



Sixth item on the agenda: A recurrent discussion on the strategic objective of social protection (social security) under the follow-up to the 2008 ILO Declaration on Social Justice for a Fair Globalization

Report of the Committee for the Recurrent Discussion on Social Protection

1. The Committee for the Recurrent Discussion on Social Protection (social security), set up by the Conference at its first sitting on 1 June 2011, initially consisted of 198 members (96 Government members, 33 Employer members and 69 Worker members). To achieve equality of strength, each Government member entitled to vote was allotted 759 votes, each Employer member 2,162 votes and each Worker member 1,034 votes. The composition of the Committee was modified seven times during the session and the number of votes attributed to each member adjusted accordingly.¹

¹ The modifications were as follows:

- (a) 1 June (sitting 2): 214 members (101 Government members with 900 votes each, 36 Employer members with 2,525 votes each and 75 Worker members with 1,212 votes each);
- (b) 2 June (sitting 3): 215 members (101 Government members with 684 votes each, 36 Employer members with 1,919 votes each and 76 Worker members with 909 votes each);
- (c) 2 June (sitting 5): 188 members (101 Government members with 1,764 votes each, 36 Employer members with 4,949 votes each and 49 Worker members with 3,636 votes each);
- (d) 3 June (sitting 7): 194 members (102 Government members with 13 votes each, 39 Employer members with 34 votes each and 51 Worker members with 26 votes each);
- (e) 3 June (sitting 9): 184 members (106 Government members with 66 votes each, 33 Employer members with 212 votes each and 44 Worker members with 159 votes each);
- (f) 9 June (sitting 10): 185 members (109 Government members with 1,320 votes each; 33 Employer members with 4,360 votes each and 40 Worker members with 3,597 votes each);
- (g) 13 June (sitting 12): 187 members (110 Government members with 123 votes each; 33 Employer members with 410 votes each and 41 Worker members with 330 votes each).

2. The Committee elected its Officers as follows:

Chairperson: Mr Jean Feyder (Government member, Luxembourg)

Vice-Chairpersons: Mr Michel Barde (Employer member, Switzerland) and
Ms Helen Kelly (Worker member, New Zealand)

Reporter: Mr James Matiza (Government member, Zimbabwe)
at its ninth sitting.

3. At its seventh sitting the Committee appointed a Drafting Group to draw up draft conclusions based on views expressed during the plenary discussions, for consideration by the Committee. The Drafting Group was chaired by the Chairperson of the Committee, and was composed of eight Employer members, eight Worker members, and 11 Government members (of whom one from each region was entitled to speak on each issue). The members appointed were: Ms Ildikó Bodgal (Government member, Hungary), Mr Kees Terwan (Government member, Netherlands), Ms Agn  s Plassart (Government member, France), Mr David Khumalo (Government member, South Africa), Mr Albert E. Biwa (Government member, Namibia), Mr Alpha Ndiaye (Government member, Senegal), Mr K. Mostan Hossain (Government member, Bangladesh), Mr Amir Hossein Shamir (Government member, Islamic Republic of Iran), Mr Julio Rosales (Government member, Argentina), Ms Monica Titze (Government member, Chile), Mr William E. Spriggs (Government member, United States), Mr Michel Barde (Employer member, Switzerland), Ms Ronnie Goldberg (Employer member, United States), Mr Loes Van Embden Andres (Employer member, Netherlands), Mr Kwaku Osei Bimpong (Employer member, Ghana), Mr Derek Wright (Employer member, Namibia), Mr Carlos Aldao Zapiola (Employer member, Argentina), Mr Phil O'Reilly (Employer member, New Zealand), Mr Sharad Patil (Employer member, India), Ms Helen Kelly (Worker member, New Zealand), Mr Magnus Norddahl (Worker member, Iceland), Ms Estelle Ceulemans (Worker member, Belgium), Mr Isaac Ramputa (Worker member, South Africa), Mr Ernest Nadome (Worker member, Kenya), Mr Daniel L. Edralin (Worker member, Philippines), Mr Ariel Ferrari Ibarra (Worker member, Uruguay) and Mr Guillermo Zuccotti (Worker member, Argentina). The Reporter attended *ex officio*.
4. The Committee had before it Report VI, entitled *Social security for social justice and a fair globalization*, prepared by the International Labour Office (Office) for a recurrent discussion of the sixth item on the agenda: "A recurrent discussion on the strategic objective of social protection (social security)" under the follow-up to the ILO Declaration on Social Justice for a Fair Globalization.
5. The Committee held 12 sittings.

Introduction

6. In his opening statement, the Chairperson underlined the critical role social protection measures had played in alleviating the social and economic consequences of the recent economic and financial crisis. The Committee provided an excellent platform to highlight the needs and priorities of governments and social partners on the issue of social protection as a way of providing effective guidance to the Office on its future work.
7. The representative of the Secretary-General (Mr Assane Diop) emphasized the responsibility and privilege to discuss the future of social security at the International

Labour Conference's 100th Session. More than ever before, it was essential that such a future be based on the vision of the Declaration of Philadelphia and the ILO Declaration on Social Justice for a Fair Globalization [adopted by the ILC in 2008]. The financial and economic crisis had amply demonstrated the importance of a good social security system. Noting the consensus reached ten years ago during the general discussion on social security at the 89th Session (2001) of the International Labour Conference to extend social security, he emphasized the need to proceed to the next stage and to define a new direction for the future. This orientation should take on board four considerations. First, while globalization had brought with it a number of benefits, it had also left behind vast numbers of the world population for whom new forms of protection were required. Second, demographic and socio-economic developments, such as population ageing required constant adaptation of social security systems. Third, as noted in the Global Jobs Pact and the Decent Work Country Programmes, the global crisis had highlighted the need to put social issues on the same level with economic considerations in integrated national development strategies. Finally, a silent revolution was under way in the countries of the South which contradicted the myth that social security is a luxury that only rich countries can afford. The debate over the coming days provided a valuable occasion to reflect on the lessons of the previous decade and a chance to write a new chapter on the development of social security.

8. The deputy representative of the Secretary-General (Mr Michael Cichon) introduced the Office report noting that the discussions represented a once-in-a-lifetime opportunity to make a difference for the billions of people around the world who lacked any or appropriate social protection. Today marked the culmination of a ten-year preparatory process involving regional and global consultations. The main messages of the report were as follows. Chapter 1 argued that social security benefits represented the most powerful, most direct tool for poverty reduction and indispensable investments in social and economic development, and were a key tool to achieving the Millennium Development Goals (MDGs). Chapters 2 and 3 presented the global state of social security, highlighting coverage, adequacy and financing challenges as well as possible policy responses. Chapter 4 covered the main issues for the future of social security, ranging from ensuring social and economic policy coherence, affordability and fiscal sustainability as well as the design of efficient and effective social security systems, including emerging concepts in social assistance schemes, as well as the social stabilization of schemes in industrialised countries. Chapter 5 presented the areas where new policy orientations were needed, that is to say, strategies to extend social security coverage (including a two-dimensional extension model) and strategies to ensure sustainability. Finally, Chapter 6 presented the suggested points for discussion: first, the role of social security in promoting economic growth and social development; second, the policies that could contribute best to extending adequate social security coverage at all levels of development and how governments and the social partners could collaborate to put into effect these policies; third, the policies that could ensure the affordability and adequate financing arrangements for inclusive and effective social security systems in a context of demographic, economic and social change; fourth, the contribution of governments, workers and employers to the design, governance, and administration of social security systems. The last point dealt with the role of ILO standards in further promoting the extension of social security coverage for all, including measures to enhance the ratification and application of Social Security (Minimum Standards) Convention, 1952 (No. 102) and other up-to-date ILO social security standards. It also addressed the question of whether further ILO instruments or other mechanisms, (such as Conventions, Recommendations, guidelines, codes of practice, etc.) could be required to guide the implementation of the Social Protection Floor as the core element for a horizontal extension of social security to all in need.

General discussion

The role of social security in social and economic development

9. The Executive Director of the Employment Sector (Mr José Manuel Salazar-Xirinachs) underscored the two-way link between the extension of social protection and the expansion of productive employment. The role of social security in promoting economic and social development had long been underestimated and social security was not only a universal human right, but also an economic and social necessity. Furthermore, the global crisis had shown the need to enhance resilience to external shocks and social security policies proved to be an essential element in national crisis response, as recognized in the Global Jobs Pact. Social security also supported the continuing structural change of economies and societies in the context of globalization and the search for carbon-free and energy-efficient growth paths. He reiterated that perhaps the main lesson from the global crisis was the need for coherent economic and social policies and inquired about the implications of this integrated view for the Committee deliberations. Finally, he raised three questions which could guide subsequent discussions: first, the role of social security in promoting economic growth and development; second, the interaction of social security with other policies in order to help increasing participation in decent and productive employment ensuring income security and accelerating the achievement of MDGs; and finally, the role that social security measures could play in the economic crisis recovery in the context of the Global Jobs Pact.
10. The Employer Vice-Chairperson acknowledged the important nature of the Committee's discussions. About 80 per cent of the world's population lacked access to social protection, while social security systems in place provided support to individuals from cradle to old age, giving protection against sickness and offering income replacement. He noted, however, that Report VI had attempted with difficulty to cover at the same time different situations in developing and developed countries with well-established social security systems. According to him the report could not offer global solutions. Furthermore, comparisons between countries in different economic and social situations were complicated and not especially useful and, in the end, it was up to the countries concerned to determine policies. The Employers are concerned with the fact that some were turning a recurrent discussion into a general discussion. In a recurrent discussion one examines the activities of the Office and one examines the needs of the Constituents as stated in the ILO Declaration on Social Justice for a Fair Globalization. Report VI, in their view, did not adequately address the issues required by the Declaration. The Employers' group would therefore base its discussion on the needs and expectations of the constituents, rather than the analysis presented in the report which he noted approached the topic with an often ideological and unilateral approach. In November 2010, the Governing Body had considered an evaluation of ILO activities in the area of social security and in some respects this was – as suggested by the Office – a useful complementary document to consider. The Office approach remained influenced by European models of social protection and he cautioned the Committee not to be influenced by this long European history by imposing a model in developing country contexts. The Employers' group was also concerned that the Committee's discussions were at risk of being solely focused on the establishment of a Social Protection Floor. The points for discussion provided for a more broad discussion and, while the Employers' group supported the concept of a Social Protection Floor, deliberations should cover the range of social security measures, including difficult issues such as raising the retirement age. The Employer Vice-Chairperson stressed that his Group was not against the establishment of social security systems; they had in fact been at the origin of many systems at the enterprise and national levels. However, they were concerned by the explosion of associated costs for both the

State and national populations. In this regard, he noted the positive correlation between social protection and economic growth, as shown by some studies including those by the ILO. He cautioned that the ILO could not claim that increased social security expenditures pushed economic growth but that it was economic growth that could push increased social expenditures. The recent crisis had demonstrated, most notably in Europe, that social protection systems could alleviate many of the negative social impacts of crises. Employers had always considered that social protection brought a range of positive benefits by, for example, improving the delivery of health programmes, reinforcing human capital and reducing poverty. The ILO should, however, also encourage active labour market policies that facilitated access to employment. For social protection systems to achieve their positive benefits, individuals and enterprises needed to have faith in those systems, and social partnership could contribute to creating that confidence. The Employer Vice-Chairperson stated that pension funds could make a significant contribution to economic development through investment and providing access to capital among groups that previously lacked such access. While the case of Chile had often been criticized, he remarked on a recent study that concluded that pension reform had contributed up to 11 per cent of gross domestic product (GDP) growth between 1981 and 2001. The reforms also contributed to the financing of infrastructure projects and other long-term investments. The extension of social protection was only possible through economic growth that ensured a greater number of jobs and enterprise development. He noted that globalization had permitted many emerging countries to become major players at the global level. He concluded by calling on the ILO to assist workers and enterprises to migrate from the informal to the formal economy. This could help in the strengthening of social security by increasing the level of contributions. He also called upon the Office to develop an enhanced understanding of social security issues, recognizing that the ILO's budget was subject to real cuts, and that the Office could not cover all aspects with its limited resources. The ILO had to strengthen its visibility and voice on the global stage. The approach had to rely on its biggest strength, namely, tripartism.

11. The Worker Vice-Chairperson recalled the central role of social protection in ILO's Constitution and mission. The ILO was not only leading the global debate on the need and feasibility of a Social Protection Floor but also supporting countries on the ground to design sound and sustainable social security systems. Translating ambitious visions into international labour standards and helping to ratify and implement them through technical assistance was the trinity of action that the ILO Declaration on Social Justice for a Fair Globalization calls for. The Office report captured well the fundamental importance of a rights-based approach to social security and development as well as the interrelation between the four strategic objectives. In addition, the two reports prepared for this Conference, namely Report VI and the General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization (the General Survey) complemented each other well. The General Survey gave a comprehensive overview about the application of social security instruments and underlined the need for new initiatives in particular the Social Protection Floor. An indicator of the value and pertinence of Convention No. 102 was the recent ratifications by Bulgaria, Brazil, Romania and Uruguay and the fact that more than 15 countries were considering its ratification. Over the years, Convention No. 102 had and continued to have substantial influence on the development of social security in the various regions of the world reinforcing the value of the standard-setting tools of the ILO. According to the Workers' group it was the perfect time to make decisive progress towards the extension of social security coverage. She highlighted good and bad news regarding social security. The bad news was that far too many people were deprived of this basic human right. The good news was that some impressive progress was made in a number of countries to close the coverage gap. Innovative social security schemes were pioneered in Asia, Africa and Latin America. The world was richer than it was 90 years ago and lack of resources was no longer a credible excuse to deny anybody basic social protection and essential health

services. She congratulated the Office for the report and noted that it was a rich source of information that would help to guide the Committee's work. She commented on certain issues. The idea of a social security staircase captured well the need to work on both the horizontal and vertical extensions of social security. A Social Protection Floor for all was urgently needed and had to be designed as a stepping stone towards a fully fledged and comprehensive social security system. However, it was disappointing to observe that while the recognition for a universal Social Protection Floor was growing, at the same time some countries were cutting back on acquired social security rights. On the issue of demographic change, she stressed that living longer was one of the recent great successes but at the same time it was unacceptable that the poor died much earlier than the rich. The report showed that demographic change was manageable. High labour force participation, productivity growth, age-adequate workplace environment and lifelong learning were central to meeting the challenges. The report also discussed in detail the role of social security systems in economic development, in facilitating productive employment and structural change as well as stabilizing demand and maintaining social peace during the crisis. Her group strongly supported the idea that social security had to be combined with active labour market policies. She was also in agreement with the idea that social security had to help the transition from informality to formality but more research was needed on how to do this in practice. She also flagged two important issues. The first one was gender equality. Overcoming labour market discrimination was crucial but as long as this was not accomplished, redistribution within the social security system was necessary to compensate against discrimination. A Social Protection Floor would provide basic benefits to everybody and would benefit women as they were disproportionately working in the informal economy and lacking social protection. The second issue was the concept of a democratic and inclusive society. People in many cities all over the world were protesting against inequality and policies that made them pay for the financial crisis. Social protection was part of the solution, not part of the problem. There was a point where her group felt that the report could have been stronger. While the report showed that in many countries there was fiscal and political space to strengthen social security provisions it did not fully capture the role of employers, trade unions and civil society in maintaining and protecting this space. She concluded that the Committee had to be ambitious in order to produce tangible results that could make a difference. She hoped that an agreement could be reached on the importance of a Social Protection Floor and on the adoption of an ILO Recommendation in 2012 that would provide guidance to member States on a Social Protection Floor. Many other international organizations were discussing the idea of a Social Protection Floor and were looking at the ILO for support and guidance. In addition, her group wanted to see a workplan on key social security activities for the next decade which should include:

- (a) strengthening the ILO as a centre of excellence concerning knowledge, statistics and policies on social protection;
- (b) a strong campaign to achieve a substantial number of additional ratifications of Convention No. 102 and the other social security Conventions;
- (c) a good practice guide on design, administration, sustainability, financial prudence and equity of social security systems;
- (d) efforts to achieve gender-neutral language in social security standards or better in all ILO standards;
- (e) a major programme to strengthen the capacity of workers' and employers' organizations to fully engage in the promotion and oversight of social security systems;

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- (f) substantial research and a policy debate of the role and potential of social security to facilitate the transitions from informal to formal economy; and
- (g) policy guidance and if necessary an ILO standard to ensure full social security coverage for all workers in atypical or precarious employment.
- 12.** The Government member of Hungary, speaking on behalf of the Governments of Member States of the European Union (EU) attending the Conference² affirmed the EU's readiness to contribute to and support the ILO in its efforts to promote social justice and implement the Decent Work Agenda, particularly regarding social security. Social security was important for sustainable social and economic development, economic growth and as a means to ensure a more balanced globalization by linking social and economic development. The recent crisis highlighted the role of social security systems as automatic stabilizers that made societies more resilient by cushioning social repercussions and countering negative impacts on the labour market. Countries without comprehensive social protection systems had shown less resilience and adjustments, and had put more burden on households and communities with the strongest adverse impacts for the most vulnerable. The Europe 2020 Strategy outlined the main short- and long-term actions to overcome the recent crisis. Sustainable social protection systems could provide welfare and prevent increased poverty while maintaining and promoting employability and competitiveness. It was therefore necessary to integrate different policies such as employment and social policies. She further stated that in its external activities, the EU promoted the implementation of the MDGs and supported the Social Protection Floor Initiative outlined in the Global Jobs Pact as an essential tool to combat poverty and social exclusion and to ensure basic social protection for all. Broad coverage protected people and promoted sustainable development. For example, evidence had shown that even modest cash transfer programmes can have a sizeable impact on the reduction of poverty and inequality, not only in the short term but later in the future as well. Finally, she welcomed the international attention to social protection, including through the G20 Development Working Group and the Labour and Employment Ministers' meeting.
- 13.** The Government member of Argentina stressed that human rights were the main pillar of the political project of her Government. Since 2003, Argentina had to put in place a model of inclusive development that placed Decent Work and social protection at the heart of public policies. This was reflected in decreases in unemployment and non-registered work and increases in the minimum wage. As a result, important progress was made in extending social security coverage. In 2008, the pay-as-you-go system was reintroduced in the pension system allowing for a more efficient and effective administration of resources. An anti-cyclical sustainability fund was created and investments abroad were repatriated to further strengthen economic recovery. Argentina had also introduced a universal child allowance that put all children on equal footing. The inclusion of education and health conditionalities and the articulation with other social policies had substantial impacts on poverty and social inclusion. The universal child allowance as well as the universal maternity allowance had an important impact on gender equality. She reported that Argentina was in the final steps of ratifying Convention No. 102 and underscored the importance of this Convention as the main reference on the right to social security and noted that complementary standards would be timely in order to incorporate the horizontal dimension in national social security extension policies.

² Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom.

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14. The Government member of Brazil quoted President Dilma Rousseff: “A rich country is a country without poverty” and underscored the commitment of her Government to fight poverty. She reiterated the high expectations of her Government concerning the work of the Committee. She emphasized that social security was a human right laid down in the ILO Constitution, the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and also the Constitution of Brazil. As such, social security was essential for social cohesion, to maintain peace and to ensure fundamental liberties as well as civic and political rights. Social security had a strong macroeconomic impact by providing a sustainable model of economic growth, increasing aggregate demand, stimulating local development, alleviating the effects of economic crises, and conferring dignity and autonomy to people and especially the poor. She highlighted that the two-dimensional approach was a strategic and suitable way forward to promote social inclusion and development. The Social Protection Floor was useful and desirable with obvious advantages for the beneficiaries as well as in terms of protecting human rights and promoting social and economic development. The Social Protection Floor could serve as a starting point for countries lacking adequate social protection as well as a tool for promoting further extension in countries where initiatives already existed. Overall, countries had to implement these policies in a complementary and integrated fashion that took into account the diverse social protection needs of the population. The development of social protection systems, both the floor and higher levels should aim for the widest democratic processes including tripartite participation and other sectors of civil society. She expressed her Government’s support for the inclusion on the agenda of the 101st Session of the International Labour Conference in 2012 of an item on the elaboration of a Recommendation on Social Protection Floors with the understanding that the ratification of Convention No. 102 remained a priority. Finally she noted that in Brazil, programmes like *Bolsa Família*, the *Sistema Único de Saúde*, *Sistema Único da Assistência Social*, *Benefício de Prestação Continuada*, *Previdência Rural* and unemployment insurance played crucial roles in the extension of social security to the most marginalized. Brazil had shared and would continue to share these experiences through South–South cooperation.
15. The Government member of the Republic of Korea welcomed the report and underscored the wide range of country experiences that were included. Social security was an important tool to reduce poverty and inequality and played a role as automatic stabilizer and as part of crisis response strategies as outlined in the Global Jobs Pact. In the Republic of Korea, the employment insurance scheme was set up in 1995 and was particularly valuable during the 1997 and 2008 crises. It supported basic livelihoods of the unemployed encouraging their re-employment and helped enterprises retain their labour force. During the recent crisis, the Government of the Republic of Korea launched a job-sharing scheme providing job retention subsidies and provided additional resources for unemployment benefit payments, allowing the Republic of Korea to swiftly overcome the crisis. Since its introduction, the coverage and benefit levels of the employment insurance scheme had been consistently expanded, for example by also including self-employed workers. Demographic change coupled with diverse work arrangements, such as increased part-time employment, may require further revisions of the employment insurance and unemployment benefit system. Finally, she encouraged the ILO to continue conducting research and share information on good examples from different countries and provide technical support so that countries would be better able to expand their social security system in line with the ILO’s two-dimensional strategy.
16. The Government member of China agreed with the content of the report. He reiterated that social security was a fundamental human right as well as one of the symbols of human civilization. He hoped that consensus could be reached during the work of this Committee. He elaborated that social security was an element of a harmonious society. Currently, the majority of Chinese people were covered by minimum social security systems as 95 per

cent of the population was covered by the medical insurance scheme and China would soon (2020) reach universal coverage of its pension scheme, including in rural areas. The level of benefits had been also increased while contribution levels were reduced to strengthen domestic demand for goods and services. He identified this as one of the reasons for Chinese recovery after the crisis. Finally, China was implementing several measures to further increase consumption by expanding coverage and level of social security benefits.

- 17.** The Chairperson underscored the point raised by China regarding the importance of reaching the rural population with the extension of social security, as poverty was most severe and social protection weakest in rural areas.
- 18.** The Government member of Algeria stressed the importance of decreasing inequalities within and between countries. At the same time, the first budgets to be cut in times of crisis were often social expenditures despite all the negative consequences of such measures in terms of social exclusion and related risks for maintaining stability. The implementation of a social security system constituted a main objective for Algeria since setting up a democratic republic after independence. Social protection was a constitutional right in Algeria based on two main elements. First, national solidarity through social transfers that ensured income redistribution to the vulnerable. In 2010, Government expenditure on these social transfers amounted to 10 per cent of GDP. Second, professional and intergenerational solidarity, notably through a pay-as-you-go system that covers all risks included in ILO Conventions. The social security system coverage reached 80 per cent of the population. In recent years, the Government had developed important measures such as the implementation of a modernization programme to improve the performance of the social security system; the diversification of sources of funding through taxes establishing a national social security fund which aimed at reducing the financial disequilibria of the system; the establishment, in 2006, of a national pension reserve fund which was fed by 2 per cent of oil tax revenues to ensure the viability of the pension system and thus the future welfare of retired persons. Finally he noted that each country was responsible for the social protection of its citizens, and one should therefore avoid proposing standard systems and blueprint solutions. Rather, a minimum objective of social protection should be determined in line with the MDGs.
- 19.** The Government member of Japan stated that 50 years ago, health care and pension insurance was introduced in Japan. He also noted that Japan would become the oldest society in the world. Social security was the basis for safety and security in people's lives. Social security also stabilized the economy, alleviating fluctuations and enhancing growth, for example through the stabilizing effect of unemployment insurance on household incomes and aggregate demand. Social security also contributed to creating demand and job opportunities. In ageing societies, demand for medical and care services increased, also creating employment opportunities and economic growth. Japan promoted vocational training in specific sectors in light of the services needed.
- 20.** The Government member of the United States reiterated that social security played an important role in crisis response and development through programmes that promoted productive employment and economic stability and reduced poverty. This important role was also emphasized at the G20 Labour and Employment Ministers' meeting. Investing in social protection ensured that the economic benefits of globalization were broadly shared and could lead to job creation in basic services, producing multiplier effects in other sectors. All countries should provide adequate social protection but there was no one-size-fits-all model. The elements of a Social Protection Floor had to be determined at country level in light of the country's needs, priorities and resources. Composition of financing sources and eligibility criteria for the different elements would also vary but a lack of any social safety net could lead to declining wages, living standards and

enforcement of labour standards. Key factors for building sustainable social protection systems included good governance and management, administrative capacity, transparency, political commitment and financial sustainability. The ILO had a unique and important role to play in assisting constituents in addressing those key issues and extending social security coverage. In this regard, the ILO should collaborate closely with the International Social Security Association (ISSA), the World Health Organization (WHO) and other relevant international organizations.

