Extending social protection: an ILO perspective

Valerie Schmitt, 19 October 2010
Structure

- ILO mandate
- Definitions and rights based approach
- ILO conventions
- Coverage gap (statistics)
- How to extend social security: the staircase
- The social protection floor
- Linking SP with employment
- Experience in Asia: Situation and ILO’s intervention
ILO Mandate

• The ILO was founded in **1919**

• It seeks the **promotion of social justice** and internationally recognized **human and labour rights**

• The ILO is the UN agency specifically charged with setting international labour standards which regulate conditions across work related issues:

**Conventions**

**& Recommendations**
ILO Mandate

- **Social security** = part of the ILO mandate since 1919
- **Preamble to the ILO Constitution (1919):** ...to improve conditions of labour, inter alia, through the «prevention of unemployment, ...the protection of the worker against sickness, disease, and injury arising out of his employment, the protection of children, young persons and women, provision for old-age and injury»

The Commission on International Labour Legislation meeting during the Paris Peace Conference, February-March 1919. This Commission was responsible for the drafting of the ILO Constitution, which was later embedded in the Treaty of Versailles.
ILO Mandate

- The extension of SS = part of ILO mandate since the Declaration of Philadelphia (1944) on the goals and objectives of the ILO; it recognizes the Organization’s solemn obligation to pursue “the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care”

- ILO constituents widened the mandate of the Organization from the social security protection of workers and their families to the extension of social security measures to all those in need

- Objective (as of 1944) = to extend social security to all, in all countries of the world
• The extension of SS through pluralistic strategies, since 2001: « Social security: a new consensus »
  – 89th International conference, in 2001
  – Priority to the extension of coverage
  – Several strategies for extending coverage (insurance, social assistance, potential of micro-insurance, the design and implementation of integrated national strategies for social security ...)
  – Proposal to launch a global campaign for the extension of social security for all

• The global campaign (launched at ILC 2003)
ILO Mandate

- The social protection floor initiative
  - April 2009: the UN Chief Executives Board (CEB) have agreed on nine joint initiatives to confront the crisis and accelerate recovery
  - One of them is the **Social protection floor initiative**, co-lead by the ILO and WHO

- The **Global Jobs Pact** (adopted by the ILC 2009) requests countries that do not yet have extensive social security to build adequate social protection for all, **drawing on a basic social protection floor** ...
ILO Mandate

1919
Preamble of ILO Constitution
Realization of the right to social security part of ILO mandate

1944
C102, minimum standards

1952
Declaration of Philadelphia
Extension of social security part of ILO mandate

2001
89th ILC
Social security, a new consensus

2003
96th ILC
ILO Declaration on social Justice for a fair globalization

2008
Global campaign for the extension of social security for all

2009
97th ILC
Adoption of the Global jobs pact, which includes the Social protection floor “countries that do not yet have extensive social security are requested to build adequate social protection for all, drawing on a basic social protection floor”

Part of UN CEB 9 joint initiatives
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Definition: What is Social security?

- **Social security** is the protection which society provides for its members through various public statutory / compulsory mechanisms (delivery can be done by private entities with public mandate):
  - Provide access to **health care**
  - Protect people against the financial / economic consequences of:
Definition: What is Social security?

Types of Social security schemes

**Contributory schemes**: The contributions made by beneficiaries (& employer) determine entitlement to benefits
- Statutory *social insurance* scheme
- National provident funds (lump sum to beneficiaries when particular contingencies occur, typically old age, invalidity or death)

**Partially contributory schemes** *(subsidized contributions)*

**Universal schemes for all residents** *(ex: guarantee access to health care)* or for specific categories of the population *(ex: minimum income to the elderly above a certain age or children below a certain age)*. Generally tax-financed, but may require a co-payment *(ex: user fees for health care)*

**Social assistance (means tested) schemes** *(ex: Conditional cash transfers provide cash to families subject to the condition that they fulfil specific “behavioural” requirements; Employment guarantee schemes ensure access to a certain number of workdays a year to poor households …)*
Definition: What is the social protection floor?

