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Policy Development Section

Employment and Social Protection Segment

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SECOND ITEM ON THE AGENDA

Area of critical importance: Creating and extending social protection floors

Purpose of the document

This paper explains the strategy for the area of critical importance (ACI) on “Creating and extending social protection floors”. It provides an overview of the main areas of focus, the implementation of the strategy and progress to date.

The Governing Body is invited to provide guidance on the strategy and its implementation (see draft decision in paragraph 39).

Relevant strategic objective: All.

Policy implications: The guidance of the Governing Body will inform the implementation of the Office strategy concerning the area of critical importance on “Creating and extending social protection floors”, including the support that the Office will provide to its constituents.

Legal implications: None.

Financial implications: Need for extra-budgetary resource mobilization.

Follow-up action required: Integration of the guidance provided by the Governing Body into the strategy and workplan.

Author unit: Social Protection Department (SOCPRO).

Related documents: The Social Protection Floors Recommendation, 2012 (No. 202); GB.316/INS/5/1(&Corr.); Social Security (Minimum Standards) Convention, 1952 (No. 102); Programme and Budget for 2014–15.

I. Context and rationale of the area of critical importance¹

1. The fundamental human right to social security remains unfulfilled for the large majority of the world's population. Only 27 per cent of the global population have access to comprehensive social protection systems; the remaining 73 per cent are only covered partially or not at all.²
2. The case for social protection floors (SPFs) is compelling in our times. Social protection is both a human right and sound economic policy. It strongly contributes to reducing poverty, exclusion, vulnerability and inequality, while enhancing political stability and social cohesion. Social protection also contributes to economic growth by supporting household income and thus domestic consumption; this is particularly important during this time of slow growth and lower global demand. Furthermore, social protection enhances human capital and productivity and can support active labour market policies and youth employment, making it a critical policy for national development.
3. Implementation of the Social Protection Floors Recommendation, 2012 (No. 202), is an indispensable tool for the acceleration of poverty reduction and promotion of sustainable development. Expanding social protection coverage to the informal economy, rural areas and vulnerable populations is a critical priority. In countries with ageing populations it is also necessary to ensure the adequacy of benefits and sustainability of social protection systems. Social protection delivers results and makes a real difference in the lives of people. For example, in Mozambique 800,000 people are benefitting from an ILO-designed cash transfer programme, and in Cambodia 700,000 benefit from health insurance, having immediate positive impacts.
4. The ACI on "Creating and extending social protection floors" (hereinafter ACI 3) was approved within the framework of the Programme and Budget 2014–15³. It is linked to Outcome 4 on social security benefits and its three indicators. It contributes to fulfilling the ILO's mandate of supporting tripartite constituents to develop, strengthen and manage comprehensive national social protection systems that provide access to adequate social benefits to all, in line with the two-dimensional strategy⁴ for the extension of social security. ACI 3 gives the highest priority to the follow-up to the adoption by the 101st Session of the International Labour Conference in June 2012 of the resolution concerning efforts to make SPFs a national reality worldwide in the context of Recommendation No. 202 and the implementation of the strategy for action⁵ endorsed by the Governing Body in November 2012. It is furthermore aligned with the Social Security

¹ See ACI/SPF workplan 2014–15.

² ILO: *World Social Protection Report 2014–15: Building economic recovery, inclusive development and social justice* (Geneva, 2014).

³ ILO: *The Director-General's Programme and Budget for 2014–15*, Report II (Supplement), International Labour Conference, 102nd Session, Geneva, 2013; GB/317/PFA/1.

⁴ ILO: *Provisional Record* No. 24, International Labour Conference, 100th Session, Geneva, 2011, paras 8–11. The two-dimensional strategy aims at achieving universal social protection 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).

