





## Towards Universal Social Protection and achieving SDG 1.3

### Social Protection – A Global Priority

Social protection and the right to social security have been an integral element of the ILO's mandate since its creation in 1919, and are guided by its set of international labour standards.

At the global level, the commitment for social protection is reflected in many international organisations' agendas. Initiatives such as the <u>Social Protection Inter-agency Cooperation Board (SPIAC-B)</u> (2012) (launched in response to a request from the G20), the <u>United Nations Inter-Agency Task Force on Financing for Development</u> (2015) and the <u>Global Partnership for Universal Social Protection to achieve the SDGs (USP2030)</u> (2016), comprised of intergovernmental agencies, such as the UN, World Bank, IMF, and bilateral partners, reflect the global commitment and efforts in building sustainable social protection systems, including floors.

The adoption of the 2030 Agenda for Sustainable Development by all UN Member States has reaffirmed the global commitment, which prioritizes social protection as a means to achieve several SDGs. Most prominently, SDG 1.3 calls upon countries to implement nationally appropriate social protection systems for all, for reducing and preventing poverty.

Since 2009, the UN also mobilizes collectively through country level "One UN" social protection floor teams in order to support designing and implementing social protection systems, including floors.

### An Investment with High Return

Social protection plays a key role in accelerating progress towards achieving the 2030 Sustainable Development Goals and in leaving no one behind. Social protection is a key element of national strategies to promote human development, political stability, and inclusive growth.

Most importantly, universal social protection significantly contributes to the reduction of poverty, vulnerability and inequality (e.g. El Salvador) and supports social cohesion; it plays a role in re-building societies after a conflict or natural disasters (e.g. Philippines); it promotes gender equality (e.g. Argentina) and women's empowerment (e.g. South Africa); it facilitates human development and access to decent work. It is also an economic enabler contributing to strong, sustainable and inclusive economic growth. Social protection also increases productivity, skills and employability by enhancing human capabilities and facilitates investment in productive assets. By raising household incomes, it enhances consumption and savings, boosting aggregate demand (e.g.: China). Social protection also improves households' risk management and prevents them from harmful coping strategies such as selling productive assets. It finally enhances people's resilience in the face of shocks and structural transformations. In the context of the transformations of the world of work (including demographic, green and digital transitions) social protection is needed more than ever to mitigate potential negative impacts on workers and families, support people through transitions and facilitate a just transition.

## Still 55% without Social Protection

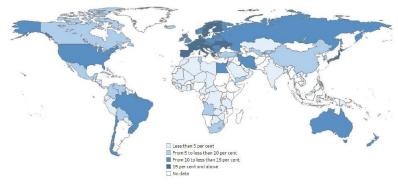
Despite significant progress in many parts of the world, the human right to social security is not yet a reality for the large majority of the global population. Fifty five per cent of the world's population is left without any form of social protection.

The challenges faced globally are manifold. Some of the key issues include <u>rapid ageing</u>, the predominance of <u>informal</u> and <u>non-standard forms of employment</u>, <u>deficits in health funding</u>, <u>infrastructure</u>, <u>staff and other capacities</u>, limited cross-border transferability of social security rights, <u>gender inequalities</u>, deteriorating benefit adequacy, and limited professional capacities.

As a result, efficient, effective and coordinated support is needed to improve the design and operation of social protection systems worldwide. As coverage gaps are associated with a significant underinvestment in social protection and are largely determined by limited resources, the importance of creating fiscal space to extend social protection and ensure sustainable domestic financing is crucial. Even in the poorest countries, a <u>variety of options to expand fiscal space</u> and generate resources for social protection exist, including

reallocating public expenditures, increasing tax revenues, expanding social security coverage and contributory revenues, eliminating illicit financial flows, etc.

# Public social protection expenditure, excluding health, latest available year (percentage of GDP)



Link: http://www.social-protection.org/gimi/gess/RessourceDownload.action?ressource.ressourceld=54796

The ILO estimates that the cost of a set of social protection floor cash benefits (for children 0-5 years of age, all women with newborns, all persons with severe disabilities, older persons) for low and lower-middle income countries ranges from 0.3 (Mongolia) to 9.8 per cent of GDP (Sierra Leone) and is on average 4.2 per cent across 57 countries.

# The ILO Approach

Within the wider United Nations system and among leading development partners, the ILO's expertise and authority in the area of social protection have been consistently recognized. Through its three-step approach, the ILO supports countries in the adoption of a national social protection strategy, delivers in-country specialized technical advisory services on the design of individual social protection schemes, in line with ILO standards, and strengthens administrative capacities at national level through hands-on training. The approach also promotes the involvement of social partners in the design, implementation and monitoring of social protection systems.

Through the ILO's Global Flagship Programme on Building Social Protection Floors for All, which receives support from a number of Development Partners including the European Union and France, efforts in the extension of social protection are streamlined to enhance impact and create multiplier effects (e.g. through the dissemination of good practices and the development of guides and online tools).

#### **Measuring Results and Impact**

Since 2012, ILO projects and actions have contributed to developing social protection systems worldwide. A new results and impact monitoring tool is being implemented to track ILO's development cooperation and support activities and aims to quantify the impacts on the lives of people as a result of institutional changes (e.g. how many additional persons are covered or experience improvements in benefit adequacy and access).

## How to Support the Extension of Social Protection

There are substantial global gaps in financing social protection and more resources are required for extending social protection coverage. Adequate financing of social protection systems is fundamental to achieve the SDGs, in particular SDG 1.3. The ILO is currently assessing the financing gaps for SDG 1.3. There are various ways in which countries of the Group of Seven (G7), representing 58 per cent of the global net wealth, can support the development of national social protection floors (SDG 1.3) globally.

- First, G7 countries can help promote higher domestic investment and the allocation of government revenue for sustainable social protection systems at national level.
- Second, G7 countries can facilitate the development of national social protection systems, including floors, through their own development agencies.
- Third, G7 countries can support the <u>ILO Global Flagship Programme</u>, which currently implements actions across 21 low- and lower middle-income countries.
- Last but not least, G7 countries can support the <u>UN Joint Fund for achieving the 2030 agenda</u>, and more specifically the UN SPF Window that aims to support One-UN joint programmes on social protection. A first call for proposals will be sent at the end of March 2019 to all UN Resident Coordinators, requesting them to submit One-UN proposals on social protection.