- A set of basic social rights, services and facilities that each member of society should enjoy.
- A SPF should consist of:
  - Notion of availability and accessibility – both work hand in hand.
  - 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 PWPs) and the elderly (minimum pensions) ...

<table>
<thead>
<tr>
<th>Social services &amp; transfers</th>
<th>For...</th>
<th>Types of programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health: Health care supply + Financial / Physical access</td>
<td>All population</td>
<td>Subsidized health insurance, HEFs ...</td>
</tr>
<tr>
<td>Education: Supply of schools + Financial / Physical access</td>
<td>Children</td>
<td>Scholarships, School feeding programs</td>
</tr>
<tr>
<td>Water, Food, Sanitation, Housing: Transfers in kind: food, water ...</td>
<td>All the poor</td>
<td>Food distribution, water supply</td>
</tr>
<tr>
<td>Minimum income: Transfers in cash</td>
<td>Families with children</td>
<td>Family/Child allowances</td>
</tr>
<tr>
<td>Working poor, under-employed</td>
<td>PWPs, employment guaranteed schemes</td>
<td></td>
</tr>
<tr>
<td>Elderly, disabled..</td>
<td>Minimum pensions</td>
<td></td>
</tr>
</tbody>
</table>
Availability of essential services:
- Housing, WATSAN,
- Education/skills,
- Health care supply,
- Food/Nutrition, …

Basic transfers in cash or in kind:
Social assistance
Universal access to health care

Compulsory & contributory social insurance
Partial contributory schemes

Voluntary private insurance (ex: pension fund)
Voluntary private insurance (ex: Micro-Health Ins.)
Assistance from private donors, charity …

Social security, protection, the SPF …

Civil servants
Armed forces
Private sector employees
Informal economy

SP Floor

Poorest and near poor

Social security

Social protection
Social security is a human right

• Through the adoption of the **Universal Declaration of Human Rights (1948)**, UN Member States have recognized social security as a basic human right:
  - **Article 22**: Everyone, as a member of society, has the right to social security
  - **Article 25**: Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family

• Through ratification of the **International Covenant on Economic, Social and Cultural Rights (1966)**, 160 UN Member States ...
  - « recognize the right of everyone to social security, including social insurance » (Article 9)

• One area of social security (access to health) is addressed by a specific right: **the right to health**
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ILO norms for implementing this right

- **Social security conventions and recommendations** are the main tools through which the ILO promotes right to social security
- **“Flagship Convention”** Social Security (Minimum Standards) Convention, 1952 (No. 102)
  - Defines nine areas of social security: medical care, sickness, unemployment, old age, employment injury, maternity, invalidity, survivors, and benefits for families with children
  - Sets minimum standards for each of these branches
- **Other up-to-date conventions**
  - Employment Injury Benefits Convention, 1964 (No. 121);
  - Invalidity, Old-Age and Survivors’ Benefits Convention, 1967 (No. 128);
  - Medical Care and Sickness Benefits Convention, 1969 (No. 130);
  - Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168);
  - and Maternity Protection Convention, 2000 (No. 183).
  - In addition, the Equality of Treatment (Social Security) Convention, 1962 (No. 118), makes provision for the equality of treatment between national and non-national workers with regard to coverage by the branches of social security
## Convention 102, 1952
### Minimum standards

