

TST Issues Brief: SOCIAL PROTECTION¹

“We stress the need to provide social protection to all members of society, fostering growth, resilience, social justice and cohesion, (...) In this regard, we strongly encourage national and local initiatives aimed at providing social protection floors for all citizens.” (Rio+20, The future we want, paragraph 156)

Social protection² is one of the **foundations for inclusive, equitable and sustainable development**. It can simultaneously address the economic, social and environmental dimensions of sustainability. Social protection addresses not only the symptoms of poverty and social exclusion, but also some of their underlying structural causes. It can have a transformative role in contributing to long-term inclusive and sustainable growth while also enhancing resilience against natural and manmade disasters, as well as economic and social crises. Social protection policies can support climate change adaptation and help to ensure a just transition towards more sustainable development patterns. By ensuring at least a minimum well-being through a guaranteed access to essential goods and services that provide protection against life contingencies, social protection can play a pivotal role in freeing people from fear of poverty and deprivation and in delivering on the promises of the Universal Declaration of Human Rights and international human rights norms and standards. It also promotes opportunities for individuals and societies by helping people to adapt their skills and overcome constraints that block their full participation in the productive system in a rapidly changing economic, social and environmental context. In particular, it can help address inequality and discrimination that women experience in accessing basic social services, economic opportunities and resources, by promoting gender equality and women’s empowerment. It is an investment in human capital development and in more productive, inclusive and equal societies.

I. Stocktaking

Despite the rapid introduction of social protection programmes in some countries, **the extension of basic social protection guarantees remains a major development challenge** in many countries for the coming years. Access to adequate social protection is still restricted to too few people. Of the global population, 80 per cent are still not covered by comprehensive social security schemes to help them cope with life’s contingencies. Nearly one-third of the world’s population has either inadequate access or no access at all to health services. For many more, the cost of accessing these services without adequate health insurance or other provisions may mean financial ruin for their households. Every year 100 million people are either pushed into poverty by health-related costs, including out-of-pocket

¹ The Technical Support Team (TST) is co-chaired by the Department of Economic and Social Affairs and the United Nations Development Programme. This note was prepared by ILO, UNICEF, ESCAP, FAO, IFAD, OHCHR, UNAIDS, UN DESA, UNDP, UNFPA, UN-WOMEN, WFP, WMO, and with contributions from members of the Social Protection Interagency Cooperation Board (SPIAC-B).

² The meaning of social protection varies across countries depending on national circumstances, institutions and legislations. For the purpose of this note the term social protection refers to a set of public and private policies and programmes aimed at preventing, reducing and eliminating poverty, deprivation and social exclusion and enhancing resilience and opportunities through promoting human capital and connecting people to decent and more productive employment. It can comprise various types of programmes, including cash transfers, in kind support and social services such as child and family benefits, sickness and health benefits and services, disability, old-age and survivors’ benefits, food and nutritional support, maternity protection, public works, employment guarantee and unemployment/underemployment support schemes and others. This can be provided through universal schemes, social insurance, social assistance and safety nets, and negative income tax schemes. Social Protection Floors are nationally-defined sets of basic social security guarantees designed to ensure at a minimum that, over the life cycle, all in need have access to essential health care and basic income security that would enable people to have effective access to essential goods and services defined as necessary at the national level. For further information, please consult: ILO, 2012: [“The strategy of the International Labour Organization: Building social protection floors and comprehensive social security systems.”](#) UNICEF, 2012. [“Integrated Social Protection Systems: Enhancing Equity for Children.”](#) and The World Bank, 2012: [“The World Bank 2012-2022 Social Protection and Labour Strategy”](#).

expenses for health care, or are unable to afford essential health services. Worldwide, approximately 50 per cent of the elderly are receiving an old age pension, but only 31 per cent of the current working-age population can expect coverage from contributory pensions.³ Less than 5 per cent of those unemployed receive unemployment benefits in Africa and the Middle East, and less than 10 per cent receive them in Asia and Latin America.⁴ The lack of coverage disproportionately affects the most food insecure, undernourished, shock-prone and vulnerable populations in the world. Moreover, only a fraction of the around 860 million people who are undernourished - the majority of whom work in agriculture - are supported through safety nets programmes under a social protection framework.