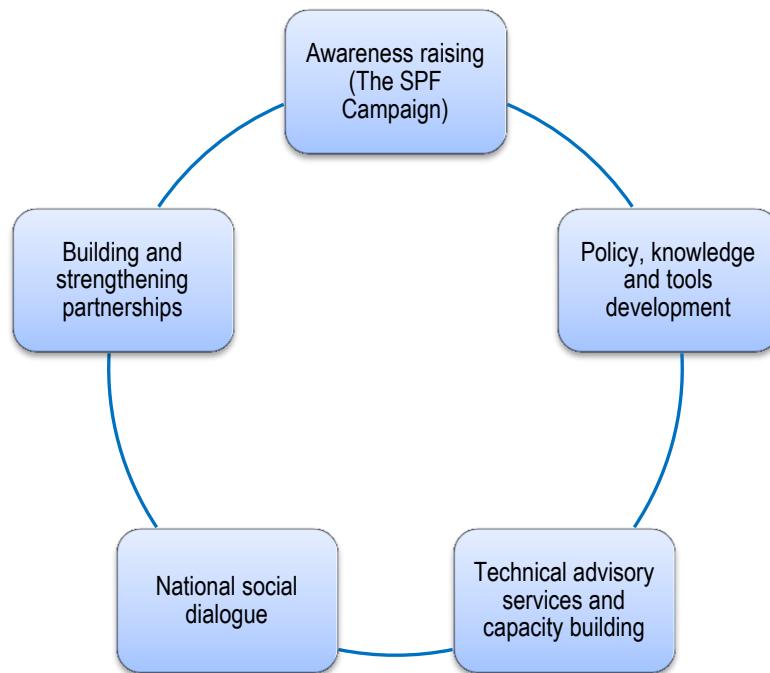
⁵ GB.316/INS/5/1(&Corr.).

Plan of Action for the period 2011–19⁶ adopted by the Governing Body in November 2011 as a follow-up to the resolution and conclusions of the recurrent discussion on social protection (social security).

II. Focus and strategic areas of intervention

5. ACI 3 envisions the ILO as a global leader in social protection knowledge; an organization that generates, shares and acts on policy knowledge, technical, actuarial, fiscal and legal advice, supports partnerships and national dialogue to empower others to advance social justice and promotes social protection for all.
6. The strategy under ACI 3 is based on the Plan of Action endorsed by the Governing Body at its 316th Session (November 2012). Five areas of action (Figure 1) were identified.

Figure 1. Five areas of action



7. Interventions under each of these areas vary according to their level of focus (global, regional, subregional or national), and take into account national diversity for low, middle and higher income countries.

Area 1: The SPF Campaign: Awareness raising and advocacy

8. Constituents reiterated the importance of building momentum around SPFs. Work under ACI 3 includes:
 - development of a communications strategy to inform constituents and the public at large about Recommendation No. 202, the ILO's two-dimensional social protection extension strategy and to promote ratification of Convention No. 102;

⁶ GB.312/POL/2.

- awareness raising at regional, subregional and national workshops supplemented by materials and evidence related to country experiences; and
- development with the International Training Centre of the ILO, Turin (Turin Centre) of an online social protection course and other training courses.

Area 2: Building and strengthening partnerships

9. Ensuring that social protection is prominent in a policy agenda requires concerted joint efforts from relevant international, regional, subregional and national institutions and social partners. Work in this area is organized around the following two interventions:
 - taking a leadership role, along with the World Bank, in the coordination of the Social Protection Inter-agency Cooperation Board, which includes all relevant international organizations, country representatives, donors and others, and the work on its inter-agency social protection assessment tools; and
 - leading the UN-SPF Initiative and facilitating coordinated activities through the United Nations Development Group (UNDG) at global and regional levels, UN country teams and social protection teams and fostering South-South cooperation.

Area 3: Technical and advisory services and capacity building

10. In accordance with Decent Work Country Programme priorities, work in this area includes:
 - supporting countries in giving effect to Recommendation No. 202 in progressively building SPF and comprehensive social security systems that are sustainable and tailored to national circumstances. This includes technical advice regarding policy, legal, actuarial and fiscal matters and governance, social security statistics, and facilitating social dialogue; and
 - building capacities of social partners, staff of relevant ministries and social security institutions to enable them to design, implement, monitor and evaluate national SPF policies and social security extension strategies, including those related to vulnerable groups.

Area 4: Policy, knowledge and tools development

11. This area aims to strengthen the methodological and analytical capacities of the Office to support constituents in their efforts to implement Recommendation No. 202, including:
 - strengthening the evidence on the effective design and efficient implementation of social security systems through knowledge gathering, production and publication of policy notes and country experiences, including the *World Social Protection Report 2014–15*;
 - developing a social security good practices guide based on a modular approach that builds on country activities to support constituents in the design, implementation and monitoring of SPF and social security systems; and

- developing user-friendly tools to analyse SPF deficits and identify fiscal space for social protection.

Area 5: National social dialogue

12. National social dialogue is fundamental to ensure that decisions are socially responsive and have national ownership. Work includes:

- developing assessment-based national dialogue processes for design of SPFs and documenting lessons learned;
- developing region-specific tools for better coordination on SPFs with UN country teams and the UNDG; and
- developing partnerships with the Economic and Social Councils and Similar Institutions and organizing an international meeting on their role in promoting SPFs in national dialogue.