<table>
<thead>
<tr>
<th>Branches</th>
<th>Minimum Standards</th>
<th>Benefit</th>
<th>Conditions</th>
<th>Duration of Benefit</th>
<th>Coverage of persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sickness Benefit</td>
<td>45% (sickness)</td>
<td>To preclude abuse</td>
<td>26 weeks (each case)</td>
<td>50% of all employees or 20% of all residents, or all residents whose means do not exceed certain limits</td>
<td></td>
</tr>
<tr>
<td>Unemployment Benefit</td>
<td>45%</td>
<td>To preclude abuse</td>
<td>13 weeks in period of 12 months</td>
<td>50% of all employees, or all residents whose means do not exceed certain limits</td>
<td></td>
</tr>
<tr>
<td>Old-Age Benefit</td>
<td>40%</td>
<td>30 years</td>
<td>Throughout the contingency</td>
<td>50% of all employees or 20% of all residents, or all residents whose means do not exceed certain limits</td>
<td></td>
</tr>
<tr>
<td>Employment Injury Benefits</td>
<td>50%</td>
<td>No qualifying period allowed</td>
<td>Throughout the contingency</td>
<td>50% of all employees, and their widows and children in case of death of the breadwinner through an employment injury</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Short term disability</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Permanent disability</td>
<td>40%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Death of the breadwinner</td>
<td>40%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Benefit</td>
<td>3% or 1.5%</td>
<td>To preclude abuse</td>
<td>Throughout the contingency</td>
<td>50% of all employees or 20% of all residents, or all residents whose means do not exceed certain limits</td>
<td></td>
</tr>
<tr>
<td>Maternity Benefit</td>
<td>45%</td>
<td>To preclude abuse</td>
<td>Minimum of 12 weeks</td>
<td>Women of classes of employees constituting not less than 50% of all employees or 20% of all residents,</td>
<td></td>
</tr>
<tr>
<td>Invalidity Benefit</td>
<td>40%</td>
<td>15 years</td>
<td>Throughout the contingency or until old – age pension is paid</td>
<td>50% of all employees or 20% of all residents, or all residents whose means do not exceed certain limits</td>
<td></td>
</tr>
<tr>
<td>Survivors’ Benefit</td>
<td>40%</td>
<td>15 years</td>
<td>Throughout the contingency</td>
<td>Wives and children of 50% of all employees, or 20% of all residents, or all resident wives and children whose means do not exceed limits</td>
<td></td>
</tr>
</tbody>
</table>
Why is it important to ratify C102?

- Convention 102 defines minimum standards in social security; the ratification process is an opportunity to **verify if the national legislation complies with these minimum requirements**
- If it does not the ILO supports the review of the legislation and modification of practice so that they progressively comply with the minimum requirements; therefore the social security situation of the country is enhanced
- Ratification **guarantees also the sustainability** of the SS system
- It **enhances the confidence** of insured persons in the scheme and in the national Social Security administration in general
- It **prevents countries from slipping back** and it has a great impact on the SS coverage and the reduction of poverty
- States that ratify will benefit on a priority basis from ILO experience in the field of Social protection and from **technical assistance**, including policy advice and actuarial studies, collection of data, drafting of legislation, etc.
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The problem: coverage gap

- Only about 20 per cent of the world’s working-age population (and their families) have effective access to comprehensive social protection.
- In many countries the number of social security branches to which the population has access is limited. **Scope**
- For those schemes which are available only a limited percentage of the population is legally covered (e.g. formal sector) **Extent**
- There is a difference between legal and effective coverage.
- The levels of benefits are often limited, providing therefore a coverage which is not adequate **Level**
- Countries in Asia don’t invest enough in social security (choice of society more than a question of affordability) …
The problem: coverage gap
Health protection

Proportion of the population covered by law, latest available year (percentages)

Indonesia, efforts towards Universal coverage with Jamsostek + Jamkesmas… Thailand UI scheme since 2001
The problem: coverage gap
Old age benefits

Old-age pension beneficiaries as a percentage of the population above retirement age, latest available year (contributory and NC pensions)
The problem: coverage gap
Un-employment benefits

Effective coverage worldwide; unemployed who actually receive benefits, latest available year (percentages)

Only Thailand has a long established UI scheme. Viet Nam established a UI scheme in 2009. Malaysia, Philippines have conducted feasibility studies for the future establishment of UI schemes.
### The problem: coverage gap

Countries do not invest sufficiently in Social Security

Dichotomy between GDP growth and employment growth. Inequalities increasing.

