Social protection floor and return to employment

Valerie Schmitt & Celine Felix
And other specialists!!!
DWT meeting
7 December 2010
Structure

• 1\textsuperscript{st} point: What is the Social protection floor concept & approach?

• 2\textsuperscript{nd} point: Linking SPF with employment
1st point: What is the Social protection floor concept & approach?

• The social protection floor is a set of basic social rights, services and facilities that each member of society should enjoy
• It is not a safety net
• It is included in the social security staircase and is the 1st step towards the development of a comprehensive system of social protection
• It is a precondition to inclusion in labor market and can support ALMPs
• It is recognized as a powerful approach to address low social protection coverage in Asia
• Many countries in Asia have developed elements of the SPF
What is the Social protection floor concept & approach?

• The social protection floor initiative
  – One of the nine UN initiatives to confront the crisis
  – Many actors involved (UN agencies, ministries, civil society …)
  – Advisory group (Visit Mrs Bachelet, Flagship report, Case studies)
  – Technical Coalition (interagency meeting on the SPF → roadmap of activities)
  – Teams at country level
  – Conclusions of the 8th ASEM meeting, 4 & 5 Oct. 2010

• Heads of States and of Governments of 46 Asian and European countries noted with interest the concept of SPF
• Leaders called for further sharing of experiences and for technical assistance in implementing social welfare policies
What is the Social protection floor concept & approach?

• A set of basic social rights, services and facilities that each member of society should enjoy.

• A SPF should consist of:

- Availability of essential services:
  - Housing, WATSAN, 
  - Education/skills, 
  - Health care supply, 
  - Food/Nutrition, 
  …

- Accessibility of these services through basic transfers in cash or in kind:
  - Subsidized health insurance / health cards, 
  - Scholarships & school buses, 
  - Minimum income support to families (family/child benefits), the working poor (cash transfers and PWP) and the elderly (minimum pensions) …

• Notion of availability and accessibility – both work hand in hand, are articulated.
What is the Social protection floor concept & approach?

- The SPF is not a safety net
What is the Social protection floor concept & approach?

• The SPF is not a safety net

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Safety Nets</th>
<th>Social Protection Floor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Objective</td>
<td>Poverty reduction</td>
<td>Giving effect to the Human Right to Social Security</td>
</tr>
<tr>
<td>Type of interventions</td>
<td>Targeted set of non-contributory transfers, depending on government priorities</td>
<td>Universal entitlement to protection through a defined basic package for all in need</td>
</tr>
<tr>
<td>Benefit levels</td>
<td>Minimum</td>
<td>National poverty lines</td>
</tr>
<tr>
<td>Role</td>
<td>SNs as transitory response measures/short term (crisis, reforms)</td>
<td>Rights-based, systemic “insurance” against poverty for all residents</td>
</tr>
</tbody>
</table>
What is the Social protection floor concept & approach?

- The SPF = 1st level of the SS staircase

**Vertical dimension** (higher levels of benefits for those who can contribute)

- Voluntary private insurance
- Statutory contributory social insurance
- Partially contributory & linked schemes

**Horizontal dimension** (SPF & schemes for informal economy)

- Poor and near poor
- Informal economy
- Private sector employees
- Civil servants
- Armed forces

Basic benefits / social protection floor for all. Non contributory for the poor; other groups may contribute …

100% full coverage

Intermediate coverage
What is the Social protection floor concept & approach?

- Many countries in Asia have developed elements of the SPF:
  - nation wide non-contributory or highly subsidized social protection programs
  - national strategies to accelerate the implementation and scaling up of diverse and scattered basic social protection programs
What is the Social protection floor concept & approach?