III. Interlinkages with and contributions to other ACIs

13. In response to regional and subregional priorities, linkages and joint efforts within the five areas of action above were identified with the following ACIs: formalization of the informal economy (ACI 6); decent work in the rural economy (ACI 5); employment, including youth employment (ACIs 1 and 2); and unacceptable forms of work (ACI 8).

14. Country-level interventions aim to strengthen the link between economic, employment and social protection policies by ensuring the right to essential health care and guaranteed minimum income security over the life cycle a reality for all, regardless of labour market status, while encouraging the formalization of employment.

15. Further evidence-based research will be undertaken on the role of social security in facilitating transitions from the informal to the formal economy and on improving sustainability, governance and institutional capacities, including enhancing legal frameworks and enforcement mechanisms to strengthen compliance.

16. Extending social protection to rural populations requires a combination of strategies ranging from expanding non-contributory transfers to interventions linking access to a minimum income with public employment guarantees and linking food security with job creation. Work is ongoing with the Food and Agricultural Organization of the UN.

17. ACI 3 will support work under ACIs 1 and 2 regarding the development of macroeconomic frameworks and policies which are conducive to the creation of quality employment and sustainable and effective social security systems, including through well-designed labour market activation policies.

18. The extension of social protection coverage is a key component for reducing the vulnerability of workers in unprotected forms of employment and self-employment. ACI 3 will promote, in particular, the participation of workers' and employers' organizations and other relevant and representative organizations that are involved in designing and implementing social protection systems.

IV. Implementation of the strategy and progress to date

- 19.** Extensive discussions were held with the ACI Global Task Team (which included interdepartmental experts, regional social security specialists, the Bureau for Employers' Activities and the Bureau for Workers' Activities) to identify gaps in knowledge, policy and tools and the priority areas for ACI 3.
- 20.** All regions identified ACI 3 as one of the priority ACIs. Selection of countries for the workplan (see Appendix), with the help of field or regional offices, has been challenging given the substantial needs in the regions. Criteria for country selection included requests submitted by a constituent, ongoing work and work contributing to knowledge building. The Office will continue to provide support, if possible, and appropriate to countries outside the ACI 3 workplan.
- 21.** The strategy and workplan of ACI 3 are focused on having an impact at the country level and delivering results. For example, ILO's technical support to expand cash transfers in Argentina is expected to benefit 3.5 million children and 1.5 million youth, and in the Occupied Palestinian territory will extend social security to 82,600 private sector workers in 2015.
- 22.** Implementation of the aforementioned five action areas is under way at global, regional and country levels.
- 23.** With respect to the SPF campaign for awareness raising and advocacy, the communication strategy aims to promote SPFs and highlight the critical role of social protection. At the global level, social protection and reference to SPFs figure in sustainable development goals 1.3, 5.4 and 10.4 submitted to the United Nations General Assembly in September 2014, and are the basis for the ongoing negotiations addressing the post-2015 development agenda (which began in January 2015). The Office will continue to advocate for SPFs to be included in the sustainable development goals and provide technical contributions to the UN processes. Building global coalitions around SPFs will be pursued, such as the global coalition of 533 organizations supporting the "Health For All Everywhere" initiative. The Office prepared the background report on *Addressing the Global Health Crisis: Universal Health Protection Policies*. The systematic development and diffusion of videos and the use of social networks enables further dissemination of knowledge and new audiences to be reached.
- 24.** A series of global, regional and subregional events promoting SPFs have taken place and are planned for 2015. The regional seminar entitled "Rethinking Social Protection in a Changing Arab Region" held in Amman, Jordan in May 2014, encouraged governments to continue raising awareness and progressively establishing SPFs. The Inter-agency Meeting on Social Protection in Latin America and the Caribbean (May 2013) resulted in a joint strategy.⁷ Strong support from social partners is crucial in promoting SPFs, such as the adoption by Association of Southeast Asian Nations (ASEAN) social partners of recommendations to implement the ASEAN Declaration on Strengthening Social Protection. Experience shows that these regional and subregional commitments have positive effects on the development of national social protection strategies.

⁷ ILO: *La Estrategia de Desarrollo de los Sistemas de Seguridad Social de la OIT: El Papel de los Pisos de Protección Social en América Latina* (The ILO Strategy of Development of Social Security Systems: The Role of Social Protection Floors in Latin America and the Caribbean), Geneva, November, 2014.