<table>
<thead>
<tr>
<th>Country</th>
<th>Average GDP Growth (2001-08)</th>
<th>Average Employment Growth (2001-08)</th>
<th>Gini coefficient (latest available year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>10.2</td>
<td>0.9</td>
<td>41.53 (2005)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5.2</td>
<td>1.7</td>
<td>39.41 (2005)</td>
</tr>
<tr>
<td>Japan</td>
<td>1.3</td>
<td>-0.1</td>
<td>n.a.</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>4.4</td>
<td>1.4</td>
<td>n.a.</td>
</tr>
<tr>
<td>Malaysia</td>
<td>5.1</td>
<td>1.8</td>
<td>37.91 (2004)</td>
</tr>
<tr>
<td>Mongolia</td>
<td>7.2</td>
<td>3.2</td>
<td>33.03 (2005)</td>
</tr>
<tr>
<td>Pakistan</td>
<td>4.8</td>
<td>3.7</td>
<td>31.18 (2005)</td>
</tr>
<tr>
<td>Philippines</td>
<td>4.8</td>
<td>2.8</td>
<td>44.04 (2006)</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>5.1</td>
<td>1.7</td>
<td>41.06 (2002)</td>
</tr>
<tr>
<td>Thailand</td>
<td>4.8</td>
<td>1.7</td>
<td>42.45 (2004)</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>7.6</td>
<td>2.0</td>
<td>37.77 (2006)</td>
</tr>
</tbody>
</table>

**Source:** IMF, World Economic Outlook Database, July 2009; ILO, LABORSTA; ILO, Key Indicators of the Labour Market, Sixth Edition; World Bank, World Development Indicators.
WORLD SOCIAL SECURITY REPORT 2010/11
PROVIDING COVERAGE IN TIMES OF CRISIS AND BEYOND

This report is the first of a series whose chief aim is to present the results of regular statistical monitoring of the state and developments of social security in the world. The series will look at:

- the scope, extent, levels and quality of coverage by various social security branches;
- the scale of countries' investments in social security measured by size and structure of social security expenditure and sources of its financing; and
- the effectiveness and efficiency of social security systems in reaching various national social policy objectives as well as other impacts of the policies which may be of special interest.

It is based to a large extent on information and statistics collected within the ILO Social Security Inquiry and in this respect it may be seen as a continuation of the reports produced over past decades (since the 1950s) by the ILO on the cost of social security, but with broader ambitions.

The main objective of the current report is to present the knowledge available on coverage by social security in different parts of the world, and to identify existing coverage gaps.

The report thus focuses on three elements:

- mapping social security coverage globally and by region or other country grouping (such as level of income) using the various information and statistical sources available;
- presenting various methods and approaches to assessing social security coverage;
- identifying and indicating gaps in measurable statistical knowledge on social security coverage, costs and impacts, in order to raise awareness of the need for and importance of high-quality social security statistics.
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- Experience in Asia: Situation and ILO’s intervention
Many arguments towards the extension of social security

• Human right
• Social and economic stabilizer
• Enhances productivity at enterprise level
• Impact of redistribution on consumption & domestic markets
• and a basic set of social protection is affordable!
• → political decision
Evidence emerges that a minimum package of social security benefits is affordable in even the poorest countries (recent work by the ILO on the cost of a minimum package in sub-Saharan Africa, Asia and Latin America).

A SPF is possible from a financial and macro-economic point of view in every country (3 to 5% of GDP). SP is rather a cost-effective investment in human capital.

At country level the ILO conducts SPER and social budget + fiscal space analysis + cost / benefit analysis of implementing basic social security benefits …
Extending Social Security is feasible

Elements of the SPF already exist in 85 developing and middle income countries

**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)

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

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

- Basic benefits / social protection floor for all. Non contributory for the poor; other groups may contribute...
- Partially contributory & linked schemes
- Voluntary private insurance

Groups:
- Poor and near poor
- Informal economy
- Private sector employees
- Civil servants
- Armed forces
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    ...
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    - Scholarships & school buses,
    - Minimum income support to families (family/child benefits), the working poor (cash transfers and PWPs) and the elderly (minimum pensions) ...
- Notion of availability and accessibility – both work hand in hand, are articulated
Components of the SPF in Asia

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
What is the SPF Initiative?