- 21.** The Government member of Canada reiterated that social security contributed to economic growth and social development as well as ensuring transitional assistance to those affected by the crisis. Financial sustainability of the systems, ageing population, and coverage of disadvantaged groups and workers in atypical working arrangements figured among the different challenges that countries around the world faced. While there was no one-size-fits-all model, Canada's experience researching the role of social security in promoting economic growth and social development, showed that measures could be designed to provide income support while promoting labour market participation. For example, Canada's Working Income Tax Benefit (WITB) supplemented the earnings of low income workers to help ensure that these individuals were financially better off by getting a job. The Economic Action Plan doubled the tax relief provided by the WITB. Wherever possible, social security measures should be accompanied by active labour market measures that allowed people to develop and upgrade their skills throughout their lives. Finally, ILO standards could play an important role in promoting the extension of social security for all. However, their continued relevance and effectiveness would depend on their adaptability to national situations and their capacity to respond to the needs of diverse societies and evolving labour markets.
- 22.** The Government member of the Netherlands highlighted the productive role of social security not only for social but also for economic goals, namely increasing labour market flexibility, labour market participation, and households' welfare and thus demand for products. The financial crisis had hit many countries, but those with social protection systems in place experienced the cushioning effect of the systems. He underscored that employment was the prerequisite for social protection. It was therefore crucial that social security played an activating role as shown by the Dutch experience. He agreed with the three challenges identified in the report: to extend coverage, to ensure financial, economic and fiscal sustainability, and to ensure good governance of the system. He also reiterated that there was no one-size-fits-all model and that systems should be developed tailor-made, taking into account cultural, economic and historical differences between countries. He also supported the two-dimensional strategy of extending coverage and benefit levels, acknowledging that implementation would have to be flexible and progressive, in line with the national level of socio-economic development. Like the ILO, the World Bank and other international organizations had declared social protection a cornerstone of their strategies for the coming years with remarkable similarities in their approaches. Further collaboration with the World Bank, the International Monetary Fund (IMF), the WHO, other United Nations (UN) organizations and others would be key to improving policy coherence and establishing synergies. One should also look into how countries could help each other. Countries in the South knew best the challenges they faced and were thus in the best position to assist each other. At the same time, industrialized countries could offer their knowledge based on decades of experience. Advisory services offered by the ILO and the World Bank would also be of major importance for countries to build their social protection systems. Furthermore, social partners could and should play an active role in the implementation of social security systems. He emphasized the desirability of reaching practical results, welcoming the preparation of an ILO Recommendation as well as an action plan for the implementation of social security systems and Social Protection Floors at national level. Finally, the United Nations General Assembly should commit itself, at a proper moment, to the Recommendation and action plan by adopting a resolution.

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23. The Government member of Australia affirmed that the ILO Declaration on Social Justice for a Fair Globalization provided the opportunity to identify ways to couple social security priorities with realistic mechanisms for achieving them, taking account of countries' varying capacities. There were at least three key criteria in developing those priorities: they should be justified through evaluation of existing approaches and constituents' needs; they should address an area where significant need was supported by clear evidence and finally, they should be realistic and capable of wide implementation within a definable time frame and reasonable fiscal environment. Her Government considered it essential for the ILO and its constituents to develop a comprehensive work programme adhering to those principles in order to meet the needs of the estimated 80 per cent of the world's population without effective access to comprehensive social security. It supported a voluntary social security framework, building on the Global Jobs Pact and complementing existing instruments. This framework should define core principles and a minimum set of basic social security guarantees; identify best practice and promote the Social Protection Floor as one means of extending horizontal coverage; have the capacity to guide member States in developing their systems so that basic coverage for all became a reality; and identify the importance of vertical coverage to ensure more robust income security for those in need. It should identify how to integrate social protection policies into macroeconomic and labour market policies to achieve sustainable growth and Decent Work for all.
24. The Government member of the Bolivarian Republic of Venezuela welcomed the rigorous nature of the Office's report, which offered the opportunity to discuss something his Government considered a strategic objective, namely solidarity-based, good quality social protection for all residents. Social security systems worldwide had had to deal with a dramatic deterioration in benefit levels caused by the global economic crisis; his Government considered social security to be an investment in the future and, to this end, the country had made substantial investments to ensure its system was both robust and efficient. The level of basic pension, for example, had been raised to that of the minimum wage, and the number of persons covered had more than doubled.
25. The Government member of Senegal stated that, although his country was not wealthy, it had rich experience in extending social security coverage to the greatest number of workers. In fact all workers in the formal sector were covered for eight of the nine types of benefits provided for in Convention No. 102. However, demographic, economic and financial shocks had eroded benefit levels and Senegal had therefore initiated reforms to address the consequences. Nevertheless, the country was developing measures with ILO support to extend social security coverage to workers in the informal economy. At the institutional level, the *ministère du Travail et des Organisations professionnelles* (Ministry of Labour and Professional Organizations) had been reorganized to include a Directorate of Social Protection with the aim of promoting the extension of social security to the informal economy. His Government was looking to the Committee to make a strong statement on this issue and would favour a Recommendation in line with the principles of the Yaoundé Tripartite Declaration of 2010 on the implementation of the Social Protection Floor (Yaoundé Tripartite Declaration of 2010).
26. The Government member of Turkey considered it an obligation for every country to maintain and continuously improve sustainable, fair, and accessible social security systems. The ILO had, through the social security and health insurance reform project, supported his country in addressing the structural problems of its social security system to make it more sustainable up to 2050 in terms of contribution levels, population covered and the levels of pensions. Measures had included reducing informal employment; containing costs; ensuring that health expenditures were effective and efficient without restricting access to care; improving resource utilization; and preventing fraud. Efforts were under way to improve social security to levels required for EU accession and taking due regard of ILO standards. In addition, a Social Security Institution Data Bank had been

created to establish a system based on good governance. The recent global crisis had demonstrated the inseparable nature of economic and social issues, which needed to be addressed in an integrated manner. Within the framework of the Global Jobs Pact, projects had been created to promote employment and raise the capacity of social security institutions. His Government looked forward to continuing ILO collaboration on these projects in order to strengthen and expand social security coverage for all, increase opportunities for decent and productive employment, provide income security, and enhance women's employment to ensure equality of opportunity between women and men.

- 27.** The Government member of Uruguay noted that his country, like others in the region, had made efforts to extend and improve social security coverage. While the structural reform of 1996, based on an actuarial approach, had had a positive effect on capital markets, it had not extended the number of citizens covered. To this end, therefore, pension eligibility conditions had been made less stringent; and non-contributory benefits introduced to extend coverage to those previously ineligible. As a result, more workers and jobseekers now had social security coverage, especially amongst those over 50 years of age. Health coverage was up, more families were covered and informality had decreased. Progress had been attained in social security legislation through national dialogue involving all the social partners, as well as pensioners' organizations. Uruguay was creating a Social Protection Floor by extending existing legislation, building on what already existed. Such a Social Protection Floor had to be adapted to every country's specific reality.
- 28.** The Government member of Egypt noted that her country was seeking to remedy its shortcomings in terms of social security by establishing coverage across the range of contingencies. Such efforts included the creation of a pension fund and a draft law introducing access to health care for all citizens, including spouses, survivors, children, unemployed workers and older people. Employers were expected to contribute financially. A better environment would be created to enable families to participate in society and improve their standard of living, with services improved through use of a social development index approach. Monthly benefits were being made available to disadvantaged families, as were microfinance schemes and grants, for example for children in school and women in rural areas. The State was assisting families affected by family bereavement, those whose children were affected by disabilities, and sick or older family members. A new law would ensure income for those over 65 years old who are without pension contributions. The Government intended to ratify Convention No. 102, and had already ratified the Workers' Representatives Convention, 1971 (No. 135).
- 29.** The Government member of Tunisia reminded delegates that the revolution of 14 January 2011 had had momentous consequences. Young people, those working in the informal economy and precarious workers had been among the many who mobilized to bring about change. Under the dictatorship, social security coverage had been generous but limited to 30 per cent of the working population. Social exclusion had been a primary catalyst for change. The current provisional Government recognized the importance of extending social protection, but could only make a start pending national elections. It had enlisted experts to draw up a balance sheet of the country's needs and the resources available in terms of contributions and taxes. The new Government could take these efforts further. The speaker noted in closing that his country was counting on the International Labour Conference as a source of ideas, and on the ILO for assistance in taking things forward.
- 30.** The Government member of South Africa welcomed the report and thanked the ILO for the regional and global consultations it had undertaken in the context of the Global Campaign on Social Security and Coverage for All, as well as the extensive documentation provided to constituents. Social security had been debated across the globe and in Africa, including at the 2nd African Decent Work Symposium, held in Yaoundé in 2010,

culminating in the Yaoundé Tripartite Declaration of 2010. According to the South African constitution, everyone has the right to have access to social security; as the Yaoundé Tripartite Declaration of 2010 had affirmed, it was a human right that needed to be realized. Social protection gave practical application to social solidarity and reduced the risks associated with economic change. South Africa was undertaking further efforts to move towards a comprehensive system of social security, and current progress was marked in terms of the number of workers contributing to a provident or pension fund, the numbers receiving social, child support, old-age and disability grants, and those covered by unemployment insurance, as well as employers registered by the compensation fund. Efforts were under way to establish a national health insurance scheme. South Africa believed that consideration should be given to a Recommendation on Social Protection Floors.

- 31.** The Government member of Saudi Arabia, while commending the ILO report and its timely production, noted that some data relating to his country was not up-to-date. The report omitted to mention the programme that the General Organization for Social Insurance, together with the social security schemes in the other Gulf Cooperation Council (GCC) countries, had agreed in 2006 to extend pension coverage to all their citizens working in other GCC countries. It was easy and replicable, and had won the ISSA best practice award.
- 32.** The representative of the non-governmental organization (NGO) Light for the World delivered a statement on behalf of HelpAge International and Solidar, members of the European Working Group on Social Protection and Decent Work in Development Cooperation. She said that, as a fundamental pillar of the Decent Work Agenda, social protection was an effective way of eradicating poverty and promoting social cohesion, as well as being cost-effective and fostering economic growth. While welcoming the ILO report and its conclusions, however, the group was concerned that up to 80 per cent of the world's population still lived in insecurity. It called on national governments to develop and implement social protection policies with the meaningful participation of all relevant national stakeholders, recognize the important role of grassroots organizations, invest in building the capacity of social security institutions, and create the fiscal space necessary to implement a Social Protection Floor; and on donor governments to commit to long-term investment to ensure the sustainability of social security systems and accelerate progress towards achieving the MDGs.
- 33.** The Employer Vice-Chairperson welcomed the discussions based on the report and in particular on the five suggested points for discussion (Chapter 6). He suggested that the Drafting Group should connect up the many ideas that had emerged. The positive link between employment and social protection was well recognized by almost all participants, as was the fact that every country must take account of its own national circumstances. It was desirable that there be close cooperation between the social partners in developing initiatives. However, before any extension of coverage took place, countries' existing systems should be strengthened to ensure that they were effective and adhered to their commitments. He noted that participants were in favour both of ILO cooperation with other international organizations, and of countries learning from each other's experience.
- 34.** The Worker Vice-Chairperson was encouraged by participants' responses, especially their recognition of the value of social protection and the role of the ILO in capacity building. She concurred with the Employer Vice-Chairperson that efforts should be intensified to create more formal employment. She also concurred with Government members that did not want the discussions to be limited to the Social Protection Floor, but saw the Social Protection Floor as an integral part of more comprehensive social security provisions. She emphasized that the ILO should work for consistency with other international organizations involved in this field, and underscored the need for a tripartite approach. She

welcomed Government members' call for recognition of a rights-based approach, and the importance of strong economic development and universality. They had recognized that a one-size-fits-all approach to social protection would not work for all countries and that there was a need for flexibility. Many had stressed that meeting the needs of rural workers was paramount, given that these were among the poorest and most vulnerable of all population groups. All these ideas would be developed over the next few days.

35. Summarizing the discussion on the role of social security in social and economic development, the special adviser to the representative of the Secretary-General (Mr Raymond Torres) noted that the rich discussions had focused on two main areas: the benefits that effective social security could bring; and how these could be achieved. One such was ensuring income support and basic rights for the needy, to enable them to participate fully in society. Social security could help to reduce poverty and address inequalities as well as having an indirect effect on human capital, gender equity and greater economic opportunity. A second benefit would be in the area of macroeconomics. Social protection played a key role in times of crisis by acting as a stabilizer. It could also assist in the transition of workers to new industries, and in the face of globalization it could boost domestic sources of growth and rural development, as had happened in China. The United States Government member had mentioned that the Social Protection Floor would help to avoid a race to the bottom between countries, which would destabilize the economy; it would thus help to reassure both workers and employers and create stability. A third benefit would be to ensure social cohesion and avoid shocks, facilitating pro-growth policies and structural change. These benefits could be achieved by enhancing the interactions with employment through well-designed activation and targeted policies, particularly with regard to addressing informal employment, a point raised by both the Worker Vice-Chairperson and the Government member of Turkey; by adopting innovative financial systems adapted specifically to countries, as suggested by the Australian and Algerian Government members, something which could be effective even in difficult financial situations; by addressing new challenges, in particular dealing with an ageing population and achieving good governance; and by maintaining general principles while adapting them to the reality of each country. Of prime importance was to develop the role of social partners and of international cooperation, for example with the IMF, the World Bank and the WHO, and to exploit research and the exchange of good practices. Today's discussions had been an excellent start in that respect.

Policies extending social security coverage

36. The deputy representative of the Secretary-General (Mr Michael Cichon) introduced the issue of policies extending social security coverage to the large populations around the world who lacked access. The good news was that a silent revolution was under way in a growing number of countries to address many deficiencies in coverage. The ILO's strategy to extend social security coverage comprised a vertical dimension to progressively raise levels of protection in accordance with Convention No. 102 and higher level standards, as well as a horizontal dimension to guarantee access to essential health care and basic income security for all. Policies to extend coverage had to be outcome-oriented, take account of national conditions, priorities and institutions and guarantee a Floor encompassing nationally defined universal access and basic income security for all residents. In addition to the goal of universal coverage, a rights-based approach to the extension of coverage had to be guided by the principles of sustainability, adequacy and a focus on outcomes as well as progression towards the levels provided for under Convention No. 102 and higher level ILO standards. The Office looked forward to guidance on future work to service and support its constituents in this area, including, where necessary, the development of complementary instruments, mechanisms and tools, such as a social security best protection guide.

37. The Employer Vice-Chairperson stated that any extension of coverage needed to be linked to each country's capacity as well as its economic growth. Extending coverage in the absence of growth would be nothing more than a reshuffling of funds from other government expenditure to social expenditure. The goal of each country should be to strike a balance between the desirable and the feasible, while actively supporting business-friendly policies which were favourable to economic growth and employment creation. The Office could play an important sensitizing role and the social partners in given countries could have an enlightening role on what was or was not feasible. He noted the growing importance of private systems to supplement basic systems. This allowed individuals to take responsibility. He noted that Convention No. 102 was not the ILO's only reference. Social dialogue was a key element in social protection and the ILO needed to promote the participation of social partners in national debates on the vertical extension of social security. Before extending coverage vertically, it would be important to first review the strengths and weaknesses of existing systems with a view to their reinforcement. In some countries the level of social benefits was such that they did not encourage employment, instead they often promoted the development of the informal economy. While enjoying social security benefits, some individuals were in fact working informally for their own account or in unregistered wage employment. It was therefore important to develop mechanisms favouring formal employment combined with unemployment benefits declining over time. Fraud was also a major problem in all countries. It was important to put in place clear legal frameworks such as those in Nigeria. However, for that to work properly required strengthening labour inspection and the role of social partners. The Social Protection Floor was considered by many, employers among them, as of utmost priority. His group had already expressed its views during the Governing Body discussions on the subject. However, his group opposed any idea of imposing a universal Social Protection Floor on member States; each should remain sovereign in its choices. Employers had always expressed their support for new initiatives that might extend coverage and supported the ILO Global Campaign on Social Security and Coverage for All launched in 2003. Similarly, Employers supported the adoption of the 2009 Global Jobs Pact which included reference to a Social Protection Floor. The crisis had demonstrated the necessity to help the poorest to avoid marginalization and promote social cohesion and political stability. But it also accentuated pressure on governments to reduce their expenditure within a narrowing fiscal space. While Employers were favourable to the idea of a Social Protection Floor, they also wished to underline various points. The mandate on the Social Protection Floor as defined by the Office extended beyond social security, comprising to a large measure social assistance. Any implementation had to be gradual and any approach exclusively based on standards would not be appropriate as each country had its own characteristics that required a national approach as underlined in the Global Jobs Pact. The issue of funding was crucial and Employers were of the view that this should be national to ensure long-term sustainability. Employers were opposed to international funds as this would undermine ownership by national stakeholders. While initially some international assistance could be necessary, it was above all critical to put in place sustainable national structures and systems for social protection. They also recognized that a wide range of social expenditure in developing countries was already funded by donors and international institutions, but this put countries at the mercy of donors seriously risking the sustainability of the systems. Solidarity was important, but the formal economy should not have to finance the needs of the informal economy which sometimes represented more than 90 per cent of the economy. Even if the funding of the Social Protection Floor was to be on the basis of taxation, that still would be at the expense of workers and enterprises of the formal economy. It was a fact that the growth of the informal economy in many countries was having a negative effect on competition between enterprises and was limiting States' fiscal space. The Social Protection Floor should not encourage those not paying taxes to remain in the informal economy. Instead, the whole system should encourage the formal economy and should distinguish between the poorest, who needed help, and those who could contribute

financially. The best means of social protection was having a job, as jobs were the motor of the economy and also the best way to combat inequality. Gender equality would be greatly aided by women having jobs under equal conditions. As the French Minister of Labour, Employment and Health, Mr Xavier Bertrand, pointed out at the G20 on 23 May 2011, it was employers who created jobs. Hence the ILO had to support sustainable enterprises and the Social Protection Floor should not encourage people to remain unemployed. Assistance should not be greater than the amount that one could earn in the workplace; the Floor should be a lever to spur the unemployed to find work. The social partners must play an important consultative role in putting in place a Social Protection Floor. Finally, the ILO had to continue to provide advice and to disseminate best practices as well as develop tools and indicators to transfer know-how. Whatever was the outcome of the current discussions, it was clear that the ILO had – according to its constitutional mandate – to be involved in the development of a Social Protection Floor.

- 38.** The Worker Vice-Chairperson acknowledged the support expressed for universal social protection and the view that social protection was a human right, a social need and a pillar of economic and social development. This confirmed the consensus expressed at the discussion of the International Labour Conference in 2001 and in the conclusions of the Tripartite Meeting of Experts on Strategies for the Extension of Social Security Coverage in 2009. The question was now how the goal of universal protection could be achieved. The ILO had pioneered the concept of vertical and horizontal extension, summarized in the Yaoundé Tripartite Declaration of 2010, and this was a foundation to build on. How different countries could achieve such extension would differ, however, due to the diversity of national situations. Technical assistance, best practice or Decent Work Indicators could help countries, but ultimately it was international labour standards that would provide guidance and increase coherence. At this Committee, the challenge was not to be too prescriptive on the one hand, and not too general on the other. Existing standards provided a legal framework for national social security policies and the report had underscored the importance of Convention No. 102. Existing standards and the work of the Committee of Experts on the Application of Conventions and Recommendations (Committee of Experts) provided a rich body of international law and jurisprudence that could guide future work. The Committee of Experts had summarized in its report a number of principles that could be applied universally. These included a rights-based approach to social protection, guaranteed minimum benefits to maintain families “in health and decency”, sound governance and protection from misuse of social security funds, and guarantee of due process. She gave particular emphasis on the final principle namely the oversight by representatives of the persons protected, and the overall responsibility of the State. A point often underestimated by “technicians” and “actuaries” was the importance of the social partners in finding sustainable solutions. There was a strong correlation between countries with high trade union density, especially high levels of collective bargaining, and the quality and coverage of social security. The Office report suggested a number of additional principles for the efficient and timely implementation of a Social Protection Floor and provided useful guidance. Her group was also in agreement that outcomes mattered. Member States should only pursue and implement systems that could guarantee the desired outcome, including benefits and democratic governance. Concerning the horizontal extension, a growing consensus had emerged on a combination of essential services, provisions in kind and cash transfers for those in need of protection. The report outlined a basic set of guaranteed transfers which complemented and facilitated the access to essential services such as water, sanitation, health and education, which should constitute the Social Protection Floor. The Worker members supported these. Promoting a basic set of such benefits would result in substantial progress towards meeting the MDGs. It would also improve the lives of billions of people threatened by poverty, malnutrition and manifold health risks. A major challenge was funding and also delivering benefits in an efficient way. The experience of large-scale programmes was encouraging. Technology could potentially aid speedy delivery. International organizations should support these

initiatives and help countries, but unfortunately policy advice from the IMF put fiscal consolidation above even the basic needs of the people. Policy coherence must include a commitment by all international organizations to the human right of social security as a priority of development. While in some advanced countries there was a discussion that some programmes might set wrong incentives in the labour market, particularly by incentivizing non-participation, this was a non-issue in respect to the social floor. The purpose of child benefits was to ensure that children went to school instead of working. Basic pensions were needed for those beyond active working age, and access to health was indispensable for a productive workforce. For workers of active working age, guarantees of basic income and maternity leave were essential, as was ensuring that income did not fall below absolute poverty level. The Social Protection Floor should be considered as the ground from which the social partners and government could develop the vertical extension. Upholding collective bargaining rights was key. Convention No. 102 provided a framework for introducing progressive systems of social protection. It continued to be a landmark standard and its ratification by middle-income States showed that countries could extend their social protection. Ratification should be widely encouraged. At the same time, social security systems should evolve constantly to reflect the work–life–family balance. Extending parental leave, providing affordable and good quality childcare facilities, ensuring full access to social security schemes for part-time workers, or extending flexible working time schemes while not circumventing maximum working time regulations were measures urgently needed in many parts of the world and could be subject to future standard setting. The recent crisis had challenged gains and made social security pay for the financial crisis. Policy changes were required to ensure that the financial sector served and did not ruin people’s lives and the real economy. A debated issue was activation policies. The Workers agreed that full employment should be the top priority of all governments. But the emphasis should be on helping and not forcing people back to work. The onus should not be put on the weakest part of society, namely the unemployed. Willingness to work was not the problem; millions had lost their jobs during the crisis, and the problem was creating jobs. The crisis had underlined the need for vertical and horizontal extension. Systems that covered merely a minority and left the majority unprotected were similarly as inadequate as State policies that limit their efforts to a minimal protection floor without a concept for up-scaling social protection. Extending social protection should encourage integration into the formal economy and a carrot-and-stick approach could be used by member States. The carrot could include preferential access to state contracts and public credits for enterprises that paid social security contributions, incentives to workers to contribute to pension schemes and information campaigns. The stick could be that business permits would be made conditional on social security contributions and public assurance that everybody paid taxes and that public assistance schemes were not used as wage subsidies. In closing, the Worker Vice-Chairperson urged governments to invest in technology and law enforcement to allow for efficient delivery and combat tax evasion and fraud. Free riding was a universal phenomenon and good public administration was vital to secure a State’s revenue base. Ultimately, social security extension was a policy choice. The rights to freedom of association and collective bargaining were vital to social security.

- 39.** The Government member of Hungary, speaking on behalf of the Governments of Member States of the EU attending the Conference ³ raised a number of issues concerning the extension of social security coverage. She stressed that poor economic conditions and high unemployment created greater risks of long-term exclusion. Policies designed to tackle persistent and severe poverty might require a combination of universal and targeted approaches combined with a mix of preventive measures, benefits and services. These

³ See footnote 2.

policies had to be closely integrated within a general development framework. International experience had shown that well-coordinated policies had been effective in extending coverage. High levels of informal employment constituted a significant barrier to access and thus incentives to formalize employment were crucial. Particular attention should be given to efforts to reduce segregation in the labour market between men and women and eliminate gender wage gaps. The EU strongly supported the ILO's two-dimensional strategy for the extension of coverage and encouraged all countries to establish Social Protection Floors according to national circumstances, and to implement and maintain sustainable social protection systems. Further work by the ILO could concentrate on the design of social security schemes that promoted activation and formalization. Temporary and ad hoc contributory incentives, simplified administrative procedures and greater flexibility could be effective in supporting small enterprises to formalize their operations. Active inclusion strategies combining income support, access to the labour market and health and social services could help prevent long-term exclusion and increase the efficiency of social spending. She concluded by stating that coordination and policy dialogue between governments and the social partners needed to be strengthened, and she called for better cooperation among international organizations to deliver enhanced technical services in developing countries.

40. The Government member of Viet Nam underscored the timeliness for the ILO to set up a Recommendation on Social Protection Floors which addressed new challenges especially in the current post crisis context. He stated that a cornerstone of his country's policy was to ensure social protection and social justice for all under conditions of economic growth and development. Over the past 15 years, social protection in the formal sector had been extended from 40 per cent to 70 per cent of workers, and the poverty rate had declined from 22 per cent of the population in 2005 to 9.5 per cent in 2010. Viet Nam had recently implemented new schemes such as unemployment insurance, voluntary social insurance, and had set the objective of achieving universal health coverage by 2014. There remained, however, many challenges including low levels of coverage, poor capacity to deliver basic social services and limited resources. Viet Nam's social protection strategy was being developed based on a number of principles, including the right to social protection, special focus on vulnerable groups, the key role of Government in the provision of services, and the application of international labour standards.
41. The Government member of Zimbabwe, speaking on behalf of the Africa group Government members attending the Conference,⁴ described the unique situation of Africa where the scope of social security coverage was largely confined to a comparatively small formal sector. At the same time, Africa was confronting the scourge of HIV and AIDS that slowed economic growth. While progress had been made on slowing infection rates, health impacts had created an additional burden on social protection systems and services. The global financial crisis had further exacerbated the situation with large segments of the population losing their sources of income. Some countries in the region had deployed social protection scheme funds, that provided working capital to affected companies to create employment and helped to steer economies out of the crisis. A lack of comprehensive national health insurance programmes was also a factor impacting the social well-being of populations. He noted that Africa was guided by the Yaoundé Tripartite Declaration of 2010, and that the Southern Africa Development Community had

⁴ Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, United Republic of Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

developed a code on social security and a monitoring tool to assist member States. African countries sought to encourage pro-growth policies that helped to formalize the economy and expand the contribution base for social protection systems. He concluded by stating that Africa's social protection policies could not ignore the HIV and AIDS pandemic and governments should be encouraged to enshrine the right to social security in their national constitutions.