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25. With respect to building and strengthening partnerships, work has progressed at various levels. Through the Social Protection Inter-agency Cooperation Board, preparation and pilot testing of a common set of inter-agency social protection assessment tools is well under way, which will be critical for coordinated country advisory support. The Office is working to ensure that they are aligned with international labour standards and ILO values and principles.
 26. A joint letter dated 24 March 2014 issued by the ILO Director-General and the Administrator of the UN Development Group called for UN Country Teams to support implementation of Recommendation No. 202 to reinforce joint coordinated work at country level and through regional UNDGs. At the country level, partnerships are in place in the following countries: in Myanmar, facilitating national social dialogue; in Zambia with the International Monetary Fund on SPF costing; with the Governments of Nepal, Ethiopia and India on the social protection policy framework; in Niger with the Food and Agricultural Organization of the UN on food security; in Peru on the assessment of social protection gaps; and in the United Republic of Tanzania on the assessment of fiscal space for social protection. Lessons learned will help replicate and strengthen future collaborative country work. At the regional level, for example in Asia and the Pacific, the UNDG Working Group on social protection developed an issues brief and practical toolkits. Through this working group, awareness was raised and support given to the initiative of “Delivering as one UN” on social protection; it is being replicated in other regions and subregions.
 27. With respect to technical and advisory services and capacity building, country-level support for building SPFs and comprehensive social security systems tailored to national circumstances is ongoing in all the countries within the ACI workplan. Support ranges from: awareness raising and facilitating cross-sectorial national policy dialogue and consensus building (Egypt, Morocco, Rwanda, Tajikistan, Tunisia); development of an inventory and initial analysis of the social protection system (Kyrgyzstan and Myanmar); development of national social protection policies (Ethiopia, Honduras, India, Peru and Zambia); costing and fiscal space analysis (El Salvador, Ghana, Lebanon, Mozambique, Niger, Occupied Palestinian Territory, the United Republic of Tanzania and Togo); advice on the design of schemes (Bangladesh and Cameroon); work on overall coherence of the social protection system (the Republic of Moldova, Paraguay and Ukraine) including coordination with employment policies and other policy areas (Argentina, Cabo Verde and Nepal); technical guidance for a rights-based approach to social protection (Chile); support for sound administration (Jordan), delivery (Cambodia, Indonesia) and implementation of social protection benefits (Ecuador); and strengthening national capacities (Algeria).
 28. Support of countries in their efforts to extend SPFs to the informal economy, which is linked with ACI 6, is under way, as is the case in Argentina and Nepal. Research on coordination of SPF policies and programmes and implementation with existing labour market policies is aided by work at country level (Argentina). Furthermore, there is ongoing work to reach out to vulnerable groups in the informal economy through awareness raising (Ghana) and skills training programmes in labour-intensive public works in order to strengthen access to maternity protection, as well as domestic workers (India).
 29. Work on coordination with employment policies seeking to reduce labour informality of salaried workers in the private sector is taking place in Peru where a sectoral strategy for the formalization of labour 2014–16 was developed and includes actions on implementation of the SPF.
 30. The Office seeks to build national momentum for the extension of social protection and implementation of Recommendation No. 202 by training decision-makers in government and in workers’ and employers’ organizations in collaboration with the Turin Centre.

Through the Academy on Social Security, training on costing SPF s and comprehensive social security systems is provided at global, regional, subregional and country levels. Tailor-made training for social partners has been organized, namely the Private Sector Forum Policy Advocacy Workshop on Strengthening the Capacity for Employers' Organizations to Contribute to Maternity Protection, held in Johannesburg (September 2014); training on the ILO's two-dimensional social security strategy for Jordanian employers in Amman; and workshops for district representatives of trade unions in India. Further capacity building is foreseen in 2015, including specifically for social partners.