- On April 2009, the UN Chief Executives Board (CEB) have agreed on **nine joint initiatives** to confront the crisis, accelerate recovery and pave the way for a fairer and more sustainable globalization:

1. Additional financing for the most vulnerable
2. Food Security
3. Trade
4. A Green Economy Initiative
5. A Global Jobs Pact
6. **A Social Protection Floor**
7. Humanitarian, Security and Social Stability
8. Technology and Innovation
9. Monitoring and Analysis
Who is supporting the SPF Initiative?

- **At country level:**
  - Government institutions: Ministry of Labour, Health, Finance, Agriculture, social security institutions…
  - Non Governmental Actors: social partners, NGOs, cooperatives, mutuals, associations, civil society …
  - UN Country teams

- **At global level:**
  - 17 Agencies: ILO and WHO (co-leaders), FAO, OHCHR, UN regional commissions, UNAIDS, UNDP, UNDESA, UNESCO, UNICEF, UNFPA, UNHABITAT, UNHCR, UNODC, UNRWA, WFP, WMO
  - The World Bank and IMF, Regional development banks, bilateral donors, global funds, EU,
  - International NGOs (Helpage Int., ISSA, AIM) and private sector

- **The SPF transcends the mandate of any individual UN agency:** Need for a coherent, system-wide approach
SPF-I: what has been done so far?

- A coalition in place (17 UN agencies)
- A manual & strategic framework
- Tools development (ex: rapid assessment)
- SPF success stories (South-South exchange initiative)
- Knowledge sharing through the GESS platform
- Joint training programme (Turin)
- Joint briefings of UN resident coordinators
- Joint advocacy programme
- SPF teams or working groups in the countries (ex: Thailand)
- **A SPF Advisory Group** headed by Mrs Bachelet to enhance global advocacy activities and to elaborate further the conceptual and global policy aspects of the social protection floor.
  - A flagship Global SPF Report under preparation
  - Mission to Viet Nam last week
Social Protection Floor Advisory Group

Chairperson and Members

Chairperson
H.E. Ms Michelle Bachelet

Interview with H.E. Ms Michelle Bachelet

Members

Mr Aurelio Fernández López
Chair of the European Union Social Protection Committee (since 2007), Special Adviser to the Secretary of State for Social Security of Spain.

Interview with Mr. Aurelio Fernández López

Mr Ebrahim Patel
Minister of Economic Development of South Africa, former spokesperson of the Workers Group of the Employment and Social Policy committee in the Governing Body of the ILO.

Quick Links

Social Protection Floor Advisory Group Website
Social Protection Floor Initiative - (pdf 689kB)
SPF-I: what has been done so far?

The SPF concept is largely accepted (a few examples)

- The recommendation to build "adequate social protection for all, drawing on a basic social protection floor" was endorsed by the 98th Session of the ILC as part of the Global Jobs Pact (GJP)
- ECOSOC approved the Resolution E/209/L24 encouraging countries to promote and make full use of the GJP, including the social floor, as a general framework within which each country can formulate a policy adequate to its context and priorities
- G8 and G20 declarations mentioned the importance of social protection policies and SPF as a crucial pillar in the context of a new global framework
- All UN national resident coordinators were informed on the crisis initiatives and the UNDG is preparing a concise note for each initiative
- ASEM Workshop on Social Protection Floor and the Informal Economy (Nice, 28-29 September)
- The IMF and ILO agreed at the Oslo conference (13 Sept 2010) to (...) "explore the concept of a social protection floor for people living in poverty and in vulnerable situations, within the context of a medium- to long-term framework of sustainable macroeconomic policies and strategies for development."
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Access to a SPF, a precondition for employment