**India:** RSBY, NREGA

**Cambodia:** CARD’s SP strategy for the poor and the vulnerable with clear reference to the SPF … including HEFs, CBHIs, Food distribution, Cash transfers, PWPs…

**Indonesia:** Implementation of SS Law starting with health: Jamkesmas

**China:** minimum living standard guarantee program; new rural corporative medical care (NRCMC); health insurance for urban uninsured residents (HIUR); rural old-age pension

**Lao:** extension of SHP for all

**Thailand:** UC scheme, minimum pension scheme (500 THB)

**Vietnam:** 10 years Social protection strategy
SPF around the world ...

Elements of the SPF already exist in many developing countries (85)

**Comprehensive SPF:** Brazil, Mexico, Chile, Uruguay

**Social pensions:** Brazil, South Africa, Bolivia (pension dignidad), Chile (pension basica solidaria), Thailand (500 Bath scheme), China (rural old age pension)...

**CCTs:** Brazil (Bolsa Familia), Mexico (Oportunidades)

**Employment guarantee schemes:** India (NREGA), Uruguay (Política de empleo promovido), Argentina (Plan jefes y jefas de familias)

**HEALTH:** China (urban & rural), India (RSBY), Thailand (UCS), Mexico (Seguro popular), Colombia (regimen subsidiado), Uruguay, Chile (plan AUGE), Burkina Faso, Rwanda ...
2nd point: Linking SPF with employment

- Access to a SPF, a precondition for employment
- The SPF removes the barriers of access to employment & training
- The SPF, a tool for activating labour market policies
- Rationale: towards a virtuous cycle & country examples
- How to make linkages between SPF & Employment operational?
Access to a SPF, a precondition for employment

Availability of water and sanitation and proper housing infrastructure

Adequate health and nutrition

Minimum level of education

Vocational training more efficient

Easier to find a job

FULFILLING BASIC NEEDS …
Free Vocational Training

Oil as incentive to send girls to the schools in post-genital

Encouragement and grants (such as fertilizers subsidies, school feedings)

Removing school fees

Better education creates more opportunities for employment... including entrepreneurship.

Free immunization for children - providing free school supplies, winter clothes for poor families.

School enrollment increases

Incapacity de prendre en charge les mesures d'accompagnement adéquate

Construction de points cimentés (accès eau) = libérer les filles à aller à l'école

Ecole obligatoire (pouvoir) pour les filles

Programme vacance familiales/familles - petit revenant

Primary school

Vaccination - Case but petits (Subvention)

AER par les femmes organisées = accès aux crédits, activités socio-économiques, HIV and les femmes

Format professionnel, kit scolaire, transfert formation pour enfants, orphelins, populations à risque

Accessibilité, remise aux enfants 0-5 ans et à la population de manière globale

Assurance santé scolaire

Appui des GF en matériel agricole

Infrastructures de base (crèches, dispensaires, postes de santé)

Appui à l'organisateur de la participation communautaire
The SPF removes the barriers of access to employment & training

Multiple barriers:
- Live in remote areas without public transportation
- No access to child care and schools
- Chronically ill with no access to appropriate health care
- Un decent living conditions
- No access to information

Capacity to work, actively seek jobs or undertake vocational training is limited

The social protection floor helps to remove the barriers:
- Minimum income to face expenses related to job seeking
- Family benefits to cover child care expenses
- Access to basic health care
- Decent living conditions (housing, food) …
senior managers - strategic workers

- accessibility
- transport

- legal identity - legal - subsidies - (transportation) - community

- access to education - access to information - access to welfare - access to medical care

- small scale, political solving - rural areas - small scale

- barriers - transportation - access to medical care - political solving - socio-economic problems - immigration

- access to medical care - access to information - access to education

- rural areas - small scale - political solving - transportation - access to medical care

- small scale - political solving - transportation - access to medical care
The SPF, a tool for activating labour market policies

• One step further, by linking the provision of some elements of the social protection floor such as
  – a minimum income support
  – or priority access to basic social services (such as child care)
• with the fulfilment of certain conditions
  – (e.g., being registered in an employment service centre, seeking and accepting jobs, undertaking vocational training, undertaking work beneficial for the community such as work fare) …
• The social protection floor becomes a tool for activating labour market policies …
• And in addition contributes to increase the chances of finding a new job
The SPF, a tool for activating labour market policies