Traditional social insurance policies are a fundamental component of social protection, but the high degree of labor market informality in many countries pose structural limits to contributory schemes in reaching the most vulnerable, demonstrating the need for more inclusive social protection programmes. Women, children, youth and migrant workers are particularly vulnerable. Women continue to be overrepresented among the poor and among those lacking access to basic social services, and are underrepresented and underpaid in the labour market. Meanwhile, more than 74 million young people worldwide are unemployed; others face precarious work offering few, if any, benefits or guarantees.

One of the core lessons learned from the MDGs experience is that fragmentation among development goals and lack of coordination can compromise effectiveness and lead to inefficiency in resource allocation. **The Social Protection Floor (SPF) approach provides a coherent and consistent policy tool which addresses multidimensional vulnerabilities in an integrated and interconnected way.** Nationally defined social protection floors offer a means to ensure a renewed and comprehensive focus on poverty prevention and eradication, while also addressing broader development aspects related to health, education, inequality, decent employment and livelihoods, food security, nutrition and inclusive growth. **By combining nationally defined guarantees of, at a minimum, basic income security with the effective access to essential social services in the form of national social protection floors, linkages and potential synergies can be enhanced across the economic, social and environmental dimensions of sustainable development.**

The contribution of social protection to the achievement of economic objectives takes two forms. **The first is in building resilience against shocks and prolonged crises that threaten to undermine the progress made under the MDGs and to send the most vulnerable deeper into poverty.** By strengthening people's assets and well-being and by providing predictable income before or in response to crises, social protection can be an effective tool to protect people against the effects of natural and manmade disasters. Similarly, social protection measures in both developing and developed countries have cushioned the impact of the recent economic crisis, served as a macroeconomic stabilizer fuelling aggregate demand, and enabled people to avert or to better overcome the risk of poverty and social exclusion. The second way in which social protection responds to economic challenges is in promoting more **inclusive and sustainable growth.** Development policies that aim to provide universal access to health care, education and income guarantees through social protection systems in turn foster healthier, more productive, and more equitable societies. Social protection represents an investment in a country's human development, no less important than investments in its physical infrastructure, which can support structural transformations of the economy and the society. Social protection systems enable a country to unlock the full productive potential of its population. **Regular and reliable income**

³ Close to 90 per cent of those above statutory pensionable age are receiving some kind of pension in high-income countries, while in low-income countries that figure is less than 20 per cent.

⁴ World Social Security Report 2012/13. Forthcoming, ILO

transfers can also help to unlock productive entrepreneurial capacity, increase labor market participation⁵, and boost local development and job creation⁶. If well designed, they can facilitate improvements in the productive capacity of poor households through investment in productive assets and facilitating asset accumulation, easing credit and liquidity constraints and promoting decent work.

Social protection policies have proven to be effective in reducing poverty⁷ and inequality⁸. In developed countries it is estimated that levels of poverty and inequality are approximately half of those that might be expected in the absence of such provisions. In some developing economies, major social transfer programmes that combine income support with enhanced access to social services, in particular in the areas of health, education and nutrition, are showing a similar potential to reduce inequality and poverty. In a very short period of time, they have been extended to large numbers of people, contributed to liberate people from poverty and deprivation, and helped to break the inter-generational transmission of poverty. A renewed commitment to end extreme poverty in this generation and to build fairer societies should continue to tackle the multidimensional causes of poverty and social exclusion.

Social protection plays a vital role in supporting people exposed to food insecurity and can contribute to addressing the causes of food insecurity and malnutrition. Providing resource transfers is increasingly recognized as a potential means to help poor people overcome underlying causes of food insecurity such as insufficient local investment in boosting food supply and productivity⁹. It includes initiatives that provide income (cash) or consumption (food) transfers to the poor, protect the vulnerable against livelihood, market and production risks, and enhance the social status and rights of the excluded. International evidence has shown the positive impacts of cash and in-kind transfer programmes on the nutritional well-being of children in poor households, with long-term implications for their adult lives. School feeding is one of the most widely adopted safety nets worldwide, with more than 300 million children having access to school meals globally. Cash transfers injected into poor communities also help to reactivate local agricultural production by creating the means to finance demand for locally produced goods as well as local investment in their production. Similarly social protection has contributed to smoothing the impact of volatile food prices on vulnerable groups.

