

SOCIAL PROTECTION FOR ALL

POLICY BRIEF



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SOCIAL PROTECTION FLOORS IN THE POST-2015 AGENDA: TARGETS AND INDICATORS

Leaving No One Behind: Social Protection Floors to Change People's Lives by 2030

A social protection benefit can make an enormous difference in the life of a person. Social protection floors address the daily concerns of families and households, and are linked to the realization of people's rights—children, mothers, persons with disabilities, workers, older persons. Rio+20's *The Future We Want* recognized “the need to provide social protection to all members of society, fostering growth, resilience, social justice and cohesion” and encouraged “initiatives aimed at providing social protection floors for all citizens.” Social protection floors are grounded in the Universal Declaration of Human Rights (1948) and other human rights instruments.

Proven Results in High, Middle and Low Income Countries

Social protection policies have proven to be effective in reducing poverty and inequalities, empowering people to find decent jobs and contributing to results under several MDGs, including accelerating education, health and gender outcomes (ILO 2011, UNICEF 2010). In high income

countries, it is estimated that levels of poverty and inequality are approximately half of those that might be expected in the absence of such provisions. In developing economies, social transfer programmes are expanding rapidly given their immediate impacts on poverty and inequalities, as well on sustainable development.

Social Protection is Transformational

Social protection also plays a transformative role in shaping a nation's economy. By raising household incomes, social protection supports increased national consumption, domestic demand and thus promotes inclusive growth. Several Asian and Latin American countries, concerned about lower growth and demand for their exports, are expanding domestic markets by scaling up social protection programmes. Social protection also contributes to increasing productivity, and it is an important investment in a nation's human capital. Regular and reliable income transfers can also help to unlock

A concrete and legitimate policy package: the ILO Social Protection Floors Recommendation, 2012 (Nr. 202)

In June 2012, governments, employers and worker delegates of the ILO's 185 member States unanimously adopted the Social Protection Floors Recommendation (Nr. 202). The Recommendation reaffirms social security as a human right for all persons and provides guidance for building comprehensive social security systems. As a priority, Social Protection Floors shall be developed and adapted to national circumstances, and extend coverage of at least four (4) essential guarantees to all throughout an individual's life cycle:

- Access to at least essential health care, including maternity care;
- Basic income security for children, providing access to nutrition, education, care and any other necessary goods and services;
- Basic income security for persons in working age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability;
- Basic income security for older persons

productive and entrepreneurial capacity, increase productivity and labour market participation, and boost local development and job creation.

Social protection systems have the potential to shield people from multiple risks and stresses associated with climate change and degraded ecosystems and help them in coping with structural transitions to more sustainable development patterns.

Means of Implementation: Social Protection Floors are Feasible

There is national capacity to fund social protection floors in virtually all countries. There are a variety of options, supported by policy statements of both international financial institutions and the United Nations:

- Re-allocating public expenditures, e.g. Mozambique used savings from a phased-out fuel subsidy to fund its social protection floor, Costa Rica and Mauritius converted military into social spending.
- Increasing tax revenues, e.g. Mongolia is financing a universal child benefit from a tax on copper exports, Bolivia funds a universal old age pension out of a tax on gas exploitation, Brazil and China expanded rural pensions using general taxation.
- Reductions of debt or debt servicing, e.g. Ecuador, Iceland, Costa Rica, Argentina, and Botswana.
- Adopting a more accommodative macroeconomic framework and fighting illicit financial flows, which amount to more than ten times the total aid received by developing countries.
- Increasing social security revenues, e.g. Brazil, China, Lesotho, Namibia, South Africa, and Thailand.

Measurable Progress

Data to measure progress on social protection coverage and benefit adequacy exists, collected by a number of international organizations. ILO's Social Security Inquiry Database offers statistical information on social security programmes (financing, expenditure, benefit levels and coverage) in 124 countries. The World Bank's ASPIRE database consolidates data on Social Protection and Labor programmes from 56 countries. The OECD and Eurostat databases on social protection provide information on higher income countries. According to the UN Statistical Commission, progress for social protection targets in the post-2015 sustainable development agenda can be tracked in a majority of countries, with foreseen expansion of data collection particularly in LDCs.

Additional support for statistical capacity within countries could complement the agenda in order to strengthen the assessment of coverage and the impact of implementing social protection floors.

Social Protection Floors in the Sustainable Development Agenda: A Goal or Targets?