- 31.** With respect to policy, knowledge and tools development, a series of policy briefs, best practices and country experiences strengthening the evidence base to assist constituents in their efforts to expand social protection have been produced and disseminated through the ILO's web-based SPF and social networks.
- 32.** The new ILO flagship publication, *World Social Protection Report 2014–15*, highlights global social protection progress and gaps, the organization of social protection systems, along with their coverage, benefits, and public expenditures. It is the most comprehensive global source of social protection statistics.
- 33.** To close existing knowledge gaps, research is needed on innovations in public employment policies and social protection, international experiences on social protection for domestic workers, the contribution of social protection to ensuring food security (linked to ACI 5), subsidy reform and the role of social protection, social security benefit adequacy in Europe, and social security for migrant workers, and other applied topics.
- 34.** Regarding the development of user-friendly tools, a calculator for the rapid assessment of costs of nationally defined packages of SPF guarantees has been developed for a majority of countries. An analytical report which is currently being prepared will highlight the affordability of such nationally defined packages.
- 35.** With respect to national social dialogue, ACI 3 is providing support in the context of country specific assessment-based national dialogue processes critical for developing nationally defined SPF s: the evaluation of the National Strategy for Basic Social Security in Mozambique; the new social contract in Tunisia; the introduction of SPF s, particularly universal health care, in Niger; and the draft social protection strategy and roadmap for the expansion of existing social security schemes prepared for tripartite endorsement in Myanmar. Lessons learned will aid future country work and the development of the assessment-based national dialogue global guide.
- 36.** The Office will build on the commitment of Economic and Social Councils and Similar Institutions to promote SPF s, reinforced by the Seoul Declaration on Promotion of National Social Protection Floors for All (adopted in November 2014), where key partners from countries worldwide agreed to give priority to engagement in the field of social protection in line with Recommendation No. 202, and to promote consultation processes when social security reforms and fiscal adjustment are introduced to ensure adequate benefits and the safeguard of fair social protection systems. Efforts will be made to build the capacities of Economic and Social Councils to support the promotion of Recommendation No. 202, Convention No. 102 and other existing social security standards that play a critical role in providing income guarantees and access to health care, in improving human capital and productivity, as well as stabilizing demand and maintaining social peace during times of crisis.

V. Conclusion

37. Through its strategy and workplan, ACI 3 aims to support constituents in the implementation of Recommendation No. 202, close knowledge gaps and further develop ILO policies. Research efforts aim to provide evidence-based policy advice to better inform and support constituents' needs. The ultimate goal is to strengthen the ILO's capacity to deliver timely and high-quality technical support to constituents.
38. The proposed Outcome 3 of the Programme and Budget proposals for 2016–17⁸ on creating and extending SPF will build on experience and the lessons learned through the implementation of ACI 3 during the biennium 2014–15.

Draft decision

39. *The Governing Body requests the Director-General to take account of its guidance in implementing the strategy for the area of critical importance on “Creating and extending social protection floors”, especially in the light of the Social Protection Floors Recommendation, 2012 (No. 202); the strategy for action as a follow-up to the resolution concerning efforts to make SPF a national reality worldwide, endorsed by the Governing Body at its 316th Session (November 2012); the Social Security Plan of Action 2011–19 adopted by the Governing Body at its 312th Session (November 2011); and the Conclusions of the recurrent discussion on social protection (social security) adopted by the International Labour Conference at its 100th Session (2011).*

⁸ GB.322/PFA/1.

Appendix

ACI 3 country activities

Country	Awareness raising/ advocacy	Partnerships	Technical advisory services (including policy research) and capacity building	National dialogue	Policy knowledge and tools development
Africa	X	X	X		X
Algeria			X		X
Cameroon			X	X	
Cabo Verde			X	X	X
Egypt	X	X	X	X	X
Ethiopia	X	X	X	X	X
Ghana	X		X	X	X
Morocco	X		X	X	
Mozambique	X	X	X	X	X
Niger	X	X	X	X	X
Rwanda	X		X	X	
Togo		X	X	X	X
Tunisia	X		X	X	X
United Republic of Tanzania	X	X	X	X	X
Zambia	X	X	X	X	X
Americas	X	X	X		X
Argentina	X		X	X	X
Chile	X	X	X	X	
Ecuador	X		X	X	
El Salvador	X		X	X	
Honduras			X	X	
Paraguay			X	X	
Peru	X	X	X	X	X
Arab States	X	X	X		X
Jordan	X	X	X	X	X
Lebanon	X	X	X	X	X
Occupied Palestinian Territory	X	X	X	X	
Yemen			X	X	
Asia					
Bangladesh			X	X	X
Cambodia	X	X	X	X	X
India	X	X	X	X	X
Indonesia	X	X	X	X	X
Myanmar	X	X	X	X	X
Nepal	X	X	X	X	X
Central and Eastern Europe			X		X
Kyrgyzstan	X	X	X	X	X
Republic of Moldova			X	X	X
Tajikistan	X	X	X	X	X
Ukraine	X		X	X	X