**LINKAGES between elements of the SPF and a behaviour (actively seeking for jobs & being more employable)**

**IF: Conditions**
- being registered in an employment service centre,
- seeking and accepting jobs,
- undertaking vocational training,
- undertaking work beneficial for the community such as work fare

**THEN: Provision of**
- minimum income (ex: RSA), family benefits, priority access to basic crèches/child care
Rationale: towards a virtuous cycle

- **Unemployed**
- **Underemployed**
- **Working poor**

**Social protection floor**
(services and transfers)

**Employment services**
(training, job placement, creation of micro-enterprise)

- **Increased consumption (AVT)**
- **Paying taxes**
- **Paying social contributions**

**Sustainable income & Higher level of social protection**

**Redistribution & funding of social services**

**Argument for policy makers**

We have to demonstrate it is a win-win scenario – through a cost-benefit analysis

**Extension of social security**

**Sustainable employment**

“One stop shops”

Social justice
Rationale: country examples

• **Revenu de Solidarite Active (RSA)**
  – Finding a new job entails costs (transportation, child care, clothes, etc.)
  – Before the RSA: the Minimum income was stopped as soon as the unemployed founded a new job → disincentive to actively seek and accept jobs
  – With the RSA:
    • the minimum income continues (although reduced);
    • the basic salary of the working poor is supplemented so that they have an incentive to work (as compared to those who benefit from basic social transfers without working).
Rationale: country examples (to be further documented)

- India - NREGA & LabourNet Joint Initiative [www.labournet.in](http://www.labournet.in)
- South Africa - One Stop Shops
- Argentina
- Mexico, Chile
- Solo (formalizing street vendors)
Rationale: country examples

Formalizing street vendors in Solo

Monjari public park occupied by 989 street vendors in 2005
Rationale: country examples

Formalizing street vendors in Solo

For automotive section, sales have increased up to 400% from sales in Monjari
Rationale: country example

A win-win scenario? “City-Income” in Solo

<table>
<thead>
<tr>
<th>Before Revitalization</th>
<th>After Revitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,8 M</td>
<td>19,2 M</td>
</tr>
</tbody>
</table>
How to make linkages between SPF & Employment operational? …

• “One stop shop” approach:
  – Develop one stop shops where IE / vulnerable groups would have access to social services (health, child care, scholarships…)
  – In addition to social services they would receive a minimum income under certain conditions:
    • Undertaking training & actively seeking jobs
    • Work beneficial for the community …
  – They would progressively move towards sustainable employment (decent jobs) with also higher capacity to pay taxes and social contributions

“One stop shops”

Social protection floor
(services and transfers)

Employment services
(training, job placement, creation of micro-enterprise)
## Functions:

### 1. Enrolment
- Registration
- Identification of social needs & Vulnerability assessment

### 2. Job placement
- Skills assessment
- Are requirements (seeking jobs, training) met?

### 3. Support creation of productive & decent employment
- Skills assessment
- Automatic registration in adapted SS schemes

## Administrative procedures

<table>
<thead>
<tr>
<th>Social protection services</th>
<th>Minimum income guaranteed through</th>
</tr>
</thead>
<tbody>
<tr>
<td>child care, health cards, scholarships...</td>
<td>employment guaranteed schemes</td>
</tr>
<tr>
<td>public procurement</td>
<td>Minimum income continued although progressively reduced...</td>
</tr>
<tr>
<td>Partially subsidized <strong>social security schemes</strong></td>
<td>Partially subsidized <strong>social security schemes</strong></td>
</tr>
<tr>
<td>OSH</td>
<td>OSH</td>
</tr>
</tbody>
</table>

## Employment services

- Channeling job opportunities: PWP, self-employment
- Channeling business opportunities & access to markets
- Training services
- Support to enterprise creation e.g. through micro-credit and specialized training

---

**Labour market inclusion / social protection / decent work**
Who are the beneficiaries of the floor & the one stop shop?

For families → access to childcare facilities, etc.

For population in working age → Improved access to adapted job opportunities (through ALMPs)

For the elderly + → Access to basic income