Following months of consultations with UN member states and civil society, the Open Working Group has now recognized the need to strengthen social protection floors and social security systems as part of the Sustainable Development Goals. Some countries and major groups defend social protection as a stand-alone goal, others as a component of a larger goal, such as an employment and decent work, poverty or equality goal. In any case, the Social Protection Floors Recommendation, Nr. 202 is a legitimate base to guide possible targets.

Possible Social Protection Targets and Indicators

To be transformational and make a real difference in people's lives by 2030, two issues are critical: (1) universal coverage, for all, and (2) adequate benefits, ensuring that at least all in need receive sufficient income support and access to essential health care defined at national level, as agreed in R202 on Social Protection Floors. To allow for choice, we present a wide array of possible targets and indicators.

- **Target 1: All older persons receive an adequate pension**
Indicator: Share of persons above retirement age that benefit from an old-age pension. Coverage data for this target already exists for 175 countries. Currently, 51.5% of those above retirement age benefit from a pension.
- **Target 2: All children receive appropriate support**
Indicator: Share of families with children that receive support. Currently, 109 countries have a child or family allowance scheme, and cash transfer schemes have grown significantly. While there is not yet a consolidated figure for families with children receiving basic income support, data is widely available to monitor the achievement of this target.
- **Target 3: Those in working age without jobs receive adequate support**
Indicator: Share of unemployed in active age who receive a regular unemployment benefit. Unemployment indicators are available for 79 of the 85 countries where benefits are

available. Globally, 11.7% of unemployed persons receive some form of support.

- **Target 4: All persons with disabilities receive appropriate support**

Indicator: Share of persons with severe disabilities who receive a regular disability benefit. 171 countries have disability benefit programmes and administrative data is available.

- **Target 5: All women receive support in case of maternity**

Indicator: Share of pregnant or recent mothers who receive maternity benefits. 139 countries have a formal maternity benefit programme.

- **Target 6: All workers are covered against employment injury**

Indicator: Share of those covered against an occupational accident. Despite severe accidents in recent history (e.g. the Rana Plaza tragedy), the current coverage against an occupational accident or disease is only 27.8% of working age persons and 39.4% of the labour force worldwide, and needs to be strongly extended. 172 countries administer employment injury programmes.

- **Target 7: Universal coverage of essential health care**

Indicator: Share of persons that have guarantees to access health care. For this target, information exists for 168 countries. 61.1 % of their population has guarantees to at least essential health care. A sufficient number of health workers is needed to deliver such care; the existing health workforce is sufficient to make care available to some 60 % of the world's population. Further indicators are developed by the World Health Organization and the World Bank.

- **Target 8: Nobody is impoverished because of health expenditure**

Indicator: Share of people impoverished due to health expenditure. Related data on out-of-pocket expenditure is available for 186 countries. Globally, out-of-pocket payments correspond to 46.6 per cent of total health expenditure. The number of people impoverished due to outsize health expenditure is estimated at 100 million each year by the World Health Organization.

- **Target 9: The labour force contributes to social security**

Indicator: Share of persons aged 15+ contributing to a pension scheme. Only 41.1% of workers contribute to

social insurance pensions globally. Data exists for this target in 164 countries. Achieving this objective links with the important development objective of increasing the size of the formal economy.

- **Target10: All countries have a National Social Protection Strategy**

Indicator: Number of countries that have a National Strategy. A key tool to develop National Social Protection Floors and progressively build a comprehensive social protection system is the participatory elaboration of a national strategy or plan to extend social protection as foreseen in R202 on Social Protection Floors.

- **Target 11: More resources are allocated to social protection**

Indicator: Social protection expenditures as a percentage of GDP. Data is available for 178 countries. The worldwide average for public social security expenditure was 8.6% of GDP in the last available year.

- **Target 12: Increase the share of persons with social protection coverage during the life-cycle**

Indicator: Share of persons covered in all areas of social protection, a result of the development of the previous indicators. The ILO estimates that 27% of the global working-age population and their families enjoy comprehensive social protection. That means that 73% of the world population still lacks access to a comprehensive social protection system.

Clustering Targets for Social Protection

These targets, or a selection thereof, can make a real difference in people's lives by 2030. At the very minimum, countries may want to consider the key elements of Recommendation 202 on nationally-defined social protection floors, as follows:

Target: Social protection floors for all

- **All older persons receive an adequate pension**
- **Those in working age in need of social protection receive appropriate support, including mothers, the unemployed and persons with disabilities**
- **All children receive appropriate support**
- **All workers are covered against employment injury**
- **Universal coverage of at least essential health care**
- **Reduce to zero the number of people impoverished because of health expenses**

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