

: Global Governance Spotlight

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Global Social Protection. New impetus from the 2030 Agenda for Sustainable Development

Markus Kaltenborn

The issue of social protection has undergone something of a renaissance in the development policy debate in recent years and has lately become a particular focus of interest for several international organisations, first and foremost the International Labour Organization (ILO) with its Social Protection Floor Initiative. What's more, promoting social protection systems as a tool for long-term poverty eradication is now a much higher development policy priority for other UN specialised organisations, the World Bank and, not least, the European Union. In the 2030 Agenda for Sustainable Development, formally adopted by the UN General Assembly by consensus on 25 September 2015, the establishment of social protection systems is now expressly identified as one of the international community's new goals. To answer the question of how these social protection systems can be funded, especially in the developing countries, and which contribution the international community should make in this context, diverse proposals were put forward ahead of the UN summit. One of the main tasks arising in the near future is to take up these ideas and translate them into practical development initiatives.

Global social protection – a new sustainable development goal

With a number of emerging countries recently having made remarkable progress on combating extreme poverty by developing and expanding their social protection systems, the issue has rapidly climbed to

the top of the development policy agenda. The examples most frequently mentioned in this context are Mexico and Brazil with, respectively, their *Progresas/Oportunidades* and *Bolsa Familia* programmes, Thailand, which has increased the proportion of the population with access to basic health services from 40 per cent to 95.5 per cent in recent years, and, not least, China, with its impressive success in rolling out retirement pension provision nationwide. However, these success stories should not obscure our view of the wider global situation. The figures compiled by the ILO in its World Social Protection Report 2014/15 show that in many regions of the world, the vast majority of people still have to cope without such protection. Indeed, around 73 per cent of the world's population are forced to live without adequate social protection coverage. Just 48 per cent of all people over retirement age receive a regular pension. Furthermore these pension levels are often not adequate. Only 12 per cent of jobless workers worldwide receive unemployment benefits. For basic health care, the situation is even worse: the figures show that across low-income countries, more than 90 per cent of the population remains without any right to access essential health care.

Plainly, the inadequacy or, very often, the complete lack of social protection is a problem requiring urgent attention – and one which creates major challenges not only for the governments of the countries concerned but for the international community as a whole, particularly in times of crisis. In response to the global economic and financial crisis of 2007/2008, the ILO – in conjunction with the World

Health Organization (WHO) – therefore launched the Social Protection Floor Initiative. Following various reports which identified the difficulties faced by many developing countries and emerging economies in providing social protection, especially for informal sector workers and vulnerable social groups, the General Conference of the International Labour Organization adopted the Social Protection Floors Recommendation (No. 202) in June 2012. In this document, which received almost unanimous support from the developed countries and from the governments of the Global South, ILO members are urged, as a first step, to establish basic social security guarantees, including access to essential health care and basic income security for all residents of their countries (this is known as a “social protection floor”) and, as a second step, to systematically extend these basic social security guarantees into more comprehensive strategies. The Recommendation does not specify how these systems are to be structured. This omission is deliberate; it is a matter for states themselves to decide which policy approach they wish to adopt. Possible options include health and pension insurance schemes funded from contributions, based on Bismarck’s social insurance model, or state-funded basic social insurance programmes akin to the United Kingdom’s Beveridge model (or even a combination of the two). Public employment programmes, private protection schemes and new formats such as micro-insurance may also have a role to play.

The ILO Recommendation has now been endorsed by various other international organisations, notably the United Nations Children’s Fund (UNICEF), the Food and Agriculture Organization (FAO) and the United Nations Development Programme (UNDP), as well as by the G20 heads of government and the European Union. Then in 2015, the ILO launched a joint initiative with the World Bank, whose social policy engagement had mainly been confined to selected and time-limited assistance programmes (social safety nets). This World Bank Group and ILO Universal Social Protection Initiative sends a clear signal that organisations which had previously held highly divergent positions on global social policy issues are now increasingly willing to work together on developing long-term poverty reduction solutions.

Social protection floors – a core element of the 2030 Agenda

Another key step towards the realisation of global social security is surely its inclusion in the 2030 Agenda. The report “A New Global Partnership: Eradicate poverty and transform economies through sustainable development”, presented by the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda in 2013, had already made it clear that the global expansion of social protection

systems was necessary in order to do justice to one of the core tenets applied during the formulation of the new Sustainable Development Goals (SDGs): “Leave no one behind”. The 2030 Agenda consists of 17 Goals and 169 targets. Under Goal 1, “End poverty in all its forms everywhere”, the Agenda includes SDG 1.3: “Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”. This is augmented by SDG 3.8 on health care, “Achieve universal health coverage, including financial risk protection (...) for all”, and SDGs 5.4 and 10.4, which emphasise the importance of social protection policies in achieving gender justice and more social equality.

In all, the topic is explicitly addressed in four out of the 169 targets. But isn’t there perhaps a risk that in the multitude of demands set forth in the 2030 Agenda or, as German Development Minister calls it, the “global future treaty”, the call for more intensive efforts to build social protection floors could go unheard? And indeed, there has recently been vocal criticism, in some quarters, of the plethora of goals set forth in the Agenda – the follow-on to the much more concise Millennium Development Goals (MDGs). One criticism is that no priorities have been set; another is that the Agenda has been artificially inflated in order to take as many stakeholder interests into account as possible. The counterargument is that the outcome of the post-2015 negotiations can be regarded as a major success precisely because consensus was achieved on so many ambitious and often controversial global goals.

