growth first, but with some attention to the poor
  - Focus on social protection **targeted to the poor**
  - Support for *(conditional) cash transfers*, health and education
  - Labor reforms
  - Still jobless growth

**Inclusive growth and development**
- Social protection systems indispensable for growth and development
- **Social contract = for all** (not just the poor, also middle classes that are low income)
- **Universal and progressive** approach
- Public pension systems
- Complementary to employment-generating investments in National Development Strategies
... because fiscal space for social protection floors exists even in the poorest countries

- There is national capacity to fund social protection floors in virtually all countries. There are many options, supported by UN and IFIs policy statements:
  - Re-allocating public expenditures (e.g. subsidies)
  - Increasing tax revenues
  - Expanding collection of social security contributions
  - Fighting illicit financial flows
  - Lobbying for increased aid and transfers
  - Tapping into fiscal and foreign exchange reserves
  - Restructuring debt
  - Adopting a more accommodative macroeconomic framework (e.g. tolerance to some inflation, fiscal deficit)

Source: Fiscal Space for Social Protection: Options to Expand Social Investments in 187 Countries ILO.
Last, but not least... together we will monitor progress

- Since the 1940s, the ILO Social Security Inquiry (SSI) is the main source of global data on social protection, used by policymakers, officials of international organizations and researchers.
- Last edition distributed to all world countries in June 2016, collecting responses
- Monitoring SDG 1.3

Chick here for the SSI QUESTIONNAIRES AND MANUAL in several languages
Universal Social Protection Floors are Feasible and Doable

Thank you

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http://universal.social-protection.org