42. The Government member of Ethiopia stated that economic and social policies needed to be implemented in an integrated way. In his country, a number of achievements had been made, including broad support for gender equality, non-discrimination of minorities, and the right of individuals to freely practice their religion. These achievements had created a conducive situation to address poverty concerns, as had a high rate of economic growth over the past seven years. Significant advancements had been made in the provision of primary, secondary and tertiary education. Ethiopia was thus on track to meet most of the MDGs by 2015. He concluded by noting that Government plans for the period 2010–15 focused on raising productivity levels, the empowerment of women and youth, the transformation of the informal economy to the formal and the strengthening of tripartism.
43. The Government member of India reiterated the importance of social security to ensure the quality of life for workers as well as inclusive growth, especially in view of the fact that the economy was growing at over 8.5 per cent annually. India had a large number of schemes for unorganized workers and had enacted the rights to employment and education up to the age of 14. His Government strongly believed in the concept of the Social Protection Floor. However, there could not be a uniform level of prescription for all countries and the decision on what the Floor should be had to be left to individual country decisions.
44. The Government member of the Republic of Korea recalled the importance of the role of social security and provided examples of policies that her country implemented to extend social security. These included the extension of support for childcare, increases in medical aid for low income people and improved management of beneficiaries to foster labour force participation. The poor were also being targeted through temporary medical and educational benefits. Finally, she underscored the Government's commitment to reform the welfare delivery system so that all beneficiaries received their entitlements.
45. The Government member of Jamaica underscored the need for social cohesion to preserve peace and avoid social upheaval due to unemployment. According to him, the approach to social protection had to consider two major choices: first a rights-based approach which promoted universal coverage; and second the economy-based approach which promoted coverage based on growth. In considering these choices, issues related to affordability and financial sustainability had to be taken on board. Jamaica had strengthened the Social Protection Floor by increasing benefits under a conditional cash transfer Programme of Advancement through Health and Education (PATH). His Government had also started the reform of their National Insurance Scheme (NIS) to improve the safety net for important groups such as the elderly, domestic workers, injured and disabled workers. Increases had been made in pensions, allowances and wage-related benefits, employment injury benefit and disablement pension as well as health benefits for NIS pensioners. Finally, he reiterated that the Global Jobs Pact had three important principles that could guide the development of effective social protection programmes, namely: (a) policy coherence, synchronized financing and sustainability; (b) jobs at the centre of recovery strategies; and (c) the centrality of the Decent Work Agenda. Regarding the first principle, Jamaica had focused on creating an enabling environment for economic and social development through a national partnership for transformation council. Furthermore, on synchronized financing, a standby agreement had been established with the IMF for balance of payment support. Regarding the second principle, Jamaica had focused job creation and

employment around infrastructure development and special attention was given to youth at risk and reduction of youth unemployment. Finally, he underscored the importance that strategies and initiatives developed for implementing the Decent Work Agenda incorporated the four strategic objectives of the ILO Declaration on Social Justice for a Fair Globalization.

46. The Government member of Brazil recalled that the Social Protection Floor concept aimed at extension of the systems and not their reduction. He explained Brazil's concept of social security and noted that its contributory system was its main pillar but also included a non-contributory system which was managed by a governance system with broad participation of the population. Health, social welfare and social assistance were social security policies in accordance with Brazil's 1988 Constitution and were crucial for poverty reduction and combating inequality. Brazil also invested in education, social housing, positive discrimination policies as well as policies targeting children and young people. The Brazil experience demonstrated that in countries with an important informal sector non-contributory systems were indispensable to reach those most in need and to guarantee equal access. Indeed, it was of utmost importance to combine the two systems as experience proved in Brazil that contributory systems such as *Bolsa Família* alone could not achieve the positive results expected. Hence, the Social Protection Floor should encompass these two types of initiatives. He then presented the most recent measure to promote social justice in Brazil namely the *Plano Brasil sem Miséria* aiming at taking 16 million people out of extreme poverty through monetary transfers, social services (not limited to health care and education but offering services to poor families) and the inclusion of families in situations of vulnerability. Social dialogue was instrumental in setting up this programme. Finally, he noted that Brazil in 2010 had also hosted a World Conference on the Development of Universal Social Security Systems which produced an outcome document entitled: *Elementos para uma Agenda Sobre Sistemas Universais de Seguridade Social* (Elements for an agenda on universal systems of social security) providing useful guidance to extend coverage. In 2011 Brazil would also host the global conference on the social determinants of health where the ILO could play a decisive role. In 2013 Brazil would chair a global conference on child labour which was also of great interest to this Committee. In conclusion, Brazil reaffirmed its commitment to the Social Protection Floor concept if the understanding was more and better coverage and even if sustainability was still a challenge.
47. The Government member of Namibia underscored his conviction of the fact that discussions aimed at policies that best contributed to the extension of adequate social security coverage also called for the inclusion of structural adjustments both on the economic and political fronts. According to him, we were not addressing the root causes of poverty. The recent events in Arab countries had ripple effects even in countries with reasonable social security programmes in place. The Namibian Government had introduced several social security programmes and he gave examples of non means-tested grants and allowances and contributory social security schemes. Currently, the Government was engaged in several reforms that pertained to the introduction of a national medical fund and a national pension fund. In addition, revision was being made to the policy, legal and regulatory framework of the social assistance scheme to be more in line with the needs of the people with an element of means testing attached to it. He concluded that the debate on policy adjustment had to aim first at placing the informal economy at centre stage. The informal economy had to be the point of reference as it was the workforce reservoir for the formal sector and the majority of people that were not adequately covered by social security worked in the informal economy. Second, it was crucial to work towards adjusting economic and governance structures and the creation of Decent Work. Finally, he underscored the Namibian Government's support to the need to have an ILO Recommendation on this important matter to take further the aspirations of Convention No. 102.

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48. A representative of the Social Protection Floor Advisory Group (Ms Sudha Pillai, Secretary of the Planning Commission of India) summarized the preliminary conclusions of the Advisory Group. A Social Protection Floor could permit effective social intervention to combat social and financial exclusion. Everyone should be able to access basic health services, education, housing, drinking water, sanitation and other essential services, and no one should live below a certain income level. However, the Floor was not a prescription but an adaptable approach that could be tailored to national priorities and coherent with macroeconomic policies. It had the potential to deliver social justice by combating inequality and poverty in a sustainable manner; to assist in the development of more cohesive, peaceful and prosperous societies; to provide security and prosperity in the face of upheaval; to enable gender empowerment; to facilitate labour market participation as a route out of poverty; to provide poor people with the skills to enter more productive employment; and to act as a countercyclical stabilizer by stimulating consumer spending. As feasibility studies had shown, the Floor was a practical proposition even for low-income countries, some of which had begun to build their Social Protection Floors in line with their needs, aspirations, institutional and fiscal space – as well as historical and cultural contexts. More than 30 countries had successfully introduced elements of the Floor in the form of cash transfer programmes or by enabling affordable access to health care. Brazil, China, India, Rwanda and others had included a massive number of people in basic social protection schemes in a short time frame. Some countries in the South had used new technologies to provide basic health protection to more than 80 per cent of their populations in just five years – something that northern welfare states had taken more than half a century to achieve. The speaker then elaborated on some schemes in India: the National Rural Employment Guarantee Scheme, providing 100 days of employment per household per year, was the largest rights-based social protection initiative in the world; a new health insurance scheme, the *Rashtriya Swasthya Bima Yojna* (RSBY), proving that Social Protection Floor elements could be built gradually and incrementally, aimed to cover everyone living below the poverty line by 2013; and an old-age pension scheme paying a modest benefit to people aged 65 and above had served to better integrate older people into their families and thus improved their social status. Since the launch of the UN Social Protection Floor Initiative in 2009, international support for the concept had grown rapidly, she said, citing the outcome document of the UN MDG summit, the 8th Asia–Europe Meeting Summit; the Colombo Declaration of South Asian Ministers of Social Development; and Organisation for Economic Co-operation and Development (OECD) social policy ministers; and the emphasis placed on the Social Protection Floor by the recent French presidency of the G20. Maintaining the status quo whereby 80 per cent of the world’s population was without basic social protection meant continuing poverty, increasing inequality, and persistent child malnutrition. Unless globalization dealt with social aspects, the resistance to it would continue; there was a need for a new global social contract, including an internationally accepted basic Social Protection Floor. The Social Protection Floor Advisory Group therefore looked to the International Labour Conference for a clear Recommendation, an international instrument supporting the concept of a Social Protection Floor.
49. The Government member of Japan stated that expanding the Social Protection Floor on a global scale required international cooperation to transfer professional knowledge and experience on social security systems. His country had supported an ILO programme promoting unemployment insurance and employment services in the Association of Southeast Asian Nations (ASEAN) countries. In this way international organizations, including the ILO, could contribute to social development.
50. The Government member of Algeria stated that, because social protection in his country was a constitutional right, its coverage in terms of both scope of contingencies and population categories was very wide. In addition to the workers with the widest coverage because of their contributions, other social categories such as persons with disabilities,

those with chronic illnesses, and poor older people also benefited, particularly from health care, with the State contributing on their behalf. Informal economy workers also accessed free medical care from the public health system. All this was possible because of the substantial employment generated in the formal sector resulting from significant investment programmes. Public tenders were accorded only to enterprises which could show they had acquitted themselves of their social security obligations.

- 51.** The Government member of Indonesia recounted the important role played by the Social Protection Floor in her country's ability to overcome the impact of the global financial crisis. The Government enacted a wide range of measures focused on providing fiscal stimulus; encouraging job creation; strengthening social dialogue; and discouraging lay-offs while supporting productivity gains. The pillars of the ILO Decent Work Agenda were used as the basis for the formulation of national policies, regulations and practices under the Indonesian Jobs Pact. Her country hoped to attract wide international cooperation, including ILO support, in implementing the Pact.
- 52.** The Government member of Uruguay shared his country's experience in extending social security coverage. This had been undertaken on the basis of tripartite consultation and adhered fully to the ILO's Decent Work concept. Coverage had, for instance, been extended to impoverished persons over 65 years of age. Both social transfers and economic growth and contributions had increased over the previous six years, contradicting the belief that raising contributions might lead to expansion of the informal economy. The Government and social partners had jointly deliberated the ratification of Convention No. 102 and the country by now adhered fully to its basic principles, including on the Social Protection Floor. Social dialogue, including collective bargaining, had also proved a useful tool to involve the social partners on this issue. While the question of how to finance non-contributory benefits was important, solidarity was an essential social principle which validated redistribution, even under conditions of fiscal discipline. It was money that determined the success of a Social Protection Floor policy.
- 53.** The Government member of Thailand expressed appreciation for the ILO report, which mentioned the universal health-care coverage achieved in her country. A major challenge, however, was that of extending social insurance to workers in the informal economy. In this regard, Thailand had received technical assistance from the ILO. There were two types of voluntary insurance, one for insured workers who became unemployed and the other for those previously uninsured, though very few of the latter had elected to join the scheme. The Government had initiated a number of efforts to reach out to underprivileged and informal economy workers, including cash sickness benefits, disability benefits and death benefits. The main objective was achieving income security for these workers.
- 54.** The Government member of Pakistan noted that his country's Constitution affirmed the universal right to social and economic well-being. Pakistan had ratified some 38 ILO Conventions and the country's labour laws were based on these standards. The Government was working to develop strategies to protect poorer households against economic shocks. Investment in the country's human assets was needed, along with the development of basic skills. Many efforts were being made to aid the poor through microfinance schemes, mainly run by microfinance banks and NGOs. A challenge was to make the gains achieved sustainable.
- 55.** The Government member of Canada noted that in the matter of extending social security coverage, his country stressed the importance of research in supporting policy development, locating coverage gaps and identifying alternative approaches. Efforts had been made to mainstream the gender dimension into the policy-making process, using gender-based analysis to assess efficiency and delivery. The speaker encouraged the ILO

to pursue its collaboration with other international agencies, including the new UN Entity for Gender Equality and the Empowerment of Women.

- 56.** The Government member of Bangladesh noted that for least developed countries it was a challenge to extend social security coverage, given limited financial resources. However, his Government was committed to ensuring full participation and equal rights for its citizens. It was reaching out to the most vulnerable population groups, and had introduced an old-age pension scheme. An ambitious scheme to provide a job for at least one person in every family was now being given top priority. The challenge was to expand both vertical and horizontal coverage. Affirming that partnerships and resource mobilization were crucial in this effort, he said Bangladesh would welcome expanded cooperation with the ILO to bring benefits to its people.
- 57.** The Government member of Sri Lanka said his country recognized the importance of a range of formal social security schemes, including provident and trust funds, worker compensation and free health care. It had initiated a poverty alleviation programme (Samurdhi). While there was much room for further improvement, these efforts had helped social development in the country, especially with regard to the MDGs. Like many countries, Sri Lanka faced the phenomenon of an ageing population. Given the threat posed by the financial crisis to the sustainability of social security schemes, the country offered its full support to the ILO's endeavour to extend social security for social justice and a fair globalization.
- 58.** The Government member of the United States recalled her country's experience in the extension of social security over the years. In the 1950s, for example, social security had been extended to domestic and farm workers, State and local government workers and persons with disabilities. The United States offered a range of income support measures, including unemployment compensation and tax credits for low-income families. Health-care coverage had recently been expanded. She remarked that it was important to continuously re-examine policies and programmes, and in this regard she highlighted the important role the ILO could play in strengthening its research and information-sharing capacity. Noting that the Committee's discussion of the range of national experiences was informative, she urged the ILO to develop a guide on good practices in social security administration.
- 59.** The Government member of the United Kingdom noted that considerable advances had been made in extending social security in middle-income countries but coverage in low-income countries remained low. In his view, this was where the ILO should focus its analytical resources and report to the Governing Body on the effectiveness of its work. While the involvement of other international organizations in the discussion of funding and delivery challenges was appreciated, it would also be useful for the ILO to report on this dialogue at the country level. How, for example, was the Office contributing to better coordination and pooling of expertise? To what extent had this resulted in increased funding from multi- and bilateral sources? How did the work of the Office complement that of the World Bank? It was particularly important to liaise with national decision-makers in finance ministries as these were instrumental in the resource allocation process. Stressing that the development of social protection programmes must be owned and led by the countries concerned, he called for a flexible approach to the promotion of basic social protection as the Committee moved towards a possible Recommendation.
- 60.** The Government member of Kenya called on the Committee to reflect on the special context of Africa in the extension of social security, with its large informal economy and agricultural sector. What was required was the re-design of national policies and frameworks to support the gradual integration of international tools and she asked that the Committee's conclusions take this into account. Referring to the Yaoundé Tripartite

Declaration of 2010, she stated that the Committee's conclusions should also refer to the centrality of the Decent Work Agenda, in which social and economic objectives were balanced.

- 61.** The Government member of Senegal stated that social protection was a fundamental human right, recognized in a range of international instruments including the Universal Declaration of Human Rights, the African Charter on Human and Peoples' Rights, and Convention No. 102. What was needed was to define a good strategy for the extension of social security that assisted vulnerable groups, as well as the political will to implement it. He noted that Senegal had successfully extended social protection to transport workers, and would soon do so for workers in the agricultural sector. Collaboration with the ILO was essential in the establishment of a Social Protection Floor in his country.
- 62.** The Government member of the Bolivarian Republic of Venezuela noted that his country had established a democratic framework to support the extension of social security, and that its national system was enshrined in the Constitution and a range of supporting legislation. Social protection was now provided in the form of unemployment compensation, disability benefits, and retirement pensions available to all residents, as well as the provision of universal health care. Pension benefits had recently been increased. Many of the national innovations in social protection were well-documented in the report. While supporting the concept of a basic Social Protection Floor, he emphasized that the long-term objective should be to maximize levels of social security.
- 63.** The Government member of Kuwait said his country was making every effort to build a social security system that would benefit all in society. It was currently working towards creating a broad system of social security coverage and further legislation was now required to extend it. The strategic objective of Kuwait was to ensure social justice for all population groups, with particular emphasis on the most vulnerable, for example young people and orphans. The Government now envisaged extending coverage to other vulnerable categories such as widows, and budgetary allocations had been made to that end. Kuwait had already instigated free health care and free education for all. Its next step was to focus on strategies and policies to ensure all citizen workers were covered.
- 64.** The Government member of Cameroon, recalling that in 2010 his country had hosted the 2nd African Decent Work Symposium on "Building a Social Protection Floor with the Global Jobs Pact", endorsed the views expressed by the Government member of Zimbabwe. He gave examples of steps being taken by Cameroon to extend social security coverage, which was a major concern for the Government. It had drawn up a strategy document for growth and employment, the aim being to develop human capital. It had created a national solidarity scheme designed to provide social security protection for older people, those with disabilities, children, marginalized persons and street children. It had also created a social security modernization scheme, which focused on improving the quantity and quality of State social benefits in the areas of health and maternity, old-age, work accidents, and sickness and incapacity benefits, and survivor benefits. Cameroon was also developing programmes to promote equal opportunities and rights for all, with innovative financing to release the resources required by the new strategy.
- 65.** The Employer Vice-Chairperson stated that delegates shared common objectives while agreeing that the specificity of countries was paramount. There had been a diversity of opinions and a great opportunity to share experiences and good practices on ways to extend social security. He said that the financial sector could be considered as one of the contributors to the current financial crisis. However, governments had also made mistakes, allowing their economies to be founded on debt. While recourse to financial institutions to rectify the situation was necessary, it was likely to reduce the financial resources for social security. Discussions had once again highlighted the need to link social protection policies

to good governance and incentives must be given to employers to this end. The reality of the world of work should be taken into account as, in certain countries, even when social security benefits were put in place, they did not reach many workers. In some countries the informal economy accounted for as much as 90 per cent of employment, with many such workers moving around so much that it would be impossible to ensure they benefited from coverage. Thus, the problems of identifying potential beneficiaries, bureaucracy and corruption were an unavoidable reality. In 2009, he had participated in the Tripartite Meeting of Experts on Strategies for the Extension of Social Security Coverage, which had concluded that, inter alia, social protection required investment in infrastructure.

- 66.** The Worker Vice-Chairperson reiterated the centrality of Convention No. 102 and its ratification, which was key to providing and extending social security coverage, especially in addressing the problem of informal employment. Also crucial was the role of tripartism based on free collective bargaining. She fully supported the ILO's efforts to promote the Social Protection Floor, which was urgently needed as a means to achieve horizontal extension. It was pleasing to note that other international organizations looked to the ILO for action in this regard. She welcomed the commitment shown by a number of governments, especially with regard to the Floor, and agreed with all the comments on informal employment, especially the notion that those workers able to contribute should do so. However, she disagreed with the Employer Vice-Chairperson's assertion that governments were primarily at fault in the financial crisis except to the extent that they failed to regulate financial markets. Lastly, strategies to extend social security coverage should be based on rights, adequate benefit levels, a strong gender dimension and attention to the needs of vulnerable population groups.
- 67.** Summing up the discussions on policies extending social security coverage, a member of the secretariat (Mr Philippe Marcadent, Social Security Department, Social Protection Sector) noted the consensus that extending social security coverage was a top priority. Much had been achieved since the International Labour Conference of 2001, but all agreed that there were still gaps and much remained to be done. Delegates were unanimous that full, universal coverage was the final objective – it was a right – but that the primary focus should be on those population groups not currently covered, among them rural populations, women, informal workers, those incapacitated by ill health, people living with HIV and AIDS and persons with disabilities, that is, all those that were excluded. The internal capacities of countries were important and some required support with resources and technical assistance. Discussions had highlighted a diversity of opinions and practices, but common to all was universality, the need for progressive incorporation of target groups and the effective use of resources. Areas of idiosyncratic views were financing, social policies and employment policies, highlighting the fact that the national context had an important bearing and there was no standard model for all countries. A major obstacle to extending social security coverage was exclusion due to a lack of formalization in employment, and various measures had been put forward to address the problem. Even within one country, there were different mechanisms, depending on population groups, so there was a need for consistency. Discussions on practice highlighted the realities and the prime need for a minimum protection level for all. There was general support for the ILO's horizontal and vertical strategy, and delegates had expressed support for Convention No. 102 as a way for countries to progress towards vertical access. There had been general consensus on the role of different actors in achieving the Social Protection Floor and the extension of social security coverage, including the importance of the social partners, governments as guarantors of the right to social security, the private sector, the ILO itself, as well as on the need for continued research.
- 68.** The intervention of the Secretary-General (Mr Juan Somavia, Director-General of the International Labour Office) was aimed at stimulating the work of the Committee. In 2001 a new consensus had been reached on social security, with significant progress made since,

thanks notably to the Global Campaign on Social Security and Coverage for All. Among the key issues now were vertical coverage, the ratification of Convention No. 102, sustainability and affordability, the relation between social security and employment, and the gender dimension, all covered in the report. He invited the Committee to link the issue of economic growth with the aim of social justice. Governments found it hard to institute social protection systems without growth, especially in the current economic crisis. However, experience showed that countries which expanded their social protection systems in the midst of the crisis registered improved growth and emerged better out of the crisis. Tripartite discussion of this issue would enable balanced solutions to be found, which was indeed the ILO's role. While the Social Protection Floor concept had made significant progress over the past decade, 80 per cent of the world's population was still not enjoying this basic human right – hence the Committee's aim to produce solutions. Since these would not be the same for all countries and universal coverage would not be achieved instantly, the Committee should determine building blocks representing steps all countries could achieve, respecting the diversity of each country, and realistic enough to be applied by countries themselves. It was a collective objective to move the Social Protection Floor forward. In this regard, the experience of poor countries that had successfully implemented social protection systems should provide inspiration. Social protection had multiplier effects, such as generating growth and economic demand, and protecting people. It was thus important to create a clear concept which could be fully integrated into economic policies. The crisis had shown the limits of previous economic policies; returning to business as usual was therefore unthinkable. The ILO's role was to come up with creative solutions anchored in reality. The sharing of experiences should also be fostered and this was one of the objectives of the Social Protection Floor Advisory Group chaired by Ms Michelle Bachelet. He acknowledged the contribution of Ms Pillai, whose presentation had stimulated a rich debate. The Committee had the responsibility but above all the potential to come up with solutions.

The affordability and financing of social security

- 69.** Introducing the point for discussion, a member of the secretariat (Mr Krzysztof Hagemeyer, Social Security Department, Social Protection Sector) noted that looking at the type of financial challenges countries faced, one could single out those countries having developed comprehensive social security systems and those with large coverage gaps. In the first group of countries, key challenges included the need to adapt to demographic and social change; the importance of ensuring long-term financial and fiscal sustainability and ensuring economic and social adequacy. In order to ensure affordability and create fiscal space for closing the coverage gaps, it was vital to develop feasible policy and financing options, and to develop social security strategies. On the latter, careful prioritization and sequencing of programmes were crucial. In terms of possible future policy orientation for the Organization and the Office, cost control mechanisms and creating the necessary fiscal space had an important role to play. As points for discussion he suggested the issues of affordability, adequate financing arrangements and sustainable fiscal space.
- 70.** The Employer Vice-Chairperson stated that the financing issue was the most complicated question. Social expenditures had exploded over the last years while financial resources had diminished. Many countries had to supplement contributive systems with public finances thus increasing their deficits. A sound balance had to be achieved between social protection and principles of sound financial management and good governance. He called for consultations with social partners. Countries that had based their social protection systems on private systems often experienced smaller public deficits but with greater costs for people and enterprises. Private insurance had played an important role in all systems. Life expectancy had gone beyond the expectations of actuaries and had important effects on the costs of health and pensions systems. It was important that the State ensured that

older people had enough resources to afford a living. In some countries old-age poverty was becoming more and more acute. There was a need to find a balance between pensions and other resources. The key challenge for financing pensions was the decreasing number of people in employment to finance those retired. Some countries implemented reforms that aimed at increasing contributions. Contributions had become costly for employers and employees. In his view increasing the retirement age or the contribution period were imperative measures. Governments must also adopt measures to reduce the demographic impact. Retirement age could also be indexed to life expectancy. There was a tendency for governments to underestimate the cost of pay-as-you-go systems, because it was important to take an honest look at the value of future pensions. However, in many countries, even the shift from defined benefits to defined contributions would not completely solve the problem of an insufficient contribution base. The speaker elaborated on the importance for individuals to have certainty about how much they would receive when entering retirement in order to better organize their working lives and anticipate their future needs. Currently, countries with multi-pillar systems had reached consensus. One pillar was individually funded. One pillar helped people that did not have full contributory history on a solidarity basis. And one encouraged additional savings. The contribution of the three was essential to achieve adequate replacement levels. The financing challenge was different between private and public sectors but governments tended to align them. Given that models were different, responses had also to be different. When offering assistance, the ILO needed to take into consideration that national conditions and social dialogue had a key role to play. Regarding health insurance, he praised the important medical advances but underscored the explosion of growing costs. He did not address the issue of unemployment benefit systems as its viability was related to the level of unemployment. The Employers considered that social protection was based on a false perception as individuals were not knowledgeable about the total cost to their salaries. He also stressed the need to limit the impact of demographic ageing. In this respect some important measures included family policies that favour labour force participation and childcare; fair migration policies and policies that increase labour force participation of youth, women and older people. Finally, he noted that the report mentioned different routes for addressing fiscal policy and he was in disagreement with them, particularly those related to taxing international trade as well as ILO's position on indirect taxation. His group, however, thought that taxes applied to the informal economy could be useful but had some reservations regarding which associations could adequately represent the informal economy.