Social protection systems that are designed in a gender-sensitive manner can also contribute to greater women's empowerment. They can empower women and girls by contributing to substantive educational and nutritional improvements as well as giving them improved access to health care, including sexual and reproductive health, and facilitating greater participation in the labour market and in decent employment. It is important to ensure that social protection programmes do not reinforce gender stereotypes through their design, for example, by assuming that women are exclusively responsible for childcare. Social floors aiming at universal protection automatically also address some of the essential needs of often systematically excluded groups, including women, migrant workers, ethnic minorities, people living with disabilities, and others. By preventing poverty and destitution for the large

⁵ Barrientos and Nino-Zarazua, 2010. *Effects of non-contributory social transfers in developing countries; a compendium*.

⁶ Samson, 2009. *The impact of social transfers on growth, development, poverty and inequality in developing countries*.

⁷ See for example Gassmann and Behrendt, 2006. *Cash benefits in low-income countries: Simulating the effects on poverty reduction for Senegal and Tanzania*; and ILO, 2010. *World social security report 2010* and ILO- UNDP, 2011, *Sharing Innovative experiences: Successful Social Protection Floor experiences*.

⁸ López-Calva et al., 2010. *Explaining the Decline in Inequality in Latin America: Technological Change, Educational Upgrading, and Democracy*; d Lustig et al., 2013. *Deconstructing the Decline in Inequality in Latin America* among others); ESCAP, 2011, *The promise of protection*.

⁹ FAO, 2011. *Adapt Framework Programme on climate change adaptation*; and World Bank, 2010. *World Development Report. Development and Climate Change*, Washington DC.

majority of the population, social protection efforts can address the underlying structural causes of poverty, social injustice and unrest. Extending protection to previously unreached or excluded population groups can encourage greater social cohesion and allow people to live a life in dignity.

Social protection systems have the potential to shield people from multiple risks, short and long-term shocks and stress associated with increased climatic shocks and the increased level of exposure to hazards occurring in degraded ecosystems. Social protection can help cushion the short-term costs of structural transitions to greener economies, by protecting those who are negatively affected by structural changes and need time to adjust. Basic social protection may also provide incentives for poor people to engage in conservation activities and environmental protection and to shift to more sustainable practices involving environmental management and sustainable agriculture, particularly as most of the highly food insecure populations reside in degraded environments that are highly exposed to shocks (droughts, floods, cyclones, etc). People who are focused on daily survival usually do not give priority to environmental quality like forest, soil and water conservation activities. A certain level of income and food security is necessary to support and empower them to engage in environmental conservation and environmentally sensitive livelihoods.

Social protection is a tool for all countries – high, middle and low-income – to address their respective development challenges. **Experiences in expanding social protection in an increasing number of middle and low- income countries¹⁰, as well as evidence from multiple quantitative analyses, have shown that basic levels of social protection are affordable** at virtually any stage of economic development.¹¹ Affordability relates not only to fiscal space but also to a society’s willingness to finance social transfers through taxes and contributions and achieve a more equitable distribution of income.

Social protection is based on widely shared principles of social justice, and is grounded in the Universal Declaration of Human Rights (1948, UDHR), the International Covenant on Economic, Social and Cultural Rights (1966, ICESCR), the Convention on the Rights of the Child, Convention on the Elimination of All Forms of Discrimination Against Women, Convention on the Rights of Persons with Disabilities and other human rights instruments, as well as the ILO Conventions and Recommendations on social security and nationally-defined social protection floors. It directly relates to the human right to social security and social protection and contributes to the realization of various other human rights, including the right to an adequate standard of living, food, health and education. The important role of social protection, in particular the role of national social protection floors, in national social and economic development has over the last few years been recognized by a number of further international bodies and fora, such as the UN General Assembly resolution on the MDG Summit “Keeping the promise” (2010) and the outcome document of the UNCSD Rio+20, “The future we want” (2012).