Regardless of whether one joins the chorus of sceptical voices or takes a more positive overall view of the 2030 Agenda, there are many signs that the new SDG 1.3 on implementing social protection systems worldwide is of great relevance in the context of the other Goals and should therefore be given broad support. The fact is that it performs a kind of bridging function within the new Agenda: social protection floors are not only an essential tool in combating poverty (SDGs 1.1 and 1.2), and are the basis for appropriate health care, food security and housing, especially for vulnerable groups (SDGs 1.5, 2.1, 2.2, 3.4, 3.8 and 11.1); they also do much to dismantle inequality (SDGs 10.1. and 10.4) and promote social cohesion (SDG 10.2). They make an important contribution to helping people back into work (SDG 8.5 and 8.6), establish a basis for more gender equality (SDGs 4.5, 5.1 and 5.4) and are a prerequisite in enabling parents to send their children to school, even during economic crises (SDGs 4.1. and 8.7). The *World Social Protection Report 2014/15* rightly points out that social protection policies can also have the effect of increasing productivity: by securing household incomes, they can push up private consumption and boost domestic demand, thus playing a key role in transformative national development.

Funding the social protection floors

Establishing the social protection floors on a sound financial footing is primarily a task for the national governments. The Social Protection Floors Recommendation urges ILO members to consider using a variety of methods to mobilise the necessary resources; such methods may include effective enforcement of tax and contribution obligations, and reprioritising expenditure. Nonetheless, it is likely that some low-income countries will be unable, even in the medium to long term, to mobilise the resources needed to implement SDG 1.3. In that case, the international donor community must step in: both the Social Protection Floors Recommendation and the 2030 Agenda (SDG 1.a) make it clear that international development resources may be used to fund social protection floors. Here, the Addis Ababa Action Agenda – the outcome document adopted at the Third International Conference on Financing for Development in Ethiopia in July 2015 – even talks about a “new social compact” as a voluntary commitment by the international community.

A concept for the possible international funding of the social protection floors was developed some years ago by Olivier De Schutter, the then United Nations Special Rapporteur on the Right to Food, and Magdalena Sepúlveda, the then United Nations Special Rapporteur on Extreme Poverty and Human Rights. They proposed the establishment of a Global Fund for Social Protection with resources from both the wealthier and the low-income countries. Broadly speaking, the Fund would consist of two components: the facility branch, which would close the funding shortfall between what countries (LDCs) can reasonably pay and what it costs to provide a social protection floor; and a reinsurance branch, which would provide temporary funding to cover emergencies – such as a natural disaster, the sudden collapse of export markets or a global economic crisis – which could overwhelm developing countries’ national social protection systems. This proposal – endorsed, *inter alia*, by the European Parliament and in principle also by the ILO – is not mentioned explicitly in the Addis Ababa Action Agenda or the 2030 Agenda, but is likely to play a key role in forthcoming discussions about the funding and organisational arrangements for implementation of SDG 1.3. Variants of this funds-based solution are currently under discussion; they include having the funds administered by existing international organisations (the ILO being the obvious choice, moreover Michael Cichon, former Director of the ILO Social Security Department, has mooted the World Solidarity Fund – set up by the UN in 2002 and hitherto underutilised – in this context). Another possibility is for several discrete funds to be established for specific countries that are heavily reliant on international support; contributions would come from various donor groups, and the funds

themselves would be administered individually or possibly through a joint institutional framework.

Poverty reduction through social protection floors – what’s the next step?

The global implementation of social protection floors, as called for in SDG 1.3, does not lead the world into new territory. On the contrary, this has been an ongoing topic in multilateral and bilateral development cooperation for some years, and most countries have already gained relevant experience. Nonetheless, this goal – which, despite the progress made in the recent past, is still regarded as extremely ambitious – can only be achieved if the impetus generated by the 2030 Agenda is now genuinely utilised to launch new international social protection initiatives. Based on the proposals made ahead of the SDG summit on supporting the poorer developing countries in this area, new multilateral or bilateral funding mechanisms should now be developed as soon as possible, taking sufficient attention of the aid effectiveness principles adopted in Paris, Accra und Busan, such as country ownership, accountability, donor harmonisation and the inclusion of new donors. It must also be borne in mind that implementing social protection floors is a challenging task, not only in legal but also in political terms. In his 2014 report to the UN General Assembly, Philip Alston, the UN Special Rapporteur on Extreme Poverty and Human Rights, notes that the right to social protection derives from the long-established rights to social security and an adequate standard of living. These human rights create extraterritorial obligations for the developed countries, requiring them to participate in new international initiatives to implement SDG 1.3. In particular, allocating sufficient funding for the social protection floors in development budgets is essential. It goes without saying that the 2030 Agenda will create many new tasks for the international community, requiring substantial additional resources in future. In view of the bridging function played by SDG 1.3 in relation to many of the other SDGs, however, donors would be well-advised to earmark a substantial proportion of these resources for global social protection programmes.

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Further information

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