- 71.** The Worker Vice-Chairperson changed the issue around and questioned whether society could afford to do without social security. Social security was not a luxury, but a development imperative. Ratification and implementation of Conventions such as Convention No. 102 helped in vertical extension and improved benefit levels. The level of social protection a society could offer depended on its level of wealth, but the wide disparities in benefits among countries with comparable development levels showed that differences could not be explained solely by GDP per capita. Much depended on a society's choice regarding acceptable levels of income disparities and priorities. Affordability was not a purely technical issue and involved political value judgements. One of the strengths of the Office report was its wealth of empirical research contradicting the myth that social protection was a luxury which developing countries could only afford as they got closer to OECD membership. Over the past decade, several low-income countries had created the necessary fiscal space to provide the resources for a Social Protection Floor. Indeed universal coverage was well within the reach of all middle- and most low-income countries. However, as new programmes required resources and expertise, the international community could and should help to speed up the process. This could include provision of bridging funds through international aid until full sustainability of national systems was achieved. While enormous progress in quality of life of older people or universal provision of health services had been made in high income countries as a result of commitment of substantial resources, it was clear that higher investment per se

did not necessarily guarantee good outcomes. The United States' health-care system, the world's most costly system, showed that programme design was key for both equitable outcomes and efficient resource utilization. Over the previous decades the debate on sustainability of social security systems had been clouded by alarmist discourse which failed to clarify how sustainability was defined, aiming instead to imply that any increase in contribution rates or taxes to preserve current arrangements was unsustainable. Social security systems in ageing societies did indeed face challenges, but as the ILO report showed these challenges were manageable. While the main "solutions" put forward focused on raising the statutory pension age, reducing public pension levels, or promoting private pensions, comparatively little attention had been paid to the fact that policies to promote full employment would have the greatest impact on sustainability. That would require public employment policies including universal public services, public infrastructure, the promotion of lifelong learning, and improvements in working conditions. What mattered most in social security was its outcomes. System design had to be judged against the results it delivered, which should be: rights-based, universal and guaranteeing minimum social protection levels; predictable and adequate benefits; collective financing and risk-pooling; and participatory management involving stakeholders under the State's stewardship. Measured against the yardstick of these outcomes, privately administered individual accounts that were recently widely promoted did not fare well. Experience had shown that such schemes were more costly to administer, were vulnerable to market volatility, and did not provide any better protection against the effects of an ageing population, or even against bad governance practices. Her group agreed with the Office report on the need for an appropriate balance between contribution-financed and tax-financed benefits. The creation of a Social Protection Floor would require an expansion of fiscal space through progressive taxation and inclusion of all sources of income, the broadening of the tax base combined with measures against fraud and tax evasion, as well as the introduction of a financial transaction tax. Social dialogue was critical on these matters. The introduction of a Social Protection Floor could also provide incentives to formalize informal economy businesses and lay the ground for vertical extension of social security systems. Strengthening the contributory capacity of both workers and employers through social dialogue could also be an important source of funding. Efficient social security administration and an efficient revenue collection system could be enhanced were governments to use their influence as employers, purchasers of goods and services, and regulators to make sure that all direct and indirect government workers were formally employed and contributed with their employers to the social security system. Finally, she reiterated that the ILO should provide guidance and technical assistance to build and manage social security, particularly pension schemes, based on these principles. Such assistance and guidance should include support and training for constituents to ensure effective oversight by beneficiary representatives.

- 72.** The Government member of Hungary, speaking on behalf of the Governments of Member States of the EU attending the Conference,⁵ highlighted some points central to the ILO's social protection strategic objective. Social security ensured a more balanced globalization linking social and economic development. The economic and financial crises had demonstrated the value of social security as an automatic stabilizer to combat poverty and social exclusion while providing adequate and financially sustainable social protection. The serious public finance constraints facing most countries as a result of the crisis highlighted the need to maximize the efficiency and effectiveness of social protection systems. She emphasized that well designed social policies supported sustainable growth and limited the social and economic effects of crises. Furthermore, gender equality required particular attention to reduce labour market segmentation between men and

⁵ See footnote 2.

women and to provide equal professional development opportunities as a way towards eliminating gender wage gaps, and reduce women's old-age poverty. The EU also supported the ILO's work on guidelines on sound governance and the protection of social security funds.

- 73.** The Government member of Saudi Arabia noted the ILO had proven that social security was both affordable and important. While governments faced many competing demands for resources, the priority of social security should be underlined and clarified, as it was needed for both social justice and economic progress. The ILO provided excellent advisory services but also needed to offer policy advice on the long-term benefits of social protection in terms of macroeconomic progress. This was not beyond the scope of the ILO, and the danger was that other organizations would downplay this aspect. Saudi Arabia had recognized these factors and investment in social security was a priority.
- 74.** The Government member of Japan noted that his country had recognized the need to reinforce its social security systems, and was trying to encourage people with disabilities, the elderly and youth to participate in the labour market. Japan had recently raised the pension age from 60 to 65 years old. It had also established a system which adjusted the level of pension benefit according to the decrease in its active working population. The speaker stressed that the Japanese people enjoyed working and that 70 per cent of men over 65 years of age were working, the highest share of all OECD countries. This commitment to work would help Japan overcome its ageing problem. In closing, the speaker noted that Japan was working on the financing side and that reform of the taxation system was a high priority.
- 75.** The Government member of Canada stated that his country believed that long-term planning was essential, and that careful consideration should be given to costs and sustainability. Particular challenges were ageing populations and changes in demographics and employment. Working towards gender equality was an important goal. The speaker noted that in 1998 Canada had to reform its national pension plan due to rising costs, demographic changes and declines in wages. After wide consultation with the social partners, the country had achieved a plan that ensured an actuarial equilibrium of the system for the next 75 years. This had been an example of different levels of Government working together.
- 76.** The Government member of the United States stressed that appropriate financing arrangements might vary from country to country. Sustainability could be ensured through funding mechanisms that reflected national consensus, needs, priorities and resources. In general, programmes were effective if benefits did not rise faster than productivity. Issues of affordability were subjective, and policy-makers needed to choose whether to view benefits as relative to income or an absolute income, as means tested or as entitlements. In designing social security schemes, policy-makers faced competing principles, including individual equity, social and benefit adequacy as well as funding uncertainty. It was worth noting that forward financing and pay-as-you-go could be illusory in the long term. In closing, the speaker noted that a combination of approaches could be appropriate within one country. The United States was such an example.
- 77.** The Employer Vice-Chairperson noted that costs were not only costs – but as someone had said, health had no price but had a cost. Governments were facing multiple demands.
- 78.** The Worker Vice-Chairperson reiterated the point that the cost of not having social protection was higher than the cost of having it. She recognized, as other speakers noted, that taxation was an important issue.

79. A member of the secretariat (Ms Christina Behrendt, Social Security Department, Social Protection Sector) summarized the discussion on the affordability and financing of social security. The need to find an equilibrium between social and economic needs was a common message. This required constant attention and continuous social dialogue in countries. Three major objectives had emerged from the discussions. First, was the need to ensure the sustainability of social security systems. This was essential for countries with large coverage gaps. Outcomes were very important, and a long-term perspective was required. Sustainability must also be linked to the realities of a given country. Trust, transparency and predictability of the systems were vital. Second, the fiscal space had to be expanded. Taxation and revenue collection – and their efficiency – were key, but in this regard social dialogue was needed. Third, decent and productive employment was key for the financing of social security. There would always be new demographic requirements and high levels of employment and adequate working conditions were needed. The speaker underscored the issue of skills shortages as well as the importance of policies to help with work and family balance. Rising employment levels for women, youth and the elderly were equally important.

Governance of social security

80. The Executive Director of the Social Dialogue Sector (Mr George Dragnich) posited that no social security system was sustainable without effective governance. The main issues identified for good governance were ensuring benefit adequacy, effectiveness and policy coherence as well as fostering coordination among various actors. An essential precondition was the availability of effective governance frameworks, notably with respect to the responsibility of the State, stakeholder participation (employers and workers) and social dialogue. The State had a central role, as it had to ensure the design and range of benefits, the legal frameworks and the proper administration of social security institutions. These responsibilities could be discharged publicly or through parastatal or private sector entities. More broadly, the State ensured the coherence of policy as well as coordination among the actors and agencies. At the same time, the contribution of social partners was essential. Their participation was needed in designing implementation and monitoring of social security policies, as they were ultimately the contributors, taxpayers and beneficiaries. Hence they should serve on the boards of social security institutions. Effective social dialogue also ensured a national consensus on social security, for instance by identifying and implementing effective response mechanisms during crises; contributing to the design and implementation of major reforms, appropriate benefit systems and monitoring; promoting coherence of economic and social policies as well as sound governance of labour markets and social security; and, very importantly, managing change smoothly. A recent ILO research project had shown that countries had responded very differently to the crisis, with those which had employed social dialogue, for instance in pension reforms, faring well. The ILO encouraged member States to strengthen social dialogue on social security. The Office provided a range of tools to member States on good social security governance. These included knowledge generation and dissemination (e.g. the Global Extension of Social Security (GESS) web platform, research and statistics, and the social security best protection guide), capacity building through partnership with the International Training Centre of the ILO (ITC), Turin and technical advisory services. Mr Dragnich concluded by offering two suggested points for discussion: how can governments, workers and employers contribute to enhancing the design, governance and administration of social security systems; and how can institutional frameworks be improved to support these efforts.

81. The Employer Vice-Chairperson noted that in many countries the social partners were actively participating in social security systems and serving on supervisory bodies, and even setting up schemes themselves. The ILO should encourage such initiatives, especially

where innovative mechanisms were being used. The models were very diverse, and there were some in which the social partners were not active, perhaps by choice. It was also important to develop adequate prevention mechanisms, for instance with regard to occupational safety and health. The social partners played a key role here, but countries' application of Conventions and other mechanisms had been too slow. The ILO should be more active in providing education and training in this area. Good governance was essential to improving social security systems. Administrative costs needed to be reduced and better relations were needed with beneficiaries; in ineffective systems, benefits sometimes did not reach the latter. It was very important that the national actors had confidence in the system and its sustainability. This meant training labour inspectors and developing monitoring mechanisms in which the social partners would play a bigger role, as a means to combat illegal and informal labour. It was regrettable that the ILO did not play a larger role in the fight against fraud and corruption. Regarding migrant workers, the ILO should encourage agreements between countries on benefit portability. In Latin America and Eastern Europe, compulsory pension funds had played a crucial role in the development of capital markets, strengthening the economy as well as in enhancing profitability of enterprises through investment of individual savings accounts. A recent evaluation of the Social Security Department of the Office had noted that the ILO was not providing enough training for the social partners. In the Employers' eyes, ILO efforts could involve employers' organizations in two ways: by raising awareness of social security challenges such as ageing; and informing and training Employer representatives who served on social security supervisory bodies. Unfortunately, the ILO had not pursued these activities in a significant way, instead favouring an approach targeting governments. ITC Turin had tried to develop activities in this direction, but lacked the necessary resources. The evaluation report had been a move in this direction, but did not go into detail. The increasing complexity of the times meant that awareness raising and training for employers and workers were more important than ever. The Employers' group therefore called on the ILO to cooperate fully with other international organizations and involve the social partners in that exercise. The group had been very surprised that no role was foreseen for the social partners in the UN Social Protection Floor Initiative document of November 2009⁶, led by the ILO and the WHO. The Committee's discussions had stressed that tripartism was central to all work surrounding the Social Protection Floor and he therefore demanded that the Office revise this document to take account of the role of the social partners as well as involving them in all national Social Protection Floor arrangements. The ILO must promote social dialogue, particularly in shared initiatives with other UN agencies.

- 82.** The Worker Vice-Chairperson underlined three key governance issues: what it was intended to achieve; what was required to achieve it; and how it could be achieved. The goal was the extension of social security to all, through a diversity of methods. Extension would only be sustainable if obligatory contributory systems were rolled out simultaneously with a Social Protection Floor which, as the Office report noted, required effective and efficient social security governance and management. Fraud, irresponsible investment, cumbersome bureaucracy and unreliability destroyed trust and endangered the whole system. Workers and employers would not join schemes without reasonable balance between what they paid and what they received in return. Responsibility for ensuring effective and efficient management of public schemes lay with governments, which also had to provide a regulatory framework for non-state and private schemes. Individuals needed assurance that providers met good governance criteria including transparency, prudent financial management, low overhead costs and beneficiary participation in

⁶ ILO and WHO: *Social Protection Floor Initiative: Manual and strategic framework for joint UN country operations* (Geneva, 2009).

oversight. Evidence showed that private schemes could not achieve the economies of scale and efficiency of well-run statutory schemes, and the increasing outsourcing or privatization of public services was therefore worrying. There were many examples of private providers with public sector contracts targeting those that could be helped easily and excluding those most in need, in order to maximize profits. Essential social services were best done by well-designed public services or non-profit service institutions. Well trained and adequately paid administrative staff were a precondition for any system's governance. Effective resource collection required an efficient inspection service to ensure that employers and workers met their contributory and tax obligations. There was particular concern about employers deducting dues from their workers but not transferring them to the social security funds, as well as abuses by foreign investors importing their own workers into a country who did not enjoy the host nation's worker rights. There was also a growing trend for disguised employment relationships aimed partly at circumventing social security, employment rights and tax obligations. The large informal economy in many developing countries also raised serious governance issues and the many millions of informal workers were a prime target for the Social Protection Floor. Workers were increasingly pushed into the informal economy by large companies resorting to outsourcing and subcontracting. Law enforcement was vital to combat free riding by informal economy enterprises that avoided taxes while relying on public health-care programmes and other basic services. A simple revenue collection system and vigorous enforcement efforts might address this problem. An effective and efficient social security system required broad social support, and the full involvement of the social partners to improve its design, oversight and efficient operation. This required freedom of association and collective bargaining, and an environment in which these rights could effectively be exercised. Governance of social security systems and governance of labour markets were closely interlinked. Beneficiaries and those affected by systemic deficiencies were the best placed to demand good governance of social security; their inclusion was thus essential in order to guarantee that funds were not diverted to other uses. The social partners could play a decisive complementary role in building inclusive and flexible social security systems. Tripartism was key to ensuring a universal Social Protection Floor: history showed that countries made the greatest strides when they were able to build a broad social consensus. That, however, required that countries have leeway to exercise their sovereignty through democratic decision-making rather than conditionalities and austerity measures being imposed by international institutions, with inputs from the social partners excluded. Where irresponsible loans had been made to unaccountable rulers, protecting creditors should not take precedence over the needs of the people. Workers were in full agreement with their Employer colleagues that formalizing employment and extending social security had to be pursued simultaneously. Every worker that moved from informal or precarious to stable employment increased the potential for contributory systems to grow and reduced the need for a tax-funded Social Protection Floor. The Employers could count on her group's full support to work towards an initiative under the auspices of the ILO to promote that transition and to define policies that encourage enterprises to operate within the law. Well-resourced and well-trained labour inspectorates were indispensable in this regard. The ILO should invest in helping its constituents to exploit their own potential to shape social security. It should develop and implement a major programme for technical assistance for the social partners on all aspects of social security policy and governance.

- 83.** The Government member of Hungary, speaking on behalf of the Governments of Member States of the EU attending the Conference,⁷ noted that social dialogue was an essential element in the pursuit of social justice and social cohesion. The recent global crisis confirmed that constructive dialogue among governments, the social partners and other

⁷ See footnote 2.

civil society organizations was key in promoting social policy reforms, addressing the social consequences of the crisis and helping to stabilize employment. She noted the importance of social dialogue in identifying the most suitable social policy packages in the design of strategies for recovery and beyond, and underlined the necessity of involving key stakeholders in their implementation. The key challenges for national social security systems were universal coverage; economic and social adequacy; and sustainable funding, all of which were critically influenced by governance. Social security systems needed to be well-administered to ensure efficiency, effectiveness and transparency if they were to enjoy a high level of confidence from citizens. The key to an efficient tripartite contribution was broad social dialogue in designing, implementing and monitoring social security systems and to ensure social justice and equity as well as a sense of broad-based ownership and accountability. Labour inspectorates and enforcement bodies also contributed to good governance of social security systems. She concurred with the Office report that social dialogue was vital to developing coherent national, social and economic policies that reflected the strategic dimensions of the Decent Work Agenda.

- 84.** The Government member of Canada underlined the fundamental role of stakeholder relations and public engagement in designing, developing or modifying systems, policies and programmes for social security. Stakeholders, including Worker and Employer representatives as well as NGOs and other concerned groups, brought diverse perspectives, views and solutions, which led to greater policy innovation and sustainability and built understanding and support. Tripartite involvement in the governance of social security schemes ensured the representation of those who financed and benefited from social security. In his country, the Canada Employment Insurance Commission (CEIC) ensured the effective management of the employment insurance programme by regulating, reviewing and approving policies related to programme administration and delivery. Two of the Commission's four members represented the interests of workers and employers and were appointed after consultation with their representative organizations. Strong governance and administration were key elements of effective social security systems. Canada's reform of its public contributory pension plan in the 1990s, developed in consultation with the social partners and other stakeholders, had included a new investment policy, administrative changes, and improved accountability. The reforms made Canada's pension system sustainable for several decades into the future.
- 85.** The Government member of Singapore recalled the necessity for each country to define its own social security framework so that it could adequately respond to the real needs of the people. In Singapore, the defined contribution Central Provident Fund (CPF) scheme had evolved from a simple mandatory retirement savings scheme into a comprehensive social security plan providing for the retirement, health-care and housing needs of the population. The CPF had proved to be financially sustainable and retirement adequacy was increasing every year. In the present crisis period, special attention was being given to low-wage workers through the Workfare programme aiming at gainful employment thanks to income supplements and skills training. The programme was meeting its objectives without raising business costs or impinging on company competitiveness. To ensure the efficiency of the system it was revised regularly through tripartite consultations. Singapore had developed a unique brand of tripartism which played an instrumental role in the formulation and effective implementation of a range of policies, including on social protection.
- 86.** The Government member of Japan stressed the necessity of conducting nationwide consultations to ensure the efficiency and sustainability of a country's social security system. In Japan, this dialogue took place in the Social Security Council, an advisory body including worker and employer representatives which responded to enquiries from the Minister of Health, Labour and Welfare. The Council was currently considering reforms to respond to the demographic challenge of Japan's ageing population while making sure that the system nevertheless remained sustainable.

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- 87.** The Government member of Algeria informed the Committee about the organization of the national social security system, principally comprising five distinct national funds, all legally defined as public bodies and managed through tripartite governing councils, plus a number of sectorally based mutual funds. Labour inspection had been reinforced and cooperated with the internal social security inspection body with a view to enhancing governance. Although the social security system had faced difficult challenges during the structural adjustment of the 1990s, these had been overcome thanks to tripartite social dialogue which had enabled the system to be consolidated.
- 88.** The Government member of Brazil highlighted the central role of good governance in ensuring the financial viability and sustainability of the social security system, which was financed by society as a whole through worker and employer contributions supplemented by the resources of the National Treasury. Universal health care and social assistance were entirely financed through taxes and the Government was committed to expanding and improving pension coverage through a raft of measures, such as a plan for micro-entrepreneurs which had led to the formalization of 1 million informal workers, and a programme for social housing. All were designed with due respect for regional specificities and adapted to the needs of the population. Public and private services had a common objective, assured by quality standards established by the State. The delivery of services and the management of funds were controlled by national tripartite councils with the participation of civil society organizations. These councils allowed Brazil to ensure efficiency, make necessary improvements and progress towards a universal approach. The Government was now using marine petroleum revenues to enable the extension of social security, raise the minimum wage and improve education and housing provision with a view to fostering economic and social development.
- 89.** The Government member of Senegal indicated that following the ratification by his country of Convention No. 102, eight of the nine contingencies were now covered, the exception being unemployment. The provision of benefits was ensured by two institutions, namely the Social Security Fund and the Social Insurance Institute for Old-Age Pensions in Senegal, for whose proper functioning the involvement of the social partners was an absolute necessity. The governing bodies of both were chaired alternately by worker and employer organizations. The efficiency and viability of this autonomous governance had enabled the pension fund to reach a level of reserves capable of covering three years of benefits. These positive results were also possible thanks to the numerous technical cooperation activities provided by the ITC in Turin. Highlighting the importance of raising awareness of social security, which could attract workers in the informal economy and thus extend coverage, he asked the ILO to carry on supporting developing countries through capacity-building activities for workers, employers and labour inspectors.
- 90.** The Government member of Thailand drew attention to the participation of the social partners in the management of her country's social security schemes via three tripartite national committees supporting the work of the Social Security Office. The involvement of workers and employers was seen in Thailand as a great asset for good governance, and social dialogue had contributed to improved fund management.
- 91.** The Government member of the Bolivarian Republic of Venezuela said social dialogue had been anchored in national life through the national Constitution of 1999. Innovative forms of union organization contributed to national debates on health, pensions and other social issues and enabled the proper design of social security schemes. Representatives met not just to voice complaints but also to propose solutions. Twenty years previously, manipulation had led to proposals to privatize the social security system but they failed thanks to effective social dialogue. The system had instead been universalized.

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- 92.** The Government member of the United Kingdom wished to exercise his right of reply to the Worker Vice-Chairperson, who had referred to low pension levels in his country. This was unfair, even misleading, given the wide range of financial assistance provided to older people in addition to the basic state pension: minimum income through pension credit, disability benefits, assistance with heating bills, as well as free public transport, housing subsidies and, not least, free health care for all. Moreover the United Kingdom was reforming the pension system to address demographic change. These reforms were taking place with full public consultation, including in-depth dialogue with worker and employer representatives.
- 93.** The Government member of Mexico affirmed that good social security governance was only possible through social dialogue between the productive sectors and the Government. In his country, wide consultation had taken place prior to the adoption in 1995 of the new Social Security Law. The new system guaranteed the rights of the people. Each worker could select the administrative regime he or she considered most appropriate and there was also provision for voluntary contributions. The funds were administered by financial entities obliged to publish regular detailed accounts. The Government had also put in place a social policy strategy called *Vivir Mejor* (Live better), targeting the poorest and aiming at sustainable human development through access to education and health care, benefits in the event of accidents or natural disasters, improved opportunities for economic development (scholarships, self-employment benefits, etc.) and promoting social cohesion through social housing and basic infrastructure programmes. These measures illustrated the commitment made 50 years ago when Mexico ratified Convention No. 102.
- 94.** The Government member of Uruguay explained that his country's social security schemes, such as the Social Insurance Bank and the National Health Council, placed a strong emphasis on tripartite management, with representatives elected by popular vote. In fact, all the countries of the Southern Cone region shared this profound respect for tripartism, which made possible the silent revolution referred to in the discussion: the continuous extension of social security, the fight against poverty, and simultaneous economic and financial development. He emphasized that it was not true that an increase in social security coverage could lead to tensions with development objectives or to a crisis. History showed no indication of any crisis provoked by social security systems, but every indication that social security usually ended up paying for crises that had been caused elsewhere. Uruguay, like Argentina and Brazil, had ratified Convention No. 102 and also the Ibero-American Multilateral Convention on Social Security. Ratifications had also been carried out through a consultative tripartite process. With respect to social dialogue, some countries seemed to believe that investment in social security could be compromised by tripartite consultation. But Uruguay, a developing country, had been able to achieve continuous growth while at the same time developing its social security system, and strengthening its social dialogue mechanisms.
- 95.** The Government member of Namibia stated that what was relevant for countries in designing the governance and administration of their social security systems was not systems already in place or the expectations of the ILO but the needs of the population and the country. This should be determined on the basis of an audit of existing provision and a gap analysis identifying shortcomings so that these could be addressed. This analysis should review the legislation to ensure a harmonized legislative framework; determine the system to be put in place, for example a defined benefit or defined contribution scheme or a mix of the two, and conduct an actuarial valuation to determine contribution and benefit levels. Actuarial reviews should be repeated at least every two years. In some cases, employers had secured coverage for their workers in the areas of health or pensions from private insurance, and the introduction of public pension and medical systems was then perceived as an additional burden increasing the cost of employment, as well as a threat to the private insurance industry. Instead, people should perceive public interventions as

complementary, since those most in need – on low incomes – were often excluded from private schemes, showing the need for compulsory public schemes. This in turn, again proved the need for a gap analysis so that unmet needs could be met.

- 96.** The Government member of Saudi Arabia affirmed that a precondition for the fruitful participation of social partners in the design, governance and administration of social security systems was raising their awareness about the importance of social security and the goals and objectives of each scheme. Schemes were created for specific reasons and it was important to explain what members could expect. Where there were coverage gaps, citizens had the right to demand that they be filled. While the ILO's efforts for the extension of social security were unquestionable, it had to put more effort into such awareness raising. This was particularly important also in terms of informal economy coverage: lack of awareness of the importance of social security increased evasion. Saudi Arabia had launched extensive information campaigns over the past few years and achieved a certain level of awareness which formed the basis for the current process of reviewing its schemes through a process of social dialogue.
- 97.** The Government member of Ghana agreed with the analysis presented in the report and emphasized the need to establish new social security systems and strengthen existing ones in light of the effects of globalization, including migration, crises, and impacts on employment and living standards. Social protection systems built social cohesion as well as reduced poverty, inequality and insecurity. Social security also was a prerequisite for social justice and a human right that everyone in society should have access to. The State played a primary role in expanding social security coverage as stated in the Declaration of Philadelphia (1944) and reaffirmed in the Yaoundé Tripartite Declaration of 2010 adopted at the 2nd African Decent Work Symposium. He welcomed the ILO's support to countries in Africa to provide adequate income and basic medical care as called for in the Declaration. Ghana had benefited immensely from ILO support in building its National Health Insurance Scheme (NHIS) and in expanding social security coverage to all persons in the formal sector and informal economy and there was a need for continued follow-up. He endorsed the emphasis in the report on ensuring the sustainability of systems through coherence of national social and economic policies, ensuring social adequacy, financial, economic and fiscal sustainability as well as effective and efficient governance and management of social security systems. Ghana had introduced a number of initiatives for its vulnerable populations, including a new three-tier pension scheme accommodating the informal sector and providing benefits for all workers; the Livelihood Empowerment Against Poverty (LEAP) scheme of the National Social Protection Strategy, covering vulnerable households and initiatives for the protection of older people and those with disabilities.
- 98.** The Employer Vice-Chairperson observed that while there were many points where Workers and Employers agreed, he did wish to comment on the assertion by the Worker Vice-Chairperson that because private systems could not achieve the same economies of scale as public systems, everything should be organized through the public sector. He said that this was wrong as pension, unemployment and family allowance schemes in his country, for example, were efficiently managed privately, including by trade unions or employers' associations. This had several advantages in terms of competition between funds with beneficial results in terms of improved performance; offering choice to workers; allowing people to be involved in the management of the schemes as well as enabling responsabilization of the actors; and a close relationship between the management and the members.
- 99.** The Worker Vice-Chairperson repeated her view that the State must take the key responsibility for the effective management of both private and public systems so that they operate safely and free of fraud. She observed that there was consensus regarding the

importance of the role of social partners in the governance of social security systems and that systems were strengthened through the involvement of well-trained and capable social partners. She called for the ILO to increase training and capacity-building for social partners and for other international organizations to build relationships with the social partners, especially in their interactions with government as far as these impacted on social security schemes. It was important to ensure the speedy implementation of the Social Protection Floor guarantees while recognizing flexibility in implementing them as there was also consensus that there could not be a one-size-fits-all model but rather maximum scope for innovation and creative methods like the innovative approach to fighting poverty announced by Brazil.