- A minimum level of education facilitates inclusion in the labour market and increases effectiveness of vocational training and other measures to increase employability of the workers.
- Education performance depends on adequate health and nutritional status which is connected to availability of water and sanitation and proper housing infrastructure.
- Availability and accessibility of the different components of the social protection floor are therefore a precondition if we want to build a healthy and productive workforce
Access to a SPF, a precondition for employment

Availability & Access to essential services:
- Housing, WATSAN,
- Education/skills,
- Health care supply,
- Food/Nutrition,

Being fit & educated

- More employable & productive
- Easier to find a decent job
- Vocational training & other measures to increase employability more effective
The SPF facilitates access to employment & training

• Poor and vulnerable working age population also face multiple challenges and barriers that limit their capacity to work, actively seek jobs or undertake vocational training.
  – They may live in remote areas without public transportation, without access to basic public services including child care and schools,
  – some of them may also be chronically ill with no access to appropriate curative health care services, or lack access to primary health care services limiting their capacity to work.

• The social protection floor can help removing some of these barriers and promoting mobility:
  – by providing a minimum income to face expenses related to job seeking,
  – by providing family benefits to cover child care expenses,
  – by facilitating access to health care services,
  – by offering decent living conditions (housing, food, water and sanitation).
The SPF facilitates access to employment & training

People who combine multiple disadvantages need to be “supported with sufficient resources and personalized employment and social services, to help them participate in society and become more employable”

Social exclusion:
Poor are too poor to seek jobs & undertake training

The poor face multiple barriers:
- Transportation costs
- Live in a remote area with no transportation means
- Single mothers with children and no family support
- Sick / Chronically ill with no access to health care

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) …
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

When the social services & transfers:
- minimum income (ex: RSA), family benefits, priority access to basic crèches/child care

Are only provided:
- Seek and accept jobs
- Register in a job center
- Undertake training
- Undertake work beneficial for the community (PWPs)

If the recipient fulfills certain conditions:
- The social services and transfers are becoming conditional to a certain behavior of the recipient
- The chances of finding a new job are increased
- The SPF is a tool for activating Labour Market Policy
“One-stop-shops” for inf. economy?

- New conceptual 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" for inf. economy?

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

"One stop shops"

Social protection floor
(services and transfers)

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

Redistribution & funding of social services

Increased consumption (AVT)
Paying taxes
Paying social contributions

Sustainable income & Higher level of social protection

Sustainable employment

Unemployed
Underemployed
Working poor
<table>
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<tbody>
<tr>
<td>Administrative procedures</td>
<td>Registration Identification of social needs &amp; Vulnerability assessment</td>
<td>Skills assessment Are requirements (seeking jobs, training) met?</td>
<td>Skills assessment Automatic registration in adapted SS schemes</td>
</tr>
<tr>
<td>Social protection services</td>
<td>Social protection services and transfers: • child care, • health cards, • scholarships …</td>
<td>Minimum income guaranteed through • employment guaranteed schemes • public procurement</td>
<td>Minimum income continued although progressively reduced … Partially subsidized social security schemes</td>
</tr>
<tr>
<td>Employment services</td>
<td>• Channeling job opportunities: PWP, self-employment • Channeling business opportunities &amp; access to markets • Training services</td>
<td>• Support to enterprise creation e.g. through micro-credit and specialized training</td>
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</tbody>
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Labour market inclusion / social protection / decent work
Reorientation of ILO’s support to CARD NSPS through…??