- 100.** The special adviser to the Secretary-General (Mr Stephen Pursey) summarized the discussion on governance of social security, identifying consensus on various issues. First, there was agreement that the purpose of good governance systems was to achieve systems with broad coverage, mobilization of the necessary resources and efficient management of these resources so as to deliver adequate benefits. He observed that while speakers took this macro view on social security systems, they also underlined the micro effects these systems had on individuals, namely avoiding poverty under difficult life circumstances. Second, trust and integrity were recurring concerns. Avoiding fraud and corruption through good governance was vital to the whole purpose of social security systems but how could this best be achieved – through public or private schemes, large or small risk pools? Confidence could be increased through enhanced ownership of schemes and participation in their oversight. People paying into the system wanted to know what happened to their money and have the confidence that what they contributed today would be available if they needed to draw on benefits tomorrow. Third, everybody agreed that while governments are the authority with ultimate oversight – no matter whether schemes were public, private or mixed – they could not do this on their own and schemes benefited greatly from the participation of workers’ and employers’ representatives. The challenges of social security systems to perform in light of ageing societies, to achieve extension and poverty reduction could be best addressed through social dialogue. For this oversight, it was also crucial that managers be well-qualified. Concretely, social dialogue could play a key role in ensuring the responsiveness of systems to people’s needs, in increasing the efficiency of schemes by monitoring quality and fighting corruption, in contributing to confidence building, information and awareness raising and participating in designing reforms and innovations. Finally, regarding guidance for the future work of the ILO, clear points for action had emerged from the discussion, including the need to step up capacity building, for example through the ITC in Turin; continued work on information sharing and analysis of country experiences, developments and good practices; and on standards and their ratification with a view to developing a framework that outlines a global approach but guarantees flexibility for application at country level. In this context, he observed that in parallel to the confidence of citizens in national social security systems, international standards build an international framework of confidence and trust that other countries also adhere to the same principles. Finally, the Office should continue its technical assistance that seemed appreciated and in high demand, especially regarding the analysis of gaps and how to cover these.

The role of standards in social security and ILO follow-up

- 101.** The Executive Director of the Standards and Fundamental Principles and Rights at Work Sector (Mr Guy Ryder) introduced the discussion and underscored that the ILO had primary responsibility for the realization of the right to social security. There were eight up-to-date ILO instruments covering social security and maternity protection. The most prominent was Convention No. 102 and he expressed satisfaction with the fact that

Argentina had adopted a law of ratification and several member States had taken steps towards ratification. Existing Conventions had an important impact on the development of social security. However, the ILO Declaration on Social Justice for a Fair Globalization of 2008 had outgrown the standards with which it had to be implemented. A complementary instrument or mechanism was needed to guide the gradual extension of social security coverage. The ILO was the only international organization which could help with its development. The possible future policy orientation for the Organization and the Office could include three complementary elements. First, if the Committee and the Conference decided positively on an instrument, an accelerated process could be envisaged allowing a single discussion in 2012. Second, existing standards could be promoted through awareness-raising, technical assistance and capacity-building activities as well as the development of a social security best protection guide. Finally, further standard-related action could be foreseen as a follow-up to the forthcoming conclusions of the Committee on the Application of Standards based on the General Survey of the Committee of Experts. In order to guide the deliberations of the Committee, the following points of discussion were proposed:

- (a) the role of ILO standards in promoting the extension of social security coverage;
- (b) measures that should be taken to enhance ratification and application of Convention No.102; and
- (c) other instruments or mechanisms that could be developed to guide the implementation of the Social Protection Floor in the context of the two dimensional strategy for the extension of social security for all.

102. The Employer Vice-Chairperson acknowledged that standard setting was a cornerstone of ILO's work, but nevertheless his group did not favour a strictly standards-based approach and social security was not an exception. Conventions should serve as points of reference, but the world also needed pragmatism and cartesianism. Concerning Convention No. 102, his Group did not wish to revise it, despite the criticisms that could be made about its language. The Convention had been adopted during *les trente glorieuses* (the thirty glorious years) when economic problems had not been so severe. As a whole, it was largely inapplicable, but it was flexible. It was notable that relatively few countries (47) had ratified the Convention and most of them were European. The speaker also noted that there were only few ratifications of the Maternity Protection Convention, 2000 (No. 183). This was not surprising given its rigidity. His group did not support this Convention, nor did they see the use for new standards at this stage. The ILO was already well-equipped, and what it needed to do now was offer high-level guidance. The Employers could see the need for developing a framework for the Social Protection Floor in the form of a Recommendation, which could comprise:

- (a) a set of principles and objectives;
- (b) a variety of approaches and no single model;
- (c) a flexible and gradual implementation of the Social Protection Floor;
- (d) incentives for those out of work to return to the formal economy, as well as an objective of formalization;
- (e) a remit to national actors concerning the long-term financing of the Social Protection Floor; and
- (f) a framework of action for the ILO, governments and the social partners that was coordinated with the activities of other international organizations.

In closing, the speaker reiterated that social policy depended on the economic health of a country. One needed economic growth, a stable economy and social cohesion for development. The ILO should frame a set of policies in this direction.

103. The Worker Vice-Chairperson reiterated her comment of the previous day that the challenge for all ILO standards was on the one hand not to be overly prescriptive, and on the other, not to be too general. The world was just as complex and diverse in 1919 as it was now, and the task of providing up-to-date labour standards was still valid and not substantially different today. Globalization had increased interdependence and the need for global governance and international labour standards were indeed more compelling than ever. The Global Jobs Pact did fully reflect this importance of international labour standards by identifying a standard package highly relevant for crisis response and recovery. ILO standards were the Organization's greatest asset, and they had proven to be universal and flexible, progressive and constructive. Convention No. 102 stood out in this respect. The Workers saw four tasks for standards vis-à-vis the further vertical and horizontal extension of social security: (a) ratification and implementation of existing up-to-date standards; (b) addressing barriers to ratification; (c) new regulatory initiatives to close gaps in coverage; and (d) identification of new challenges to social security. In the Workers' view, ratification of Convention No. 102 should be a priority of member States. The Workers had read the report of the Committee of Experts and welcomed changes to the Convention by integrating gender-neutral language. The Committee of Experts' suggestions regarding the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) also merited consideration. Her group was also in favour of a new ILO Recommendation on Social Protection Floors and supported its adoption in 2012. The conclusions of the current discussions could form the main conceptual ideas of such a Recommendation. In the Workers' view, the Recommendation should include the following:

- (a) a preamble that defined social security inter alia as: a human right; a social need; an economic necessity; a part of Decent Work and a stepping stone to the ratification of Convention No. 102 and comprehensive social security;
- (b) definitions of the general principles of social security including, inter alia, a rights-based approach, adequate benefits, universality, resource pooling, collective financing, sound financial governance, tripartism and financial and fiscal sustainability;
- (c) guidelines on the content of the Social Protection Floor, including the integration of the floor with the ILO concept of vertical and horizontal extension, recognizing the UN concepts of access to essential services (water, sanitation, health, education), and a basic set of essential social transfers as defined in the Office report; and
- (d) targets for progress such as defined time periods and growth of percentage of population covered, monitoring and technical assistance.

104. The Government member of Australia remarked that the global recession had brought to the fore the need for social protection in both crisis and non-crisis periods. In this regard, any international labour standard developed needed to be meaningful, relevant, gender-neutral and recognize the importance of social protection as part of the ILO's mandate. No single model of social security could be universally applicable or affordable. Should the Committee decide to promulgate a new Recommendation, such a standard should be sufficiently flexible to be tailored to national circumstances and levels of development while at the same time provide meaningful guidance on the establishment of effective and realistic social protection systems. Prior to the development of any standard, a range of options based on sound evidence and research should be considered. She reminded the Committee that the Governing Body would adopt a standards review mechanism in

November 2011 to provide for a periodic review of labour standards, including those relating to social security. This would help ensure that these standards could respond to today's needs and the challenges of tomorrow. She concluded that the Committee should not focus solely on standard setting and guidance for immediate action was also needed. Additionally, material created by the Committee of Experts on the practical application of existing social security standards could be more widely disseminated.

- 105.** The Government member of Hungary, speaking on behalf of the Governments of Member States of the EU attending the Conference,⁸ noted that there existed a well-established set of labour standards in social security as well as numerous commitments to promote social protection and Decent Work. There was continued ratification of the eight fundamental labour Conventions of the ILO. Convention No. 102 was the “flagship” social security instrument and the EU supported its continued promotion together with the Social Protection Floor Initiative. Initiatives to extend social security should be country-led and responsive to national needs and capacities. In this regard, she noted that an ILO Recommendation could provide useful guidance to the constituents and would be the most appropriate way forward in terms of standard setting.
- 106.** The Government member of France, referring to the French Presidency of the G20, stressed that the extension of social security was a priority of the Presidency and that a dynamic process, following the G20 Pittsburgh and Washington Summits, was well under way. The ILO had played its part in this process with the adoption of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up and the Global Jobs Pact. The objective of the French Presidency was to promote the adoption by all countries of a Social Protection Floor that was financially sustainable and adapted to national contexts. She noted that priority should be placed on the ratification of existing instruments. In terms of any new standard setting, her Government supported the development of a new Recommendation as most suitable. This Recommendation could address both the horizontal and vertical dimensions as suggested by the ILO, and cover certain population groups such as workers in atypical forms of employment.
- 107.** The Government member of Tunisia noted that the social security system in his country was well-developed and administered, covering approximately 85 per cent of the population. Free medical care was available to the most disadvantaged segments of the population. The recent unrest in Tunisia could be tied to the negative impacts of globalization as the economic benefits of globalization were enjoyed by a privileged few and not shared equitably. Thus, even a well-developed system of social security could not prevent the revolution as the economic and political system in place could not provide a higher level of decent jobs and incomes for large shares of the population. Tunisia was in a transition phase; there was now, for example, a plurality of workers' organizations and 81 different political parties. Nevertheless, the new Government was making strides in expanding social protection; it had recently, for example, expanded financial assistance to 187,000 families in urgent need. While there was a long path ahead and many hurdles to cross to improve the national situation, he was confident that a democratic Tunisia would in the future develop a more equitable system for the distribution of national wealth.
- 108.** The Government member of Germany endorsed the statement made by the Government member of Hungary. There was a real need for a supplementary instrument, as highlighted in Report VI. It was not the first time the idea had been considered. For example, in 2009, he had attended an expert meeting where the issue had been discussed and a Recommendation made that the Governing Body should continue discussions on the

⁸ See footnote 2.

matter. Germany supported an ILO Recommendation on Social Protection Floors, which should be provided for the horizontal extension of social protection for all. The basic principles for inclusion in an instrument presented in paragraph 445 of the Office report would provide a good basis for discussions.

- 109.** The Government member of Japan said that ILO labour standards played an essential role as basic tools for governments to develop and implement social labour policies consistent with global standards. ILO social security standards, including Convention No. 102, provided important guidelines for countries aiming for economic and social development by establishing global-standard social security systems. Japan had organized the domestic legal framework necessary to establish a social security system that met international standards and had ratified Convention No. 102 in 1976. It had since made improvements to the system and had a social security system that it would be proud to share with the world. International labour standards had to be applicable to the constantly changing environment to remain effective and protect workers' rights. Japan welcomed the Governing Body's recent examination of the standard review mechanism, which could help to maintain and improve the role of international labour standards, including in the field of social security.
- 110.** The Government member of Canada said that ILO standards such as Convention No. 102 could play an important role in promoting the extension of social security coverage. Canada's social security system was consistent with Convention No. 102 covering all nine contingencies enshrined therein. However, discriminatory and overly detailed provisions posed serious barriers to the wide ratification of the Convention, which was the product of post-war industrial society and did not reflect societal evolution, including the high level of female labour market participation. The Committee of Experts in its General Survey 2011 on social security instruments had identified some possible ways to address the issue, but rigid positions on not modifying existing provisions would hamper progress and impact negatively on the potential for more ratifications. Canada supported the development of a new high-level, overarching and promotional framework on a Social Protection Floor that was gender inclusive and allowed for flexible implementation. It could be supplemented by guidelines and best practices that would provide more technical advice. The ILO should act as a clearing house of best practices and its initiatives should focus on information gathering, research and analysis and the dissemination of good practice. It should also support information exchanges and collaboration between governments and social partners on identifying needs and delivering social security programmes. ILO action should be taken in partnership with other international organizations working in the field of social security to avoid duplication of efforts. Canada considered that the ILO Employment Policy Convention, 1964 (No. 122) was an equally important instrument in achieving the implementation of a Social Protection Floor.
- 111.** The Government member of Papua New Guinea said that, as a low-income Pacific island nation, Papua New Guinea faced similar challenges to other countries. Social protection was a real concern as the country tried to make progress in socio-economic development, especially in trying to extend coverage to the most vulnerable groups such as women, children, the disabled, the elderly and the marginalized of society. Most people lived in rural areas and worked in the informal economy and had limited access to health care, education and other social protection schemes. Most of the minimum standards included in Convention No. 102 had gradually been put in place in Papua New Guinea, although it had not yet ratified the Convention, in particular in social assistance schemes, in health and education and retired workers pension schemes for public sector workers. It was proof of the Government's commitment to making progress in the area of extending social security. The Government was developing a national policy in social protection, and a national mechanism to link other relevant social services policies related to social protection. The aim was to create a social safety net framework, especially for the most vulnerable and the marginalized groups and to eventually extend to other population groups so that they could

benefit from social security schemes. She thanked the ILO for its assistance in the development of the country's Decent Work Country Programme. It was hoped that the resolutions of this Conference Committee would result in recommendations for adoption which would be an important guide for low-income countries such as Papua New Guinea given the emerging challenges faced in ensuring social protection for all.

- 112.** The Government member of Uruguay said that, despite limited resources, it was making every effort to extend coverage of social security while also maintaining efforts to develop and strengthen its economy. Uruguay was one of the ten Latin American countries that had ratified Convention No. 102 and considered the instrument to be a vital tool in ensuring extension of social security coverage. They had all done so because the Convention was no less valid than when it had first been drawn up. People were still vulnerable and at risk and in need of social protection; perhaps more so. If the ILO decided to develop a Recommendation on Social Protection Floors, Uruguay would fully support it because it could only bolster social protection. Concerning the issue of amending Convention No. 102, Uruguay would suggest that countries should first be encouraged to ratify the Convention in full, which would also bolster social protection.
- 113.** The Government member of the United States said that, as she had mentioned the previous day, the development of an ILO guide to best practices could provide a useful practical resource to governments in the field of social security. The first *World Social Security Report 2010/11* was a step in the right direction. The United States strongly supported continued ILO efforts to assist countries in extending social security coverage and improving compliance under existing law; it should continue its long and effective tradition of capacity building to improve administrative standards, especially in the field of social security coverage. She asked for more information on the ILO's efforts to work in partnership with universities to introduce social security planning and management into academic curricula. She also suggested that the ILO develop conclusions on social protection comparable to the Global Jobs Pact. Lastly, the United States was open to a social security Recommendation but would first like to hear from the Committee on the Application of Standards to inform its consideration in that area.
- 114.** The Government member of Egypt welcomed the ratification of ILO instruments by countries to ensure the extension of social security coverage. The role of standards in social security was important. She welcomed the Social Protection Floor, provided it was flexible and easily adaptable to the different contexts and specific needs of countries. She also welcomed efforts to disseminate information on social protection to help employers and workers. The standards would benefit workers and provide a happy working environment, which in turn would improve productivity, as happy workers were more likely to be productive.
- 115.** The Government member of Zimbabwe, speaking on behalf of the Africa group Government members attending the Conference,⁹ referred to the Yaoundé Tripartite Declaration of 2010, adopted at the 2nd African Decent Work Symposium 2010, and stated that Africa supported the development and adoption of a Recommendation on Social Protection Floors. African countries looked to the ILO to propose mechanisms for implementing the Recommendation that took into account the peculiarities of their region. They also looked forward to ILO technical assistance in the context of its campaign to promote a Social Protection Floor among member States, and supported the two-dimensional approach to extending social protection coverage and improving access to at least the minimum levels of incomes and health, which would be gradually increased.

⁹ See footnote 4.

While many African countries had not yet ratified a number of ILO Conventions, his group encouraged the ILO to work with member States towards progressively meeting the basic requirements of those standards.

- 116.** The Government member of Brazil stated that in her country social protection, which was based on the three pillars of health care, welfare and social assistance, had proved an efficient tool against the financial crisis. When social protection was an effective state policy, society progressed. Her Government would propose that the 101st Session of the International Labour Conference in 2012 should include an agenda item on the elaboration of a Recommendation on Social Protection Floors. She also supported a campaign for ratification of Convention No. 102 as a basis for member States to move towards universal social protection coverage.
- 117.** The Government member of Argentina stated that in her country social security was considered an essential right with the State having the primary responsibility to ensure effective access for all its citizens. It was important to maintain Convention No. 102 as the main reference on the substantive content of the right for social security. She requested the preparation of a draft Recommendation on Social Protection Floors for discussion during the next session of the International Labour Conference.
- 118.** The Government member of China stressed the need for social security standards that were flexible, noting that even for the same country different systems were required as it moved through different levels of development. He also noted the diverse social protection systems in force in different Chinese regions to respond in a flexible manner to divergent and complex local needs. They also had different funding mechanisms. Some were based on employer and worker contributions, others were supplemented by government subsidies. Although his Government encouraged individuals to take out supplementary old-age insurance, it had also established a national social security fund as a strategic reserve for old-age income support. He supported social security standards that sufficiently took into account the diversified and complex needs of different countries to make it easy for different countries to ratify such standards.
- 119.** The Government member of Kenya supported the statement made by her colleague from Zimbabwe on behalf of the Government members of the Africa group. Her Government recognized the importance of Convention No. 102 and called upon the ILO to intensify the campaign for its ratification, especially by African member States. Complementary arrangements were also needed to bridge the limitations in the Convention, and Kenya therefore believed the time was right for an additional instrument that promoted basic social security as a human right. Discussions in the Committee had shown the need for an instrument that was responsive to the needs of less developed countries and which could cover informal forms of employment that currently fell outside the statutory and contributory social security systems.

Hearing of international agencies

- 120.** A representative of the WHO (Mr Peter Mertens, Coordinator in the Office of the Director-General, WHO) delivered a presentation on the linkages and complementarities between WHO and the ILO mandates and strategic orientations in social protection programs. For WHO, health was a state of complete physical, mental and social well-being and not merely the absence of disease. He underscored that the enjoyment of the highest attainable standard of health was one of the fundamental rights of every human being. Some parallels could be drawn between the ILO and the WHO such as the fact that the objective to protect individuals and the availability of systems to protect are equally important. The extension of coverage and the development of financing mechanisms had to go hand in hand. The

need for commitment of all actors of society and the acknowledgement that no country started from scratch and that sharing of experiences was important was also stressed. Since 2010, the WHO published its *World health report* on health financing which shows that direct out-of-pocket payments represented more than 50 per cent of total health expenditures in some countries. The WHO and the ILO were lead agencies on the Social Protection Floor Initiative. In 2010, the Social Protection Floor Initiative has progressed significantly, thanks to the work of the High-level Advisory Board chaired by Ms Bachelet. The report of the Advisory Board would be available in the second half of 2011. In addition to the Social Protection Floor Initiative other platforms of collaboration had been created such as the Providing for Health (P4H) Initiative aimed at assisting countries with the development of social health protection systems. Suggestions for enhancing collaboration between the ILO, the WHO and other partners included harmonization and alignment between P4H and the Social Protection Floor Initiatives. Furthermore, the improved integration of social protection programmes with the United Nations Development Assistance Framework (UNDAF) and engagement from donors, financing institutions, faith-based organizations, academia, NGOs and others were vital.

121. A representative from the United Nations Children's Fund (UNICEF) (Mr Gordon Alexander, Director, UNICEF Office of Research, Innocenti Research Centre) underscored UNICEF's support of the Social Protection Floor. Social protection was crucial for achieving MDG's with equity. Income alone, however, was not enough for children. Furthermore, from a child's standpoint we were not moving fast enough. A rights perspective was crucial to ensure child-sensitive social protection and focused on state accountability. It was important to renew the focus on equity particularly regarding MDG targets. The poorest and most marginalized should not be forgotten in implementation of social protection measures. In terms of UNICEF's role on the Social Protection Floor, the three main objectives were:

- (a) promote and support governments in creation, expansion and consolidation of social protection in order to ensure children's rights;
- (b) increase gender and child sensitivity of social protection in order to ensure maximum benefits for vulnerable women and children;
- (c) collaborate, convene and support participation of partners in national dialogue and international policy.

Finally, he underscored the need to see social protection as part of a comprehensive policy portfolio. Social protection did not only equate to income supplements. Overlapping dimensions of child deprivation highlighted aspects that went beyond social protection. Social protection also had to be a bridge to active social services such as health and education. Furthermore, even in a well-designed system, some would be left out. Explicit strategies were needed for the most excluded.

122. A representative from ISSA (Mr Errol Frank Stoové, President, ISSA) recognized the considerable achievements of the ILO in social security during the last decade. This period witnessed the forging of an international alliance to support the Social Protection Floor. Today's broad consensus for social security was, to a large extent, due to the efforts of the ILO. He summarized in seven points ISSA's view on the Office report. First ISSA lent its full support to the two-dimensional strategy for the extension of social security coverage. Second, the high value that the ILO attached to good governance and the effective and efficient management of social security systems was welcome. Third, social security administrations played a crucial role in efforts to extend coverage at national level. Fourth, the ISSA strategy on extension was focused on the capacities of social security administrations. Fifth, by strengthening these capacities of social security administrations, ISSA strategy made an important contribution to the goals of the Social Protection Floor.

Sixth, based on its strategy and commitment to the extension of coverage he offered ISSA's full support and expertise to the ILO and its partners in further building national capacities to implement both vertical and horizontal coverage. Finally based on the exchanges among leading representatives of social security administrations at ISSA conferences and meetings, the ILO Conventions and Recommendations and particularly Convention No. 102 provided an invaluable standard to promote social security worldwide. To conclude, he emphasized that no effort should be spared to ensure that all people enjoy at the very least, and as a first necessary step, basic social protection.

- 123.** The Chairperson of the Committee observed that the ISSA strategy on the extension of social security endorsed by its many members was an important contribution to the Social Protection Floor. He also stressed that ISSA made a highly valuable contribution by promoting the transfer of knowledge between social security associations.
- 124.** The Employer Vice-Chairperson thanked the three panellists for their contributions to the work of the Committee. He noted that tripartism was an exceptional characteristic of the ILO and encouraged the other international organizations to also collaborate with social partners, asking the representatives how they would envision this collaboration. He also enquired about their views on the feasibility of the plans outlined by this Committee and how they thought the ILO should go about achieving them and how all this could be financed.
- 125.** An Employer member from Canada (Mr Hugh Christie) welcomed the perspectives of the other organizations. His Group looked forward to working with the international organizations to complement expertise and advance the cause of social protection. He noted that the national responsibility for the good governance of social protection systems, their efficient management and delivery could only be achieved through social dialogue.
- 126.** The Worker Vice-Chairperson welcomed the re-focus on the issue of equity in the presentations which had been missing from the MDGs. The key flaw of the MDGs had been that they could be met by providing services to those closest to the bar thus not reaching those most in need. She pointed out that the Social Protection Floor added this new perspective of looking at equity when extending services and protection. In that regard, the social protection framework could strengthen the focus on the most vulnerable and introduce a stronger social justice dimension into the MDGs. She asked the panellists what role they envisaged for the role of the two strands of the ILO – standard setting and tripartism – and how they would work with social partners. She further welcomed the rights-based approach of UNICEF but also mentioned that not all international organizations were as committed to this and she raised the question of what would be the risks of approaching social protection from something other than a rights-based approach.
- 127.** A Worker member from Uruguay (Mr Ariel Ferrari) repeated that the ILO and tripartism should play a key role to achieve the goals set. He noted that in 2007 nobody, not even risk analysts who advise pension fund managers, had expected the crisis that we were still experiencing. In that regard the issues put forward by ISSA regarding the crisis were highly relevant. He raised the questions of how to improve contributory channels to tackle the key issue of including the workers in the informal sector and how to find the money to extend coverage. He emphasized the importance of reinforcing the campaign for the extension of social security coverage and to further explore how to effectively set up the Social Protection Floor.
- 128.** The Government member of the United Kingdom referred to the call by UNICEF: for a wider evidence base to be created with the ILO and others; asking whether UNICEF regarded the existing evidence sufficient or transferable across organizations and countries to measure coverage and whether systems produced value for money.

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- 129.** In response, Mr Mertens stated that he would try to give a partial answer to the questions from the health protection standpoint. First of all, he stressed that there was no golden bullet for this but also no country started from scratch. All countries had something in place to build on. Core ideas to reduce financial barriers included pooling resources from various schemes and sources; consolidating and combining tax and making contributions compulsory as this helped the sustainability. However, voluntary schemes could be a first step as they had the potential to draw in possibilities for collection of funds. He emphasized that extending coverage required sustainable financing, and that an extension without the financing behind it would lead to collapse. He also stated that the financing required for the extension had to be carefully estimated as for example a duplication of extension would not simply mean twice the money as the cost could be four or five times as much. With reference to capacity-building, good governance and the management of health systems, he pointed out that, based on figures from 39 countries, the WHO found that 20–30 per cent of funds were wasted, for example, by buying medicines that were not needed and not those that were needed. There was thus great scope for better management and potential for gains to free funds for coverage extensions. Regarding the question of equity he agreed with the Workers’ representative that the Social Protection Floor could indeed be a partial replacement for the MDGs and observed that this was a particularly relevant point as this was currently being discussed in New York. From a health perspective, the WHO saw health as a global good and this could be true for social protection. On data sharing he said that data was equally valid across organizations and countries but no standard set of data existed and each organization collected data within their field. It was important to ensure compatibility between these, increasing collaboration as was currently happening through the Social Protection Floor Initiative.
- 130.** Mr Alexander stated that the ILO had a tremendous strength in the social protection debate precisely through its tripartite structures since in the social protection debate, governments tended to listen to social partners. On the question of financing, he pointed out that governments could afford adequate systems for about 3 per cent of GDP but countries often spent less than 1 per cent. However, it also mattered how money was spent. He further emphasized that standard setting was crucial. If no rights-based approach was pursued, there was a danger that groups were left out and narrow systems were created. He elaborated on the importance of foresight in building social protection systems before crises hit. Those countries that did not have systems in place paid the price, experiencing deprivation. He observed that a lot remained to be done to build a stronger evidence base as it was clear that there was no one-size-fits-all so that it was important to document different experiences and he thought that a lot more could be done in making this knowledge available systematically. However, he underlined that at the end of the day it was political will and leadership not evidence that mattered most.
- 131.** Mr Stoové said that for social security institutions, the issues of good governance, capacity building and sound management had become so important for effective delivery to costumers that all ISSA members were now committed to improve in these areas. ISSA placed a great deal of emphasis on institutional capacity-building as competent staff were crucial. He concluded by announcing a special event organized by ISSA for 13 June in the context of the ILC about the BRIC countries (Brazil, Russia, India and China) that had embarked on the road to reach full coverage and would share their experiences.
- 132.** A representative of the United Nations Development Programme (UNDP) (Mr David Luke, Poverty Group, Bureau for Development Policy) presented UNDP work and perspectives on social protection. Two of the UNDP’s central mandates were poverty reduction and capacity-building. Both were closely tied to social protection, as were the further objectives of supporting attainment of the MDGs and promoting gender equality and women’s economic empowerment. Social protection was an instrument for inclusive growth and the reduction of inequality. Specific UNDP areas of work included improving

living conditions for marginalized populations and social protection systems (pensions, social security, social insurance and public works). At the country level, the UNDP was supporting capacity assessment and development, monitoring and evaluation, planning, and policy and institutional dialogue. Special projects were being carried out in many least developed and developing countries. In the context of the crisis, the UNDP was providing guidance on the design and implementation of social safety nets and social protection programmes, assessing the impacts of macroeconomic shocks and pursuing a pro-poor response. It was also collecting examples of interventions that worked and those that did not. The UNDP had an evaluation centre in Brasilia (IPC-IG) which worked on South–South cooperation and devising training tools, among other issues. Regarding the Social Protection Floor Initiative, the UNDP acted as a cooperating agency. It had helped develop a manual, collaborated in information gathering on country-level activities and supported awareness raising. There were many linkages between the UNDP and ILO work, including social protection’s impact on development and in post-crisis/conflict settings. The UNDP was particularly well positioned to support South–South, North–South and triangular cooperation and learning, and the IPC-IG and the UNDP knowledge management networks could be particularly beneficial in terms of ILO–UNDP collaborative efforts.

- 133.** A representative of the IMF (Mr Gilles Bauche, Adviser, External Relations Department) was pleased to note that the Social Protection Floor was now high on the global agenda. The crisis had changed the world immensely, reminding us that employment was tenuous in developing countries, which in general had no social safety net as in advanced countries. Social protection had been thought of as a luxury, but now it had become a priority for countries. The IMF was funding many countries’ pursuit of social safety nets, and some were increasing spending by as much as 10 per cent. The difficulty was targeting these funds effectively and providing the best coverage. While the poorer countries could not match the advanced countries in terms of resources, they could achieve a Social Protection Floor. Social Protection Floors had both micro- and macroeconomic advantages. They could act as automatic stabilizers, improve purchasing power and demand, and allow rapid policy responses to shocks. Social protection made social adjustment easier and alleviated income inequality. Lower levels of inequality were conducive to long-term economic growth. Countries must decide on policies that did not create unnecessary dependencies as that would endanger long-term financial sustainability. Three prime considerations were ensuring that benefits were continuous, that resources were stable (self-financing), and that debt was manageable and fiscal sustainability achievable. Social protection expenditures should be seen as an investment, and durable and decent employment was the best possible protection. The crisis had been difficult for everyone, but it had created hope, willingness to change, and solidarity. It had also shown that the laissez-faire approach was not always the correct one. In collaboration with the ILO, the IMF had made a good start on tackling these issues, in countries like Benin, El Salvador, Mozambique and Viet Nam.
- 134.** A representative of the World Bank (Mr Arup Banerji, Director, Social Protection and Labor) presented an overview of the organization’s current work in the field of social protection and areas of collaboration with the ILO and other agencies. Social protection issues had become an increasing focus for the Bank’s poverty-reduction efforts. Over the past three years, as a result of the global economic crisis, its investment in social protection had increased fourfold to more than US\$4 billion in loans and grants, and represented more than 12 per cent of total lending. Its work complemented the standard setting of the ILO. A new ILO Recommendation on Social Protection Floors would also be a welcome complement to the Bank’s work. His organization wished to operationalize the commitments made by countries to establishing social security systems. Outlining the World Bank’s “3P” policy approach of prevention, protection and promotion, he said social security systems should ensure against the impact of contingencies such as disability and unemployment; they should protect populations from poverty and destitution, through

cash transfers for example; and they should promote opportunities for people to access employment. With very low social security coverage in the least developed countries, work here had to focus on building the “nuts and bolts” of future systems by, for example, establishing population registries to identify at-risk individuals and other basic issues of governance. Most work with the ILO would occur in countries with emerging capacity contexts; existing systems were often fragmented, with limited capacity to coordinate the range of actions in the social protection sphere. The objective for this joint work would be to improve the efficiency and effectiveness of programmes and improve levels of coordination.

- 135.** The Employer Vice-Chairperson was struck by the amount of overlap between the different agencies’ areas of work, especially those of the ILO and the UNDP. He asked how the links between their intellectual standpoints were managed on the ground and within countries. As many delegates had observed, economic growth and social protection were interdependent. But what were the panel’s views of the major challenge of the informal economy and how to combat it?
- 136.** An Employer member from the United States (Ms Ronnie Goldberg) stated that extending social protection coverage so that it was universally available was not a simple case of mobilizing resources and redistributing them where needed. It first required putting in place legislation, good governance, a corruption-free environment and, as the Employer Vice-Chairperson had earlier remarked, investment in infrastructure such as hospitals, roads and schools. It also required sustainable economic growth and favourable conditions for public and private investment. She asked the World Bank and IMF spokespersons how they envisaged integrating into their programmes the necessary policies, programmes and projects to create the right climate to enable these conditions to be created so that social protection could be implemented.
- 137.** An Employer member from Chile (Mr Fernando Alvear) stated that social protection was a very important means of supporting the national economy. In Chile, for example, GDP had increased dramatically over the past 30 years thanks in large measure to the growth in private pension fund investment, which had to an extent driven the economy. The State could now channel resources to extend social protection to the needy and those previously excluded. The global economic crisis had an impact on the value of assets but today, its value had recuperated. However, the crisis had an important effect on pay-as-you-go systems, prompting a number of governments to raise the statutory retirement age and make other parametric modifications. He asked the opinion of the IMF and the World Bank representatives on the influence of the private sector on social protection, and the effects on social protection of the economic crisis.
- 138.** The Worker Vice-Chairperson observed that the UNDP had more capacity on the ground than the ILO to implement social protection and she would like to see it used in a coordinated way to support countries in that effort. Through the dual strengths that were its standard-setting mechanism and tripartite nature, the ILO could work together with the UNDP to achieve progress with regard to implementing the joint aim of a universal Social Protection Floor. Noting that the IMF and the World Bank mentioned equality/equity as a driving principle, she asked how they would see this translate into practical policy implementation. Could it, for example, be financed by redistribution? Could it be better assured through collective bargaining, freedom of association and decent jobs? Some international organizations took a rights-based approach while others saw the economy as a driver. What were the risks this latter approach posed to Social Protection Floor goals? She welcomed the commitment of all the international organizations to a social protection floor and expressed their sincere hope that this consensus would also be maintained when the different organizations provided assistance at country level. In the past too often the

famous structural adjustment programmes had forced countries to slash social programmes instead of helping them to develop.

- 139.** A Worker member from Portugal (Ms Wanda Olavo Corrêa d’Azevedo Guimarães) stated that there was a wide gap between theory and practice. The Memorandum of Understanding (MoU) that Portugal had signed with the so-called troika of the IMF, the EU and the European Central Bank, far from helping workers, enhancing their rights and increasing social protection, had done the opposite. The MoU was very harsh on workers. She gave some examples: the value of state pensions had fallen and the rules on index-linked pensions had been cancelled; the period of unemployment benefit had been reduced; and health benefits and subsidies had been cut, for example for medication and transport. She asked why the IMF and its international partners had decided to penalize workers while the actors of the corporate and casino economy, who had caused the financial crisis, went unpunished. The poorest and most vulnerable had been penalized to stave off the threat of a further crisis.
- 140.** A Worker member from Senegal (Mr Bayla Sow) recalled that in the 1980s and 1990s, structural adjustment policies had plunged millions into poverty. It was good that now, since the financial crisis, the IMF and the World Bank had turned to poverty reduction. But African countries were not getting the support they needed to promote and ensure social protection. Everyone agreed that it should be extended to reach all populations, but this required job creation, too. It was a question of setting priorities. A Recommendation was needed in favour of a basic Social Protection Floor. He urged the IMF and the World Bank to assist in defining proper priorities, creating jobs and providing care and assistance to the people as well as, very importantly, to provide assurances that the funds would remain in the countries and not pass into the foreign bank accounts of corrupt rulers.
- 141.** The Government member of Cameroon recalled that in the 1990s, following the structural change plans (PAS) and their impact on social protection for the people, the World Bank had financed the social security reform project. This project had resulted in the current government structure, with a ministry responsible for social security, and draft laws to extend social security for all were under consideration. In Cameroon, the World Bank was currently establishing its own programme of social safety nets, under the coordination of actors other than those responsible for social security policy. It should be noted, therefore, that communication and coordination were lacking on the part of the actors in this new approach, who were unaware of the projects put in place by Cameroon. The Government supported the Social Protection Floor Initiative that the ILO was implementing with development partners, in the hope that it would help to create better coherence with regard to the plan for extending social security which was an absolute necessity.
- 142.** The Government member of Egypt noted that in her country there was a tendency for international agencies to concentrate their programmes and projects in some regions while others were left out. She wondered why there could not be better coordination among the agencies to ensure a better geographical distribution of their support. Given the need to extend social security coverage, could the World Bank provide material and technical support without its usual loan provision?
- 143.** The Government member of Senegal noted that in terms of social protection needs, there were three categories of individuals in his country: those without any resources or income whatsoever; those with irregular sources of income, for example informal economy workers; and those with irregular incomes working in the public service or the formal economy. The question was not only how to extend coverage to those without income or with irregular incomes but also how the functioning of social protection for the formal economy could be improved. The speaker indicated that Senegal was reforming the mandatory health insurance system for workers in the private sector in the formal

economy, and hoped that the donor institutions (IMF, World Bank, UNDP) would support financially his country to implement this important reform under the aegis of the ILO. This assistance would contribute to reinforcing the formal social security system in his country.

- 144.** The Government member of the United Kingdom recognized the ongoing level of cooperation between the agencies but posed a number of questions related to complementarity as well as the World Bank's "3P" (prevention, protection, promotion) framework: a multidimensional approach. Noting the fragmented nature of different systems, he called for improved cooperation and a forum where bilateral and multilateral partners could share their concerns.
- 145.** The Chairperson emphasized the potency of a Social Protection Floor in combating poverty. It was necessary, however, to have a shared understanding of what constituted poverty and how to measure it. The World Bank and the UNDP were perhaps better placed than the ILO to define poverty which, among other dimensions, encompassed health, nutrition, education and social exclusion.
- 146.** Mr Luke responded that while all could agree that poverty was multidimensional and tools were needed to address deprivation, it was also important to avoid getting dragged into a definitional quagmire. Mechanisms for cooperation and collaboration among UN agencies as well as the World Bank and the IMF and other donors existed at both the global and country levels. Effective coordination of delivery by different agencies to marshal their collective knowledge was now recognized as critical to policy effectiveness – hence the increasing importance of better monitoring and evaluation to determine what was really happening on the ground in order to take any corrective measures that might be necessary.
- 147.** Mr Bauche addressed the questions of financing and competing needs for limited resources. He recognized that difficult trade-offs between infrastructure and social spending were continuously having to be made in low-income countries. Countries wishing to fund increased social expenditure and expensive infrastructure investments needed to improve their capacity to mobilize both domestic resources and access to international funding sources. They might also be able to do so through the elimination of wasteful tax exemptions to increase the revenue-to-GDP ratio. There was a clear link between revenue enhancement and improved governance. He noted that the EU periphery countries of Greece, Ireland and Portugal were carrying out very tough fiscal adjustment programmes with the support of the EU-IMF-ECB troika. These countries' programmes, especially that of Portugal, had been jointly designed by Government and opposition in an attempt to avoid adding crisis on top of crisis, and included measures aimed at reducing fiscal privileges. In Portugal especially, where youth unemployment was very high, the IMF was working with the Government to try to reduce the gap between insiders and outsiders.
- 148.** Mr Banerji stated that the coordination challenge lay less at the global than the country level, where different agencies liaised with different parts of the Government. Coordination was most effective in countries where overall Government action was highly integrated and where Government took the lead in setting its own priorities and telling agencies what to do in line with its own policies. From the Bank's perspective, poverty was viewed in terms of an individual's own status rather than whether that individual worked in a formal or informal setting. The challenge was how to extend social protection not just to those in the informal economy but within the formal sector as well. Good examples existed in different countries of social protection being extended to informal economy workers, health insurance in India being one. In Africa, one of the biggest challenges was that there was a strong preference on the part of Governments for investing in infrastructure rather than social security. Societies had to make their own hard choices. On the role of the private sector in pension provision, the ILO and other partners needed to

work together to decrease the riskiness of pension portfolios as their beneficiaries approached retirement.

- 149.** The deputy representative of the Secretary-General (Mr Michael Cichon), in summarizing the discussion, affirmed that the overall convergence of views between the tripartite delegations on one hand and the international organizations on the other was both new and remarkable. The increasing collaboration between agencies and national partners provided good reason for hope. The focus should be on the complementarity between the work of the different agencies concerned with social protection issues. In his view, overlapping of efforts was not necessarily a bad thing as experience proved that having two or more agencies with different mandates look at the same issue enriched the debate and resulted in more productive solutions for countries.
- 150.** The Chairperson read a Transmission Note he had received from the Chairperson of the Committee on the Application of Standards transmitting to the Committee for the Recurrent Discussion on Social Protection, as authorized by the Selection Committee at its first sitting, two appended documents adopted by the Committee on the Application of Standards on 3 June 2011. The two documents entitled *Brief summary of the discussion by the Committee on the Application of Standards on the General Survey concerning social security instruments* and *Final outcome on the General Survey on social security* were appended to the Transmission Note which was circulated as reference for the deliberations of the Committee for the Recurrent Discussion on Social Protection (C.P.S./D.1).
- 151.** The Chairperson of the Committee on the Application of Standards (Mr Sérgio Paixão Pardo) presented the Committee's brief summary and conclusions on the General Survey prepared by the Committee of Experts. In line with the 2008 Declaration on Social Justice for a Fair Globalization, his Committee was entrusted to review the body of international labour standards as to their relevance and, if deemed necessary, to make recommendations concerning their possible updating and promotion. The Committee confirmed that social protection instruments are valuable tools for reducing poverty and income insecurity and that social security is a cornerstone for sustainable growth over the long-term. Convention No. 102 was a milestone in the history of the ILO and is an important instrument to support the extension of social security. The Committee on the Application of Standards noted, however, that while continuing to be relevant to current circumstances, some of the language used in the instrument was not gender-sensitive. The Committee recommended that its language be updated. Concerning the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), this standard had only seven ratifications, and in light of the discussions of the Committee, was referred to the Governing Body for further review. The Chairperson considered the General Survey as a useful tool for tripartite consultation.
- 152.** The Employer Vice-Chairperson of the Committee on the Application of Standards (Mr Edward Potter) noted that his Committee was not entrusted with policy concerns but the recurrent review process required the Committee for the Recurrent Discussion on Social Protection to address policy. The purpose of the General Survey was to help the tripartite constituents to better understand matters of compliance. In the view of the Employers' group, the attempt to link the General Survey to the recurrent review process undermined the ILO regular supervisory process by causing the Committee of Experts to emphasize policy over compliance, effectively duplicating the work of the Recurrent Discussion Committee. The previous General Survey of 1977 on social security instruments had given the Committee on the Application of Standards a comprehensive and holistic understanding of what was required for the implementation of standards, but the General Survey of the 100th Session of the International Labour Conference did not provide such understanding. The format of a classical General Survey provided reference to relevant preparatory and negotiating history; a discussion on the variety of ways

countries had implemented provisions, and understanding of where, from the perspective of the Committee of Experts, an implementation approach fell short of the standard's requirement. The view of the Employers' group was that the current format of the General Survey had limited value to the central supervisory purpose of his Committee and was more appropriate for discussion in the Recurrent Discussion Committee. The General Survey was now a document dealing with policy matters and beyond the remit of the Committee of Experts. He requested that the General Survey return to its classical format prior to 2009.

- 153.** The Worker Vice-Chairperson of the Committee on the Application of Standards (Mr Luc Cortebeek) noted that while there had been different views on the Committee, there had also been common ground. They observed that in the management of the crisis and the elaboration of strategies many countries as well as regional and international bodies seemed to have forgotten the promises expressed in the Global Jobs Pact in 2009. Worse, in many countries social security was now the preferred target for financial consolidation, and beneficiaries might become the principal victims of crisis exit strategies. This raised questions about the implementation of ILO standards, as many current trends were in contradiction to international social security norms. A first example concerned the fact that social security was increasingly used to finance employment policies. Second, many countries were disrespecting fundamental principles of social protection persuading sick and disabled people to accept inappropriate jobs. Third, countries were linking social benefits and family benefits to stricter conditions, while these should follow a framework that was universal and unconditional. Fourth, certain countries were taking questionable approaches to the connection between social benefits and current economic and budgetary conditions. Fifth, current retirement policies were causing an erosion of public pensions in favour of private schemes. The experts had noted the need for accountability, transparency and participatory management with regard to privatized social security. Sixth, there was a lack of participation from the social partners in social security policy-making. Finally, migration had been a theme deficiently addressed in the report. Some countries were discouraging immigration by making access to social security benefits increasingly complex. All these forms of derogation from ILO standards warranted intensified work from the Committee of Experts and the Committee on the Application of Standards. One positive development, however, was the number of recent ratifications of Convention No. 102 and the fact that many countries were ready to ratify. In closing, the speaker noted that implementing Conventions Nos 102 and 168 was perfectly possible. It was necessary to protect the less fortunate in a less than ideal world and this was a central part of the ILO's mission.
- 154.** The Employer Vice-Chairperson noted that there was some overlap of the work of the Committee on the Application of Standards and that of this Committee and perhaps some review of the process was needed in future.
- 155.** The Worker Vice-Chairperson welcomed the conclusions of the Committee on the Application of Standards and its report, noting that it was helpful to see the alignment of the two Committees. The Workers' group saw a Recommendation on Social Protection Floors as a stepping stone to ratification of Convention No. 102. Such a Recommendation should support a transition from the informal to the formal economy. It should also address gender discrimination but should not diminish other standards in any way. In closing, the speaker noted that good governance was essential and that the State had a responsibility for ensuring the sustainability of social security programmes.
- 156.** The Government member of Lebanon stated that approximately a third of his country's population were covered by the social protection system established in 1965. His Government was doing its best to expand coverage, but continued to be challenged by the consequences of events of 1975. His Government was also trying to replace a system of

“end-of-service” indemnity by a pension scheme providing a benefit and a health insurance over the course of a retiree’s life. The ILO and World Bank experts reviewed proposals submitted by his country for the adoption of this new pension system. Efforts were similarly under way to apply modern information and communication technologies to modernize the administration of the social security system while improving its effectiveness. The ILO should step up research on good practice and disseminate its findings to encourage ratification of Convention No. 102 and promote a global culture of social protection.

- 157.** The Employer Vice-Chairperson, in his concluding remarks stated that there seemed to be a consensus for a new Recommendation concerning the Social Protection Floor. He insisted that such a Recommendation should not be legally linked to Convention No. 102. Employers were opposed to the idea of having a Convention No. 102 “lite” and underscored the importance of the Office in documenting examples of good practice and in developing, promoting and disseminating guidelines on good practice.
- 158.** The Worker Vice-Chairperson also noted an almost unanimous endorsement of the need for all countries to implement a Social Protection Floor, as well as the recognition of the need to move beyond this minimum floor in a vertical direction. She also took note of the strong support for a Recommendation on Social Protection Floors, not only from members of the Committee but also from the representatives of all the international organizations who had addressed the Committee the previous day. It was also clear these organizations expected the ILO to take the lead on this issue. There was a historical opportunity to put the ILO at the centre of work in this area. Convention No. 102 was the key standard to extend social protection coverage and its promotion and ratification were essential. She also drew attention to the unanimous consensus on Decent Work and decent wages as the most sustainable way to fight poverty and inequality. The extension of social security should thus be considered in the context of a policy framework that supports and promotes Decent Work.
- 159.** A member of the secretariat (Mr Krzysztof Hagemeyer, Social Security Department, Social Protection Sector) summarizing the key points from the discussion on the role of standards in social security and ILO follow-up, highlighted the fact that all speakers agreed on the central role of standards as a framework for social protection. Employers saw them as an important reference which, however, should not be an obstacle to pragmatism. Workers saw the main advantage of the ILO standard setting in providing instruments which were firm on objectives but flexible on means. Many governments had underlined the important role of ILO social security standards and in particular Convention No. 102. Many had similarly reported that although their countries’ had not yet ratified it, their social security schemes were guided by the principles enshrined in Convention No. 102; stressing that the Office should step up assistance to member States to enable them to ratify the Convention. There was similarly a widespread consensus that the Organization should develop a Recommendation providing flexible but meaningful guidance to countries in building Social Protection Floors and comprehensive social security systems in a way tailored to national circumstances and levels of development.

Discussion of the draft conclusions

- 160.** The Chairperson thanked the Vice-Chairpersons and the other members of the Drafting Group for their diligent and constructive work in preparing the draft conclusions. He remarked that a number of amendments were submitted for consideration by the Committee. He also requested the Committee’s authorization for the secretariat to make editorial and linguistic corrections to the draft conclusions. There was no objection to this proposal.

Paragraph 5(a)

- 161.** The Government member of the United Kingdom, seconded by the Government member of Canada, introduced an amendment to line eight of the paragraph, to replace after the words “medical care”, the full stop with a comma and then replace the capital I of “Its” with a lower case “i”. She noted that the paragraph as currently formulated was grammatically incorrect and the proposed change in punctuation would provide for the meaning of the text. The Employer and Worker Vice-Chairpersons concurred.
- 162.** The amendment was adopted.

Paragraph 12

- 163.** The Government member of the United Kingdom introduced an amendment submitted by the Government members of Australia, Austria, Canada, Czech Republic, Denmark, Finland, Germany, the Netherlands, Slovakia, Spain, Sweden, Switzerland and Turkey to delete the words “the primacy of” after the words “and finally” in line six, and insert the words “institutional and organizational questions should not prevent”. In the same line, after the words “adequate protective outcomes” she suggested to delete the words “over institutional and organizational questions”. Noting that there had been considerable discussion concerning this paragraph, she remarked that the proposed amendment improved the understanding of the text in that institutional and organizational questions should not inhibit adequate protective measures. The Employer and Worker Vice-Chairpersons supported the change in language proposed.
- 164.** The amendment was adopted.

Paragraph 15

- 165.** The Employer Vice-Chairperson introduced a subamendment to his group’s proposed amendment to add the word “often” between the words “requires resources that” and “have to”. The subamendment would replace the word “and” with a comma between the words “workers” and “households” in line five, and add the words “and others” between “households” and “as” in the same line. In reality if enterprises, workers and households contributed to social security systems, the State also contributed from its own resources. It was therefore proposed that the word “often” be deleted.
- 166.** The Worker Vice-Chairperson supported the proposed subamendment.
- 167.** The amendment, as subamended, was adopted.

Paragraph 18

- 168.** The Government member of Egypt introduced an amendment supported by the Government member of Senegal to replace the word “can” by the word “must” in line four. She stated that this was essential to reflect the fact that national resources might be insufficient.
- 169.** The Employer Vice-Chairperson, noting that the whole construction of the document was based on giving priority to the use of national resources and the principle of subsidiarity with international support only coming as necessary, opposed the proposed amendment.

170. The Worker Vice-Chairperson and the Government members of Namibia and the United Kingdom did not support the proposed amendment. The Government member of Namibia explained that the word “can” had been used because countries should determine their own processes rather than being dictated to by international organizations.

171. The Government member of Egypt expressed her understanding for other members’ views and withdrew the amendment.

Paragraph 19

172. The Government member of the Russian Federation introduced an amendment to insert at the end of the paragraph the sentence “Funded component of pension systems in countries where it exists, is considered unstable. Some recent national decisions provide for this component should be placed solely in voluntary part of pension systems.”

173. The amendment was not seconded and the amendment fell.

Paragraph 20

174. The Chairperson invited the Government member of Turkey to introduce an amendment supported by the Government member of Uruguay to add after clause (a), a new clause “Contributing to reducing income inequalities by considering the overall level of redistribution in synergy with social and economic development, with the ultimate aim of social justice.”