- Increased coordination at policy level
- Increased coordination at implementation level:
  - Piloting of the one stop shop (linkages between SPF and Employment at implementation level) …
  - Improving delivery of SP and employment services
- Development of tools to undertake a fiscal space analysis + cost/benefit analysis
- Capacity building of social partners, policy makers, social workers …
- Information & knowledge sharing: data collection on labour market trends, social protection coverage, sharing of good practices, guides to replicate the pilot experiences …
Structure

- ILO mandate
- Definitions and rights based approach
- ILO conventions
- Coverage gap (statistics)
- How to extend social security? The SS staircase
- The social protection floor
- Linking SP with employment
- Experience in Asia: Situation and ILO’s intervention
Situation in Thailand

- Challenges to extend coverage to IE workers (+/- 60 people joined)
- Fragmentation of social security schemes
- Inequalities have increased over past years … Capitation amount under UCS = 2,200 THB/capita whereas under CSMBS = 12,100 THB/capita
ILO’s support in Thailand

Technical assistance: (1) Financial Management of the Thai Health Care System (EU project) – *finished 2009*
(2) Actuarial Valuation of the Old-Age Pension Branch of Social Security Scheme (KIHASA) - *ongoing*

Facilitation of SPF Team - *ongoing*
Policy advice on: (1) Pension reform (M. Cichon) – *July 2009*
(2) 10 years of implementation of UCS – *planned in 2011*

Advice / extension of social security to IE workers?
Situation in Viet Nam

**Horizontal dimension**
- National Social Protection Strategy for the ten coming years (2011-20) ..
  Objectives: Universal health insurance by 2014; increase coverage of informal economy; social protection floor for all ...

**Vertical dimension**
- **Mandatory Social Insurance**
  old-age pensions, disability, health, sickness and unemployment insurance
  9.4 million workers i.e. 18 per cent of the total workforce
- **Mandatory Health Insurance**
  30 million people covered
- **Subsidized Health Insurance**
  +11 million people covered
- **Voluntary scheme for SME and IEco**
  (35,000 people!)
- **Some social assistance**
  (1.23% population)

75% population
ILO’s projects & plans in Viet Nam

**ILO plan:** Support to the implementation of the **national social protection strategy** & the development of a Social protection floor

**ILO project:** Support to the implementation and management of Unemployment Insurance

**ILO plan:** Piloting (STEP expertise)
Situation in Cambodia

- CARD’s National Social Protection Strategy for the Poor and Vulnerable
- Community Based Health Insurance: limited coverage (100,000 people)
- NSSF and NSSF-C provide very limited scope of coverage
ILO’s support in Cambodia

Support to NSPS: drafting (reference to the social protection floor); documenting the process (SPF Success story); costing of the strategy (ILO-EU project)

Feasibility studies of Social health insurance for private sector and civil servants through the ILO-EU project

Support to MIS for NSSF work injury scheme

Past support to IE workers (CBHI) …
Situation in Indonesia

- National social protection strategy for the ten coming years
- Coverage gap of 83% for old age, death, work injury (if any) and 54% for health
- Objective of universal HC coverage by 2014 (already 46% in 2009)
- Fragmentation of Social assistance
- Challenges in extending social security to Inf. Economy workers

83% population

Jamsostek pilot project (400,000 p. covered)
Jamkesmas (76.4 million p. covered)
CCTs / UCT; Rice for the poor; Scholarships; Community Empowt prog.

Poornear poor
Informal economy
Private sector employees
Civil servants
Armed forces

Jamsostek
Taspen
Askes
Asabri
Own hospitals
ILO’s plans in Indonesia

**Broader picture:** Support to Social Protection Component of the Jobs pact Scan and Indonesian Jobs Pact; Preparing for ratification of C 102 (assessment & comparative analysis)

**Social Protection Floor initiative** (Creation of UN working group, rapid assessment, knowledge sharing workshop)

**Informal Economy:** Feasibility study (with GTZ), present Workshop, implementation in provinces?

**Technical advise to Jamsostek:** introduction of HIV-AIDS under health care benefits; unemployment insurance for formal sector

**Vertical dimension**

**Horizontal dimension**
Further readings:

- **GESS platform**
  [http://www.socialsecurityextension.org](http://www.socialsecurityextension.org)

- **Website of the SPF technical advisory group**

- **Tripartite expert meeting (Geneva, 2009)**

- **Turin workshop (1st half of November)** on extension of SS and the SPF
THANK YOU!

Discussion...