175. In the absence of the Government member of Turkey, the amendment fell.

176. The Government member of the United Kingdom, seconded by the Government member of the Netherlands, introduced an amendment regarding clause (e) of the paragraph to (i) replace the word “of” with “for” and (ii) delete the words “reflecting employment growth and Decent Work”. Regarding the second part of the amendment, she elaborated that the text did not add anything to the paragraph but rather weakened the message to support sustainable enterprises.

177. The Worker Vice-Chairperson agreed with the first part of the amendment. However, she did not agree with the second part of the amendment as this would significantly alter the meaning of the paragraph. She emphasized that there was an agreement in the house that the purpose of sustainable enterprises was employment growth and decent work and adding this in the paragraph made the message stronger. The Employer Vice-Chairperson agreed with the Worker Vice-Chairperson on both points.

178. The Government members of Uruguay and Brazil did not support the second part of the amendment. The Government member of Uruguay stated that the words should not be eliminated as the development of enterprises necessarily relies on employment growth and decent work. The Government member of Brazil also emphasized the need to leave the paragraph as it was in order to reflect the importance of decent work.

179. The Government member of the Netherlands objected and noted that decent work appeared in many places in the document and that it did not add any value in this paragraph.

180. The first part of the amendment was adopted. In the context of the limited support, the Government member of the United Kingdom withdrew the second part of the amendment.

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- 181.** The Government member of Spain introduced an amendment seconded by the Government members of Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Italy, Lithuania, the Netherlands, Portugal, Slovakia and Sweden to delete the words “during the last weeks of pregnancy and the first weeks after delivery” in clause (h) in line five. She stated that protecting pregnancy was already recognized earlier in the paragraph and mentioning this again was repetitive. Furthermore, according to her, this was adding too much level of detail and was not consistent with the more general nature of the rest of the text.
- 182.** The Employer Vice-Chairperson pointed out that this was not a repetition. Referring to pre and post-natal care was different from income guarantees before and after birth and suggested to retain the sentence as it is. The Worker Chairperson agreed and further elaborated that there had been a thorough discussion in the Committee on how to introduce maternity protection. She thought the text reflected a good balance of the issues and she was reluctant to see it go.
- 183.** The representative of the Government member of Italy highlighted that specifying the duration of the revenue or services to weeks before and after birth was a restriction to the rights of women.
- 184.** The Government member of Spain asked the views of the Workers’ group. The Worker Vice-Chairperson explained that in a previous version of the draft conclusions, maternity protection was included in a separate paragraph which was a preferred option for her group. The current wording had been the result of a compromise by the Government members in the Drafting Group merging the two concepts pre and post-natal care and income support. It did not limit the provision, but clearly showed that both concepts were included.
- 185.** The Government member of the Czech Republic introduced a subamendment, seconded by the Government member of Italy to replace the words “the last weeks of pregnancy and the first weeks after delivery” with the words “the pregnancy and after delivery”.
- 186.** The Government member of the Netherlands disagreed with the subamendment as this could imply providing income support for a period of nine months which was too long. The Employer and Worker Vice-Chairpersons also did not support the subamendment.
- 187.** The subamendment was rejected due to a lack of consensus.
- 188.** The Government member of Spain withdrew the amendment.

Paragraph 21

- 189.** The Government member of Austria introduced an amendment supported by the Governments of Belgium, Czech Republic, France, Germany, Greece, Italy and the Netherlands to replace the words “expected to withdraw from the labour market” by the words “entitled to a pension” in clause (c). According to him the word withdraw was unclear as it could be due to illness or unemployment and underscored the need for more precise wording.
- 190.** The Employer Vice-Chairperson agreed that there were different ways to withdraw but this did not include unemployment. Becoming unemployed did not mean withdrawing from the labour market. He further stated that the proposed amendment would change the causality: it was retirement that provided the entitlement to a pension and not the other way around.

Furthermore, there could be different types of retirements such as flexible forms of retirement. Therefore, he did not support the amendment.

- 191.** The Worker Vice-Chairperson noted that the paragraph was not about pensions but about participation in the labour market, social dialogue and tripartism to find socially acceptable solutions for the participation of older people in the labour market. Therefore, she did not support the amendment.
- 192.** The Government member of Uruguay underscored that retirement was a right and the words “are expected to” were not appropriate. He suggested a subamendment supported by the Government member of the Bolivarian Republic of Venezuela to replace the words “are expected to” with the words “acquire the right to”. The Government members of Austria and Brazil also supported the subamendment.
- 193.** The Government member of Namibia noted that there were countries where workers could possibly retire without receiving any retirement benefits. On this issue, the one-size-fits-all approach did not apply and he did not support the subamendment. The Employers’ and the Workers’ Vice-Chairpersons did not support the subamendment.
- 194.** The Government member of Canada introduced a sub-subamendment to remove the words “are expected to”. This would avoid any wording about expectations.
- 195.** The amendment was adopted as sub-subamended.
- 196.** In light of the acceptance of the sub-subamendment, the Government member of Canada withdrew his amendment which, under clause (c) in the second line, had sought to replace the words “are expected to withdraw from the labour market” by the words “can receive a pension”.
- 197.** The Government member of Slovakia introduced an amendment, submitted by the Government members of Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, the Netherlands, Slovakia and Sweden, to delete the words “and demands” in clause (c) in line four. Her country, like others, had a universal pension system with a single retirement age for all categories of workers. With a view to promoting employability for all, especially vulnerable groups, and also because early retirement was financially unsustainable, retraining and rehabilitation schemes existed for workers with disabilities or who were no longer capable of meeting the physical challenges of their work.
- 198.** The Worker Vice-Chairperson, opposing the amendment, responded that as agreed in the Drafting Group, the wording here was not about special categories of workers but rather about the demands placed on all workers. Balance was needed between enabling older workers to continue to work if the conditions were right and, on the other hand, ensuring that no one was required to work until they dropped dead – which was the unacceptable implication of the amendment. The demands of working life were real and needed to be taken into account.
- 199.** The Employer Vice-Chairperson also opposed the amendment, observing that “demands” was also a suitable term for the arduous nature of work in such sectors as construction, where collective agreements could enable workers to take early retirement. Reduced pension in such cases could be compensated by a supplement.
- 200.** The Government member of the Czech Republic pointed out in support of the amendment that, later in the paragraph, there was a reference to “conditions of work” which captured the same idea; the reference to “demands” was thus redundant.

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- 201.** The Government member of Slovakia, while reiterating the importance of the universal retirement age, then withdrew the proposed amendment in light of the limited support it had received.
- 202.** The Government member of Denmark introduced an amendment, submitted by the Government members of the Czech Republic, Denmark, Finland, Slovakia and Sweden, to delete under clause (c) the words “issues such as conditions of work, years of service and the recognition”. Retirement depended not on duration of service but on a statutory retirement age that should be the same for all. Those with reduced work capacity should join rehabilitation schemes to enable them to re-enter the labour market; differential retirement ages would imply unequal treatment regarding retirement, which was unacceptable.
- 203.** The Employer Vice-Chairperson recalled the earlier discussion of the duration and demands of work. By definition, retirement could be flexible: while there was a need for a statutory retirement age in order for universal benefit entitlement to be calculated, within the same sector there could be workers with different contribution histories and retirement age could also vary between sectors. The wording took on board these different possibilities and thus his group did not support the amendment.
- 204.** The Worker Vice-Chairperson explained that the paragraph reflected a holistic discussion in the Drafting Group about what was socially acceptable in terms of workers either withdrawing from employment or remaining on the labour market. The paragraph should not be changed.
- 205.** In light of the limited support it had received, the Government member of Denmark withdrew the amendment.

Paragraph 28

- 206.** The Worker Vice-Chairperson introduced an amendment, to delete from the Spanish version the words “una base de comparación y” to bring it into line with the French translation of the English term “benchmark”.
- 207.** The amendment was adopted.

Paragraph 31

- 208.** The Worker Vice-Chairperson introduced an amendment, to replace the words “the possible principles of such a Recommendation” with the words “elements for a possible Recommendation on a Social Protection Floor” in order to make the wording consistent with the title of the appendix to the report. The Government member of Canada pointed out that in this case the wording should be “elements of a possible Recommendation on Social Protection Floors” as this was the exact title, and introduced a subamendment to this effect. The Worker Vice-Chairperson clarified that this is what she had intended, and thanked the Government member of Canada.
- 209.** The amendment, as subamended, was adopted.
- 210.** The Government member of France pointed out that in the French version the word “éventuelle” had been used for the English “possible”. However, the word “possible” should be used in French.

Paragraph 33

- 211.** The Government member of the United Kingdom introduced an amendment to paragraph 33(c), submitted by the Government members of Canada and the United Kingdom, to replace the words “with a view of” with the words “with a view to”, for grammatical reasons.
- 212.** The amendment was adopted.
- 213.** The Government member of Turkey had proposed an amendment to paragraph 33(e), to add the words “older people” before the words “people with disabilities”.
- 214.** The proposal was not seconded and fell.
- 215.** The Government member of Spain introduced an amendment to paragraph 33(g), submitted by the Government members of Austria, Belgium, Czech Republic, France, Italy, Portugal, Slovakia, Spain and Sweden, to replace the word “or” by the word “and” at the end of line 2, after the word “preservation”; this was to convey the principles of social solidarity and portability, as in the right of migrant workers to move from one national social security system to another.
- 216.** The Worker Vice-Chairperson proposed the wording “and/or”, as agreed in the consultations.
- 217.** The Employer Vice-Chairperson supported this as a subamendment.
- 218.** The Government member of Spain agreed. The amendment, as subamended, was adopted.
- 219.** An amendment to paragraph 33(h), to insert the word “using” after the words “appropriate policies and” in the second line, had been proposed by the Government member of Chile.
- 220.** The proposal was not seconded and fell.
- 221.** An amendment to paragraph 33(h), to insert the words “(pay-as-you-go funded schemes, pre-funded individual saving accounts or different combinations of both)” after the words “financing mechanisms” in the second line, had been proposed by the Government member of Chile.
- 222.** The proposal was not seconded and fell.

Paragraph 35

- 223.** The Government member of Turkey had proposed an amendment, to add a new clause after paragraph 35(h) as follows: “support the development of mechanisms and provide guidance to governments and social partners with regard to settling any disputes that may arise among social partners as regards their respective roles”.
- 224.** The proposal was not seconded and fell.
- 225.** The Government member of Sweden introduced an amendment to paragraph 35(n), submitted by the Government members of Belgium, Canada, Czech Republic, Denmark, Finland, France, Lithuania, the Netherlands, Slovakia, Spain, Sweden, Turkey, United Kingdom and United States, to replace the words “technologies by mutual agreement” by the words “by mutual agreement, the transfer of technologies”. The existing wording was

open to misinterpretation: the mutual agreement in question did not apply to the transfer of other types of information than technologies.

- 226.** The amendment was adopted.
- 227.** The Government member of the United Kingdom introduced an amendment to paragraph 35(o), seconded by the Government members of the Netherlands and Slovakia, to insert the words “bilateral donors” after the words “the ISSA” in the fifth line. While the list of collaborating actors was long, this addition would show the support of development ministries for the ILO’s mandate.
- 228.** The Worker Vice-Chairperson did not support the amendment, as the issue at hand was policy coherence, not state initiatives. Bilateral donors would be out of place in this context, and the suggestion had been rejected by the Drafting Group.
- 229.** The Employer Vice-Chairperson reminded the Committee that while bilateral donors could pick and choose the projects they funded, this list comprised multilateral institutions involved in ongoing coordination, and thus his group did not support the amendment.
- 230.** The Government member of the United Kingdom stated that her Government believed that all aid needed to be coordinated and, where it was possible for bilateral donors to work with others, they should be included since this enhanced project effectiveness.
- 231.** However, in light of the limited support it had received, the Government member of the United Kingdom withdrew the amendment.

Paragraph 36

- 232.** The Government member of the Netherlands introduced an amendment, submitted by the Government members of the Czech Republic, Denmark, Lithuania, the Netherlands, Slovakia, Sweden and the United Kingdom, to insert the words “with existing resources” after the words “to take into account”, and to insert the words “setting priorities when” after the words “these conclusions in”. Since the Office would need to take into account the fact that States were facing budgetary constraints, the proposal was honest and realistic.
- 233.** The Employer Vice-Chairperson opposed the amendment as this was a decision for the ILO Governing Body and inappropriate here.
- 234.** The Worker Vice-Chairperson did not support the proposal, for the reason stated by the Employer Vice-Chairperson.
- 235.** The Government member of the United Kingdom affirmed that the text should not be used as justification for increasing the budget. If the amendment was not accepted, she suggested that the concept of setting priorities be included in the form of a subamendment. The Government member of Canada voiced its support for this subamendment.
- 236.** The Employer Vice-Chairperson reiterated that this was a matter for the ILO Governing Body, and his group could not support such a subamendment either.
- 237.** The Worker Vice-Chairperson said she was even more opposed to any attempt to limit future budgets.
- 238.** In light of the limited support it had received, the Government member of the Netherlands withdrew the amendment.

Paragraph 39

239. The Government member of Egypt introduced an amendment, seconded by the Government member of Uruguay, to insert the words “and raising the awareness” after the word “implementation” in the second line. The intention was to request that the Director-General work towards raising awareness before preparing a plan of action for the implementation.
240. The Employer Vice-Chairperson stated that while his group was not fundamentally opposed to the proposal, they preferred the traditional terminology used in the existing wording and would therefore not support the amendment. It would be up to the ILO Governing Body to determine how to proceed with implementation.
241. The Worker Vice-Chairperson concurred and similarly opposed the amendment.
242. In light of the limited support it had received, the Government member of Egypt withdrew the amendment.

Appendix

paragraph A6

243. The Government member of Japan introduced an amendment, seconded by the Government members of Australia, Canada, the Netherlands, Slovakia and United Kingdom, to insert at the end of paragraph A6 of the appendix the words “In addition, income security should, where possible, be combined with employment policies”. It was important, as mentioned many times during the Committee’s discussions, to combine income security with employment policies in order to ensure a workforce that could sustain social security.
244. The Employer Vice-Chairperson strongly agreed that employment was essential to the sustainability of social security, and employment policies were indeed mentioned very frequently in the document. However, his group saw no reason to refer to employment policies in paragraph A6 as this was already mentioned in paragraph A3 of the appendix. They therefore opposed the proposed amendment.
245. The Worker Vice-Chairperson stated that her group, while supporting the sentiment, opposed the amendment for the same reasons.
246. The Government member of Japan reiterated his support for emphasizing the linkage between employment policies and income security but, noting the recognition by the Employer and Worker groups of its importance, withdrew the amendment.
247. Upon the Chairperson’s proposal, the Committee agreed that, since the resolution concerning gender equality and the use of language in legal texts of the ILO referred to in paragraph 38 had already been adopted earlier in the morning, the word “draft” before the word “resolution” should be deleted.
248. The draft conclusions were adopted as amended.
249. The Chairperson introduced a draft resolution, prepared by the Drafting Group to give effect to the conclusions, for consideration by the Committee.
250. The Committee adopted the draft resolution.

Consideration and adoption of the draft report

- 251.** Ms Michelle Bachelet (former President of Chile and Chairperson of the Social Protection Floor Advisory Group) addressed the Committee and expressed her satisfaction for the possible inclusion in the conclusions of a recommendation on Social Protection Floors. In Chile, one of the main agendas of her Government had been to continue and to deepen the reform process of social protection. She had chosen social protection not only because of the large demand, but also because she was very much convinced of the importance of improving social protection. This was key to respond to the current needs of social cohesion, political stability and inclusive growth. According to her, the debates that started during the 2001 International Labour Conference had a relevant influence in the debates that took place in Chile. When she took office in 2006, despite substantive progress, the social protection problems were clear. In 2008, the most important social protection reform in 25 years was implemented. Some elements of these changes were as follows: first, there was a shift from social policies based on satisfaction of basic needs to social policies with a focus on guaranteed rights; second, there was a shift from a focus on poverty to the progressive extension of benefits to the broader segments of society; third, there was a shift from selective special programmes to universal policies; and finally, policies based on solidarity were strengthened vis-à-vis contributive policies.
- 252.** She concluded by underscoring that at the beginning of the last decade, the international call to increase coverage that was led by the ILO permeated in the Chilean national debate and contributed to establishing new priorities. She also noted that from her own experience as head of State and Government, the extension of social protection, drawing on social protection floors universalizing social rights and basic services was not utopian but necessary, possible and effective. In Chile, even with major political resistance at the beginning of the process, they were able to engage in social dialogue and reach consensus to rebuild a public component in the social security system, increasing coverage and solidarity. She was pleased to see that social dialogue was also working here again not only to reiterate the 2001 call for expanding social protection, but also to consider practical approaches and tools, such as the Social Protection Floor.
- 253.** The Committee then considered the draft report.
- 254.** Introducing the draft report, the Reporter, Mr James Matiza, Government member of Zimbabwe, acknowledged the significance of the work of the Committee and the willingness to find constructive, consensual and collegial solutions to the challenge to close the global social security gap. The Committee was not only constructive, but also innovative. The report and conclusions sent out a strong message from the ILO to the world, namely that social security at a level that was fair to all and reflected personal and national circumstances, had to be a constitutional component of a globalizing world. He underscored the horizontal and vertical dimensions that were developed in the report and in the conclusions and noted that the horizontal dimension was what the Committee called the Social Protection Floor. Advocating a Social Protection Floor for all was the strongest social security policy message that went out from the international community in a long number of decades. It underlined the strong leadership of the ILO. He reiterated that all members of the Committee had reasons to be proud for having been part of this moment in the history of the ILO.
- 255.** The Chairperson thanked the Reporter for his presentation of the report and for his excellent work, which he performed with attention and accuracy.

Adoption of the report

- 256.** Governments and the Employer and Worker Vice-Chairpersons signalled a number of editorial changes to the report which were submitted to the secretariat in writing. At its 12th sitting, the Committee then unanimously adopted the report, the resolution and conclusions, as amended.

Closing remarks

- 257.** The Worker Vice-Chairperson stated that as she had said during her opening statement, there existed a historical opportunity and obligation to ensure that at the 100th anniversary of the ILO in 2019, the aspiration of social security would be a reality for all. She observed that the Committee had done a good job to put social security back on the international agenda, not losing itself in empty ideological rhetoric but reaching agreement on the fundamental importance of social security, to fight poverty, to realize sustainable growth, to fight exclusion and to foster stability. There was agreement on the importance of increasing ratification of Convention No. 102 and other existing standards on social security as well as on putting a new standard-setting item on the agenda for next year's Conference.
- 258.** She emphasized that social security lay at the heart of development to ensure a life in freedom, dignity and opportunity for all. The Committee also acknowledged the importance of a Social Protection Floor as a stepping stone towards more comprehensive social security systems. The Committee further agreed that the Social Protection Floor was needed to provide income security and essential health care to all in need, that a time frame was needed for the progressive implementation of Social Protection Floors at national levels and that the progress achieved in many countries in building Social Protection Floors showed that this was not just a slogan but that it could be done.
- 259.** She also highlighted the importance the Committee attached to moving from informal to formal employment. There was further agreement on the centrality of policy coherence to achieve progress on the extension of social security. The links between the ILO and the UN system – including the Washington institutions through the Social Protection Floor Initiative and high-level advisory groups as observed during the discussion were very encouraging.
- 260.** She further underlined the importance of tripartism for social security. Genuine tripartism could only work on the basis of freedom of association and collective bargaining and it was important to have a strong, unconditional support from all the constituents for freedom of association and collective bargaining, principles which needed to be promoted in general, irrespective of the issue at stake. Tripartism was not a human right but a method to achieve consensus, and one needed to show tangible results arising from tripartite processes. The work of the Committee fully realized this aspiration, having agreed on an ambitious policy agenda. This consensus constituted a powerful start to begin next year's discussion on a recommendation, especially if there was strong progress on the ratification of existing instruments over the next 12 months.
- 261.** She concluded by pointing out that universal coverage could be achieved, that the world could do it and that the ILO was to play a crucial role in this process. She further thanked the Chair, the members of the Committee for their constructive approach, the Office, the members of her Group and the interpreters. The whole Committee had adopted a pragmatic but ambitious tripartism to make a historic contribution in achieving social security for all.

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- 262.** The Employer Vice-Chairperson noted his appreciation for the Committee's work. The conclusions would provide a good basis for the future work of the ILO. It was true that the proposals of the Committee were more ambitious than was realistically possible in some countries, hence a balance had to be struck to achieve what was possible and respect the circumstances and values of each country. The conclusions of the Committee had to be combined with employment policies of the ILO. Work would continue in the following weeks based on the conclusions, providing a good basis to conduct discussions in the same spirit next year, and the Employers' group were committed to that task. He thanked all members of the Committee, staff, Government members, the Workers' group and the Chairperson for their efforts and involvement in such important work.
- 263.** Mr Garibaldi Alves Filho (Minister of Social Security, Brazil) welcomed the Committee's conclusions. The ILO had taken an important step forward to ensure a fair and decent life for 80 per cent of the world's population that presently lacked comprehensive social security. The conclusions showed a strong support for the Social Protection Floor Initiative. The commitment to the Social Protection Floor was also reiterated during the G20 preparatory meeting organized by France with the participation of Argentina, Mexico and Brazil. Social protection was a fundamental pillar for a sustainable, solid and durable model of growth. From the conclusions he underscored that "increasing ratification and effective implementation of Convention No. 102 and other social security Conventions remain a key priority for member States." For his country, drafting a recommendation on social protection in 2012 should be a platform to promote ratification of Convention No. 102.
- 264.** In that regard, he supported the two-dimensional approach proposed by the ILO to achieve better social protection. Brazil had improved health care, social welfare and assistance through policies and programmes to ensure that social protection benefited all and was intensifying efforts to make social protection even more robust across the board, but especially in the provision of basic social services to the poorest and most vulnerable groups. Brazil had established partnerships with other countries in similar circumstances to share experiences and challenges in the area of social protection. The Social Protection Floor could be an instrument to ensure development of universal social security systems and extending coverage was a global challenge. The 1st World Conference on the Development of Universal Systems of Social Security had been hosted by Brazil in December 2010. The outcome had been the creation of guidelines for strategies for extending coverage, which could be useful to national governments and the ILO alike. He ended his intervention with the same words of President Dilma Rousseff "a rich country is a country without poverty". Without social protection, there could never be rich societies without poverty.
- 265.** The representative of the Secretary-General thanked all the Committee members for their hard work. He said that a new page in the book of social security had opened and a new day of hope had dawned for the 5 billion people in the world without access to the full range of social security benefits and about 1 billion people with no protection at all while facing a difficult life and economic circumstances. The Committee had declared that a better social protection of people in an increasingly uncertain world and a widening gap between rich and poor was ethically necessary and financially and economically possible. Social protection, and thus relief from anxiety over basic needs, was a human right, and the Committee had reiterated to decision-makers in countries that such right must become a reality, which was achievable. While it might take time for certain countries, with political will and a strong commitment the process could begin straight away. Countries with social security already in place should strengthen systems to face the new challenges of today. Social security was a way to invest in human beings to enable them to escape from informal work and become productive members of a formal economy and decent society. The conclusions of the Committee would form the basis to ensure that the

Recommendation to be developed next year would contribute to helping the poorest and most vulnerable in society to rise above financial insecurity and receive the social protection due to them. The Committee could be proud of its work, which was a testament to the values of the ILO and to the effectiveness of tripartism in improving people's lives.

- 266.** The Chairperson expressed gratitude for the work carried out by the Committee and was proud that the task had been completed so successfully and had resulted in a strong set of conclusions, which he urged members to implement in their countries. The discussions had taken place in a spirit of collaboration and provided an opportunity to exchange views and work through constructive social dialogue. The main message of the Committee was that achieving the Social Protection Floor was feasible and was a question of political will. It would pave the way to reducing poverty and inequities. He was encouraged by the existence of international cooperation, as witnessed by the participation in the Committee of international organizations. He was particularly pleased that the Committee's work had been conducted in a spirit of tripartism and openness and wished all members every success in their forthcoming efforts to extend social security in their respective countries.

Geneva, 13 June 2011

(Signed) J. Feyder
Chairperson

J. Matiza
Reporter

Resolution concerning the recurrent discussion on social protection (social security)

The General Conference of the International Labour Organization, meeting in Geneva at its 100th Session, 2011,

Having undertaken, in accordance with the ILO Declaration on Social Justice for a Fair Globalization, a recurrent discussion on the basis of Report VI, *Social security for social justice and a fair globalization*,

1. Adopts the following conclusions,
2. Invites the Governing Body of the International Labour Office as a follow-up to the recurrent discussion on social protection (social security) and in line with the following conclusions which recognize the need for a Recommendation, to place a standard-setting item entitled “Elaboration of an autonomous Recommendation on the Social Protection Floor” on the agenda of the 101st Session of the International Labour Conference, 2012, for a single discussion with a view to the adoption of a Recommendation, and
3. Invites the Governing Body of the International Labour Office to give due consideration to the following conclusions in planning future action on social protection (social security) and requests the Director-General to take them into account when preparing and implementing the programme and budget for future biennia and when allocating such other resources as may be available during the 2012–13 biennium.

Conclusions concerning the recurrent discussion on social protection (social security)

Policy and institutional context

1. The new consensus on social security reached at the International Labour Conference, at its 89th Session in 2001, gave the highest priority to policies and initiatives that can bring social security to those who are not covered by existing schemes. Consequently, the International Labour Office launched in 2003 the Global Campaign on Social Security and Coverage for All. The ILO Declaration on Social Justice for a Fair Globalization, adopted by the International Labour Conference at its 97th Session in 2008, again reaffirmed the tripartite commitment to extend social security to all in need of such protection in the framework of the Decent Work Agenda.
2. The International Labour Conference at its 98th Session in 2009 recognized the crucial role of social protection policies in crisis response, and the Global Jobs Pact called for countries to “give consideration, as appropriate, to building adequate social protection for all, drawing on a basic social protection floor”. The High-level Plenary Meeting of the UN General Assembly on the Millennium Development Goals (MDG Summit) in September 2010 recognized that “promoting universal access to social services and providing social protection floors can make an important contribution to consolidating and achieving further development gains” and hence endorsed the Social Protection Floor Initiative which the UN Chief Executives Board had launched in 2009.
3. Regional tripartite ILO meetings in Latin America, Arab States and Asia and the Pacific during 2007 and 2008 discussed social security extension strategies. A generic two-dimensional extension strategy, combining the extension of coverage to all through nationally defined social protection floors and the progressive implementation of higher levels of social security through comprehensive systems, emerged. This strategy was endorsed by the Yaoundé Tripartite Declaration on the implementation of the Social Protection Floor adopted at the 2nd African Decent Work Symposium in Yaoundé in 2010, and the Chair’s Summary of the Tripartite Meeting of Experts on Strategies for the Extension of Social Security Coverage in 2009.
4. This consensus concerning social security is underpinned by the Decent Work Agenda, including its four pillars: employment, social dialogue, social protection and standards and fundamental principles and rights. These four pillars are inseparable, interrelated and mutually supportive. These conclusions on social security sit within this context. Sustainable social security systems are a key element in promoting productive economic growth with equity. They are closely linked to all of the elements of the Decent Work Agenda and should be based on entitlements within a legal framework. Tripartism and social dialogue based on freedom of association and the effective recognition of the right to collective bargaining are key elements to ensure adequate wages for workers thereby assisting them to increase their contributory capacity. They also contribute to the sustainability of broader social security systems in which non-contributory and contributory schemes complement each other.

The role of and need for social security

5. The Conference recognizes and reiterates that:

- (a) Social security is a human right.

Everyone as a member of society has a right to social security as stated in the Universal Declaration of Human Rights, Article 22. Globally the large majority of women, men and children do not have access to adequate or any social security. By recognizing in the Declaration of Philadelphia the solemn obligation of the International Labour Organization “to further among the nations of the world programmes which will achieve ... the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care”, its member States confirmed the ILO’s commitment to achieving adequate social security for all.

- (b) Social security is a social necessity.

Effective national social security systems are powerful tools to provide income security, to prevent and reduce poverty and inequality, and promote social inclusion and dignity. They are an important investment in the well-being of workers and the population at large, notably by enhancing access to health care, and providing income security thereby facilitating access to education and reducing child labour and in particular eliminating its worst forms. Social security strengthens social cohesion and thus contributes to building social peace, inclusive societies and a fair globalization with decent standards of living for all.

- (c) Social security is an economic necessity.

Full, productive and decent employment is the most important source of income security. Social protection is key to ensure a just share of the fruits of progress for all. Sustainable growth requires good health, nutrition and education, which can foster transitions from low productivity and subsistence level activities to highly productive decent jobs and from the informal to the formal economy. Social security, well designed and linked to other policies, enhances productivity, employability and supports economic development. Adequate social security encourages human capital investment for both employers and workers, enables workers to adapt to change and facilitates equitable and inclusive structural change associated with globalization. As an effective automatic stabilizer in times of crisis, social security contributes to mitigating the economic and social impact of economic downturns, to enhancing resilience, and achieving faster recovery towards inclusive growth.

Social security extension strategies

6. Many developing countries have made significant progress in extending social security coverage during the last decade. They offer the best evidence that the extension of social security is possible. Despite these advances, broad social security coverage gaps remain in many countries of the world. In some regions, the vast majority of the population is excluded from social security.

7. The risk of being excluded from coverage is particularly high among certain groups, including workers in the informal economy and atypical forms of employment, vulnerable workers in rural and urban areas, domestic workers, migrant workers, unskilled workers, and people with disabilities and chronic illnesses, including those affected by HIV and AIDS. Women tend to face higher exclusion than men, due to discrimination throughout

the life cycle and the burden they usually shoulder in family and care responsibilities. Children of excluded populations are more likely to grow up in impaired states of health and nutrition that undermine their future and that of their societies.

- 8.** Closing coverage gaps is of highest priority for equitable economic growth, social cohesion and Decent Work for all women and men. Effective national strategies to extend social security in line with national priorities, administrative feasibility and affordability contribute to achieving these objectives. These national strategies should aim at achieving universal coverage of the population with at least minimum levels of protection (horizontal dimension) and progressively ensuring higher levels of protection guided by up-to-date ILO social security standards (vertical dimension). The two dimensions of the extension of coverage are consistent with moving towards compliance with the requirements of the Social Security (Minimum Standards) Convention, 1952 (No. 102) and are of equal importance and should be pursued simultaneously where possible.
- 9.** The horizontal dimension should aim at the rapid implementation of national Social Protection Floors, containing basic social security guarantees that ensure that over the life cycle all in need can afford and have access to essential health care and have income security at least at a nationally defined minimum level. Social Protection Floor policies should aim at facilitating effective access to essential goods and services, promote productive economic activity and be implemented in close coordination with other policies enhancing employability, reducing informality and precariousness, creating decent jobs and promoting entrepreneurship.
- 10.** As a one-size-fits-all approach is not appropriate, every member State should design and implement its Social Protection Floor guarantees according to national circumstances and priorities defined with the participation of social partners. While expected outcomes of these guarantees are of a universal nature, member States find different ways of implementing Social Protection Floor policies, which may include universal benefit schemes, social insurance, public employment programmes and employment support schemes, and social assistance schemes that provide benefits only to people with low income, or appropriate combinations of such measures. To be effective, these policies require an appropriate mix of preventive measures, benefits and social services.
- 11.** The process of building comprehensive social security systems cannot stop at the ground floor of protection. Hence, the vertical dimension of the social security coverage extension strategy in each member State should seek to provide higher levels of income security and access to health care – taking into account and progressing towards in the first instance the coverage and benefit provisions of Convention No. 102 – to as many people as possible and as soon as possible; based, as a prerequisite, on policies aiming at encouraging participation of those in the informal economy and its gradual formalization. As economies develop and become more resilient, people’s income security and their access to health care should be strengthened.
- 12.** National strategies to extend social security should progress based on the resources of the nation and a set of essential principles, i.e. universal coverage, progressive realization while providing immediate protection against discrimination, promoting gender equality, social and economic adequacy, rights-based benefits, financial and fiscal sustainability, good governance with the overall general responsibility of the State and the ongoing participation of social partners, and finally institutional and organizational questions should not prevent adequate protective outcomes. These principles should guide national policy and strategic decisions.
- 13.** Strategies to extend social security are closely associated with employment policies. Member States should therefore pay particular attention to building an economic and social

framework that is conducive to sustainable enterprise creation and growth of decent and productive employment. A large informal economy constitutes a particular challenge for the extension of social security coverage. Social insurance remains the central pillar of social security systems in most member States, yet it tends to focus on formal employees. However, a growing number of developing countries have gradually extended the scope of social insurance coverage to other categories of workers such as own-account workers, domestic workers or workers in rural areas and workers in small and micro-enterprises by adapting the scope of benefits, contributions and administrative procedures. The inclusion of these groups in social insurance is a key component of the formalization of employment and can also reduce the cost of tax-financed benefit systems for poor workers in the informal economy.

14. Member States should be encouraged to continuously employ efforts aimed at the transition from informal to formal economies. While social security policies have a strong role to play in attaining this objective, they have to be complemented by fiscal and employment policies, and by developing administrative procedures aimed to create adequate incentives to join the formal economy and reduce the costs of formalization. Member States should be encouraged to strengthen compliance assistance, the promotion and the enforcement of legal frameworks including by adequate labour, tax and social security inspections aiming at reducing fraud, and informality including disguised employment, undeclared business and undeclared work. The formalization of the economy is one of the crucial prerequisites for long-term growth and will increase the public revenue base necessary to finance higher levels of social security for contributors and taxpayers and non-contributory benefits to cover those without capacity to contribute.

Ensuring the affordability and the financing of social security

15. The expenditure required to finance social security systems is a long-term investment in people. Societies that do not invest in social security face important costs such as those associated with the lack of a healthy and productive workforce, economic insecurity and social exclusion. On the other hand, investing in people through social security systems requires resources that have to be provided by enterprises, workers, households and others as contributors and taxpayers. It is thus essential that a rational balance is found between short- and long-term costs and benefits of social security systems for society and different groups of financers and beneficiaries.
16. Social security interventions need to achieve their objectives in terms of both social and economic adequacy in an effective and cost-efficient way. Permanent monitoring and evaluation by the social partners of the short- and long-term effectiveness and efficiency of individual programmes and social security systems, including actuarial studies, are important mechanisms and may lead to reform and adjustments whenever necessary. In the case of State operated schemes transparency, consultation and social dialogue are appropriate. In the case of schemes that involve workers and employers organizations social dialogue and agreements are usually appropriate.
17. Many member States at all levels of development have already implemented elements of a national Social Protection Floor as part of their efforts in building comprehensive social security systems. Member States have chosen different options to ensure the necessary fiscal space, including reprioritizing expenditure, and broadening the revenue base. Sustainable growth, the progressive formalization of the economy and high levels of productive employment are essential in ensuring the financial resources necessary to extend social security to all.

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- 18.** While national Social Protection Floors should be financed from domestic sources of revenue to ensure their long-term sustainability, there may be cases where these resources are insufficient to extend the Social Protection Floor to all in a short time frame. International cooperation can play an important role in helping member States to initiate the process and build the national resource base with a view to ensuring sustainable financing mechanisms.
- 19.** The affordability of social security systems is widely discussed in the context of demographic change. The expected increase in economic dependency ratios over the next decades raises concerns about the sustainability of social security systems. The ageing of the population will increase expenditure on pensions, health and long-term care in the decades to come. However, evidence suggests that this challenge is manageable within properly organized systems. Necessary reform processes can be successfully managed fairly balancing social needs and financial and fiscal requirements, if embedded in a well informed social dialogue process.
- 20.** It is indispensable to create positive synergies for sustainable growth and higher levels of decent employment between social protection, financial and economic policies. Integrated national policies promoting productive employment are necessary to ensure sustainable financing, addressing possible skills shortages, promoting productivity, taking advantage of a wider diversity of the workforce in terms of sex, age, nationality and ethnic origin and facilitating a better balance between work and family responsibilities for women and men. Some of the policy options lie within the realm of social security policies proper, while others reside in other policy spheres. Such options may include:
- (a) integrating macroeconomic, employment and social policies that give priority to Decent Work;
 - (b) investing social security reserves prudently;
 - (c) building quality public services that enhance effective social security systems;
 - (d) promoting social dialogue, the effective recognition of the right to collective bargaining and freedom of association;
 - (e) promoting and strengthening the enabling environment for sustainable enterprises reflecting employment growth and Decent Work;
 - (f) investing in education, vocational skills and lifelong learning;
 - (g) promoting the good governance of labour migration;
 - (h) facilitating reconciliation of work and family responsibilities for women and men, and ensuring effective access to comprehensive social services to address care needs including for children, people in old age, people living with HIV and AIDS and with disabilities. This includes, maternity protection such as adequate pre and post natal care and income guarantees and other supports for women during the last weeks of pregnancy and the first weeks after delivery;
 - (i) policies to enable all workers including those in atypical employment to take advantage of social security;
 - (j) promoting labour force participation of women by more equitable treatment creating better employment opportunities, reducing the segmentation of the labour market between men and women, eliminating gender gaps in wages and providing equal professional development opportunities;

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- (k) facilitating effective school-to-work transitions;
 - (l) improving the rehabilitation of workers with reduced working capacity including personal support and training where appropriate with a view to fostering their participation in the labour market;
 - (m) combining the income replacement function of social security with active labour market policies as well as assistance and incentives that promote real participation in the formal labour market.

21. Ensuring adequate labour force participation of older women and men is often essential for the adaptation of social security systems to demographic change. In addition to policies to promote full employment, measures to promote the employment of older workers may include:

- (a) investing in technologies and occupational safety and health measures that permit the productive employment of older workers and workers with health impairments and disabilities;
- (b) raising the labour force participation rates of older workers by eliminating age discrimination and providing incentives for workers and employers to address enterprise restructuring through innovative work arrangements;
- (c) introducing socially acceptable rules through a transparent process, including social dialogue and tripartism, as to the age at which people withdraw from the labour market, which should reflect a sustainable relationship between the duration and demands of working life and retirement taking into account issues such as conditions of work, years of service and the recognition that retirement is a legitimate part of the life cycle.

Social security governance

22. Social security systems need to be well managed and administered to ensure effectiveness in reaching agreed objectives, efficiency in using resources, and transparency to gain confidence of those who finance them and benefit from these systems. Active involvement of all stakeholders, and in particular workers and employers through effective social dialogue mechanisms and tripartite supervision, is one of the important means to secure good governance of social security systems.

23. The general responsibility for an effective and efficient social security system lies with the State, particularly with creating political commitment and with respect to setting appropriate policy, legal and regulatory frameworks and the supervision that guarantee adequate benefit levels, good governance and management and protecting acquired rights of beneficiaries and other participants.

24. Collective bargaining and freedom of association play an important role in helping employers and workers negotiate on social security provisions, including for occupational and other supplementary schemes. Agreements should be in the context of a state regulatory framework.

25. Social dialogue is essential in identifying and defining priority policy objectives; the design of the corresponding benefits, entitlements and delivery methods; the allocation of the financial burden between generations and between contributors and tax payers; and the need to find a fair balance between social expectations and financial constraints.

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26. Social dialogue is an important means for contributing to the permanent monitoring of financial sustainability and the social adequacy, effectiveness and efficiency of management and administration of the scheme. It is also important in enforcing the existing social security legislation so that the contributions due are paid by all those obliged to pay and benefits delivered to all those eligible. This requires well-resourced and well-trained public inspection services to promote and ensure the law enforcement and the prevention of contribution evasion, fraud and corruption. However this also requires active monitoring by employers, workers and other stakeholders.
 27. To play the expected active role in securing good social security governance, all workers and employers need to be aware of, and understand, existing social security provisions and emerging challenges. Member States should consider including basic knowledge about social security in the education and training curricula at different levels of the national education systems. Employers' and workers' organizations have to build significant capacity to be able to share the social security knowledge with their members as well as to actively participate in social dialogue on social security policies and in monitoring and supervision of social security schemes.

The role of ILO standards

28. The up-to-date ¹ ILO social security standards, and in particular Convention No. 102, provide a unique set of minimum standards for national social security systems that are internationally accepted. They set out principles that guide the design, financing, governance and monitoring of national social security systems. Convention No. 102 continues to serve as a benchmark and reference in the gradual development of comprehensive social security coverage at the national level. Several member States currently implementing successful and innovative social security extension policies have recently ratified Convention No. 102 and others have indicated their intention to do so.
29. Increasing ratification and effective implementation of Convention No. 102 and other social security Conventions remain a key priority for member States. It is therefore essential to raise awareness and understanding of ILO social security standards, to identify gaps in coverage that still may prevent further ratifications, and to design policies that may close these gaps. In particular, this should also include the dissemination of information on the requirements concerning implementation of these instruments and devote special efforts to capacity building and the training of the social partners, and thus to strengthening the role of social dialogue in the implementation of standards.
30. As also noted in the outcome of the discussion on the General Survey of 2011 on social security by the Committee on the Application of Standards, the language of certain provisions of Convention No. 102 is often interpreted as gender-biased. There is a need for a pragmatic solution that would enable its interpretation in a gender-responsive way without revising the instrument itself or weakening the prescribed levels of protection and

¹ The ILO social security standards considered up-to-date by the ILO Governing Body are: the Social Security (Minimum Standards) Convention, 1952 (No. 102); the Equality of Treatment (Social Security) Convention, 1962 (No. 118); the Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121); the Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128); the Medical Care and Sickness Benefits Convention, 1969 (No. 130); the Maintenance of Social Security Rights Convention, 1982 (No. 157); the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168); and the Maternity Protection Convention, 2000 (No. 183).

population coverage. This may facilitate further ratifications by a number of member States.

- 31.** In view of the renewed support for the provision of at least a basic level of social security through establishing Social Protection Floors, there is a need for a Recommendation complementing the existing standards that would provide flexible but meaningful guidance to member States in building Social Protection Floors within comprehensive social security systems tailored to national circumstances and levels of development. Such a Recommendation should be promotional, gender-responsive and allow for flexible implementation to be applied by all member States using different methods and according to their own needs, resources and their time frame for progressive implementation. Elements of a possible Recommendation on Social Protection Floors are outlined in the appendix to these conclusions.

The role of governments and social partners

- 32.** Governments have the primary responsibility for ensuring effective access to social security to all. Effective social dialogue processes play a key role in contributing to the formulation, implementation and monitoring of social security policies and ensuring good governance of national social security systems.

- 33.** Governments of member States should consider and/or undertake the following:

- (a) fully assuming their responsibility for social security by providing an appropriate policy, legal and institutional framework, effective governance and management mechanisms, including a legal framework to secure and protect the private individual information contained in their social security data systems;
- (b) fostering coherence of social security policies with employment, macroeconomic, and other social policies within a decent work framework, particularly with respect to promoting the progressive formalization of employment and providing support for productive employment;
- (c) the development of a national two-dimensional social security extension strategy, through a social dialogue-based consultation process, that identifies gaps in the desired levels of social security and seeks to close those gaps in a coordinated and planned manner over a period of time with a view to developing national Social Protection Floors and building comprehensive social security systems;
- (d) ensuring that social security policies take account of changing roles of women and men with respect to employment and care responsibilities, promote gender equality, provide maternity protection and support the empowerment of women through measures to ensure equitable outcomes for women;
- (e) ensuring that social security policies address the needs of women, men and children during all stages of the life cycle and in both urban and rural areas, and the specific needs of vulnerable groups, including indigenous people, minorities, migrant workers, people with disabilities, people living with HIV and AIDS, orphans and vulnerable children;
- (f) strengthening labour and social security inspection systems to improve compliance with social security and occupational safety and health legislation and strengthen the preventive potential of the latter through the promotion of a health and safety culture;

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- (g) concluding bilateral, regional or multilateral agreements to provide equality of treatment in respect of social security, as well as access to and preservation and/or portability of social security entitlements, to migrant workers to be covered by such agreements;
 - (h) ensuring the financial, fiscal and economic sustainability of social security systems through appropriate policies and different financing mechanisms, developed in consultation with or by social partners as appropriate;
 - (i) balancing, with the participation of social partners, the economic and social adequacy in public and private social security schemes in the longer term;
 - (j) engaging with social partners and promoting effective social dialogue to define the most appropriate national social security policies and time frames for their progressive implementation;
 - (k) giving full effect to the provisions of Convention No. 102 and other up-to-date ILO social security Conventions, and undertaking measures to ratify these Conventions;
 - (l) contributing to exchange of information, experiences and expertise on social security policies and practices among member States and with the ILO.

34. Employers' and workers' organizations should consider and/or undertake the following:

- (a) raising awareness and building public support for social security among their members and the wider public, including on ILO social security standards;
- (b) actively participating in social dialogue processes aiming at the design, implementation and monitoring of national social security strategies and policies, with a view to responding to the evolving needs and capacities of workers and enterprises;
- (c) contributing to the development of innovative solutions including those which might address economic shocks, structural changes and sustainability including through collective bargaining;
- (d) participating in policy dialogue aimed at the establishment of national Social Protection Floors;
- (e) jointly developing initiatives to support the transition to formal employment and formal enterprises;
- (f) supporting the development of standards of good performance and accountability for effective and efficient and sustainable operation of the overall national social security systems;
- (g) actively participating in the governance of social security institutions in order to ensure the effective representation of protected persons and tax payers and contributors;
- (h) assisting workers and employers in their interactions with social security institutions, ensuring due contribution collection and provision of benefits;
- (i) collaborating with the Government and the ILO in promoting the ratification and effective implementation of Convention No. 102.

The role of the ILO and follow-up

35. The Conference calls upon the International Labour Office in the context of the Global Campaign on Social Security and Coverage for All to:
- (a) assist member States, including through Decent Work Country Programmes and appropriate technical advisory services, to support the design and implementation of national two-dimensional strategies to extend social security coverage, including national Social Protection Floors, in the wider context of comprehensive national social and economic policy frameworks;
 - (b) assist member States in designing and improving the governance, management and effective delivery systems of social security schemes, and to evaluate regularly the impact, viability and sustainability of social security policies;
 - (c) further strengthen member States' capacities to design, implement and monitor social security systems that are responsive to challenges including changing demographic trends and migration and assuring their proper functioning;
 - (d) support the establishment of bilateral and multilateral agreements to provide social security to migrant workers and their families;
 - (e) strengthen the ILO's leading role in the promotion of the Social Protection Floor at both the international and national level with the participation of constituents and in partnership with other international organizations;
 - (f) support the development of macroeconomic frameworks and policies, including activation measures, which are conducive to the creation of quality employment and sustainable and effective social security systems;
 - (g) support member States in formulating and implementing, in consultation with employers' and workers' organizations, national policies aimed at facilitating progressive transition from the informal to the formal economy;
 - (h) promote, at the national and international level, social dialogue and the role of social partners in the design, governance and implementation of comprehensive and sustainable social security for all;
 - (i) devote special efforts to capacity building and the training of the social partners on ILO social security standards, thus strengthening the role of social dialogue in ways the standards are implemented;
 - (j) strengthen the capacities of social partners to engage in policy dialogue, and social security governance at the national level through the further development of appropriate training programmes, technical assistance and other means;
 - (k) expand the assistance to constituents in enhancing awareness and understanding of ILO social security standards and their implementation, designing policies to overcome obstacles to ratification and undertaking innovative initiatives for promoting up-to-date ILO Conventions on social security, notably Convention No. 102;
 - (l) develop in cooperation with ILO constituents a social security good practices guide that provides member States with practical guidance and benchmarks to evaluate and enhance their national social protection provisions, including general and financial social security management, benefit design and good governance;

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- (m) strengthen the International Labour Office's research capacities, particularly with regard to analysing national social security policies and practices, developing tools for the assessment of performance, and producing reliable statistics, and ensuring its high quality and visibility with the view to helping governments and social partners make informed decisions;
 - (n) facilitate the exchange of experiences and good practices, the transfer of knowledge and by mutual agreement, the transfer of technologies among member States including the promotion of South–South and triangular exchange of experiences and expertise;
 - (o) facilitate the implementation of the ILO's mandate on social protection by improving international policy coherence, effectiveness and efficiency including by coordinating its programmes and activities and deepening the collaboration with the UN system, the IMF, the World Bank, regional development banks, the OECD, the European Commission and other regional organizations, the ISSA and civil society organizations. This collaboration is crucial at national level through country-led initiatives;
 - (p) strengthen cooperation with ISSA and other national and international social security associations, and their member organizations, with regard to sharing information and mobilizing expertise to support the ILO's technical operations;
 - (q) proactively and consistently mainstream gender in all the above activities in order to promote gender equality.
- 36.** The Conference requests the Director-General to take into account these conclusions in preparing future programme and budget proposals and facilitating extra-budgetary sources, including Regular Budget Supplementary Accounts.
- 37.** The Conference invites the Governing Body to place the discussion on the possible Recommendation mentioned in paragraph 31 on the agenda of the 101st Session of the International Labour Conference in 2012.
- 38.** The Conference invites the Governing Body to consider, in light of the resolution concerning gender equality and the use of language in legal texts of the ILO, the question of gender-sensitive language in ILO social security standards and report to the Conference at a later session.
- 39.** The Conference requests the Director-General to prepare a plan of action for the implementation of the other recommendations of these conclusions and of the outcome of the discussions of the Committee of the Applications of Standards, and requests the Governing Body to consider that plan in its 312th Session in November 2011.

Appendix

Elements of a possible Recommendation on Social Protection Floors

1. *General context*

A1. Everyone as a member of society has the right to social security as stated in the Universal Declaration of Human Rights, Article 22. Social security is a social and economic necessity, a prerequisite of social and economic development, and an element of Decent Work for all women and men. It can make a major contribution to the achievement of the Millennium Development Goals and targets.

2. *Objective*

A2. The Recommendation would focus on the extension of coverage to wider groups of the population (horizontal extension of coverage), and thereby supporting the implementation of national Social Protection Floors. With respect to progressively ensuring higher levels of protection (vertical extension of coverage), the Recommendation would encourage member States to ratify and those that have ratified to ensure the effective implementation of the Social Security (Minimum Standards) Convention, 1952 (No. 102) and other up-to-date ILO social security Conventions.

A3. The objective of the Recommendation would be to provide guidance to member States to develop a social security extension strategy compatible with, and supportive of, wider national social, economic and employment policy strategies and seek in particular to contribute to poverty reduction and the formalization of informal employment.

3. *Principles for the implementation*

A4. The extension of social security should be country-led and responsive to national needs, priorities and resources. In order to support member States in this task, the Recommendation would specify a number of principles for the design and implementation of national social security extension strategies in line with the conclusions of this Committee.

4. *Scope of the instrument*

A5. The Recommendation should encourage member States to design, through an effective national social dialogue process, a social security strategy that identifies gaps in the achievement of nationally pursued levels of protection and seeks to close those gaps and build a comprehensive social security system in a coordinated and planned manner over a period of time giving due regard to the workers in the informal economy.

A6. The horizontal dimension of the social security extension strategy should prioritize the implementation of a national Social Protection Floor, consisting of four basic social security guarantees, i.e. nationally-defined minimum levels of income security during childhood, working age and old age, as well as affordable access to essential health care. These guarantees set the minimum levels of protection that all members of a society should be entitled to in case of need. Focusing on outcomes achieved, these guarantees do not prescribe specific forms of benefits, financing mechanisms or the organization of benefit delivery.

A7. The Recommendation could encourage member States to close coverage gaps of populations with contributory capacity through contributory schemes. It would encourage member States to ratify up-to-date ILO social security Conventions as early as possible in national social and economic development processes, and to ensure their effective implementation.

A8. The Recommendation should encourage member States to establish appropriate mechanisms to monitor the extension of social security and the implementation of their national basic social security guarantees. It could also invite member States to establish mechanisms, based on effective national social dialogue, to further extend social security coverage on the basis of Convention No.102 and other up-to-date conventions and build comprehensive social security systems in line with national social needs, and economic and fiscal capacities.

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