II. Overview of goals proposed so far

In 2008, the **Overseas Development Institute and the Chronic Poverty Research Institute** raised concerns on the limitations of the MDGs in reaching the most poor and vulnerable populations and called for a Social Protection MDG or at least for the inclusion of a social protection target within an

¹⁰ See also ILO, UNDP, 2011. *Sharing Innovative experiences: Successful Social Protection Floor experiences*,

¹¹ See ILO, 2008. *Can low-income countries afford basic social security?*; and HelpAge International, 2011. *The price of income security in old-age: cost of a universal pension in 50 low-and middle income countries*; UNICEF-ODI, 2009. *Fiscal space for strengthened social protection*.

existing goal¹². More specifically, the authors proposed setting the goal of access to basic social protection for all poor and vulnerable people by 2020.¹³

Social protection emerged as a core priority in **UNDG national and thematic consultations** on the Post-2015 Development Agenda. Many in the national consultations *“called for greater social protection, especially where jobs are fragile or unorganized, as well as where food insecurity is most prominent”*¹⁴. Cross cutting references to social protection appeared prominently in the thematic consultations on Growth and Employment, Inequalities, Health, Population Dynamics and Hunger, Food Security and Nutrition.

The Report of the Secretary General High Level Panel on the Post 2015 states that no one should be left behind and calls for goals that focus on *“reaching excluded groups, for example by making sure we track progress at all levels of income, and by providing social protection to help people build resilience to life’s uncertainties.”* The Panel proposes that by 2030 everyone should be covered by social protection systems and suggests a specific coverage indicator as part of a goal on poverty eradication.

The Committee on Non-Governmental Organizations has advocated inclusion of the implementation of the ILO Recommendation 202 on social protection floors in the SDGs¹⁵. The NGO Committee on Social Development has launched a Campaign and an online petition to support the extension of social protection floors¹⁶.

The International Trade Union Confederation (ITUC) has also called for a sustainable development goal related to the implementation of social protection floors. It suggests specific targets and indicators on income security for the unemployed, the sick, the disabled, pregnant women, children and the elderly as well as on access to health care, education, housing and sanitation.¹⁷

References to the role of social protection in the post 2015 development framework were already made in the **Open Working Group on Sustainable Development Goals** when addressing issues related to poverty eradication, food security and nutrition. The summary of the second session of the OWG on SDGs (17-19 April 2013) mentioned that *“Social protection was regarded as the backbone of a wider set of policy measures to ensure livelihoods of women, employment and decent jobs”* and as key tool to address the multi-dimensional aspects of poverty¹⁸.

III. **Recommendations for a possible way forward**

It is important to underline that there is no single social protection model. Countries should identify their own pathways in progressively developing comprehensive social protection systems specific to their national contexts. There is a range of diverse social protection instruments – including social security, social insurance, social transfers (in cash and in kind) and other forms of social assistance, exemptions, subsidies for social services, and labour market policies connected to social protection –

¹² ODI, 2008. *Achieving the MDGs: The fundamentals Success or failure will be determined by underlying issue*. Briefing paper 43.

¹³ Chronicle Poverty Research Institute, 2008. *Escaping Poverty Traps*.

¹⁴ UNDG, 2013. *The Global Conversation Begins. Emerging Views for a New Development Agenda*, p 24.

¹⁵ <http://sustainabledevelopment.un.org/content/documents/3554ngopoverty.pdf>

¹⁶ <http://www.ngosocdev.net/index.php/social-protection-floor-campaign/>

¹⁷ <http://www.worldwewant2015.org/node/296284>

¹⁸ http://sustainabledevelopment.un.org/content/documents/1813Summary_OWG2_final.pdf

that need to be employed in different combinations to address national needs. The specific design parameters, policy framework, administrative systems, coordination mechanisms that are most effective will vary according to context. What is critical is identifying the mix required to provide a comprehensive social protection system.

Despite the diversity of models, global and national goals should aim towards increasing the breadth, adequacy, and effectiveness of social protection coverage. Progressive horizontal expansion of coverage needs to be combined with ensuring that programmes and benefits are adequate to meet their intended goals.

Keeping this in mind, the design of goals and targets may take different forms including the following:

- a) Social Protection as a goal itself, in line with the human rights framework and social protection as critical to enhancing human capabilities.
- b) A goal on poverty and social protection, specifically linking social protection to multidimensional poverty eradication.
- c) Incorporation of social protection across a number of other relevant goals, as targets and/or indicators. Inclusion of social protection floors, specifically, is a possible option. This relates to ongoing discussions on options for other sustainable development goals such as Employment and Decent Work, Health and Food Security and Nutrition.
- d) A combination of b) and c), whereby a goal of poverty reduction may include a specific target on social protection coverage and other targets/indicators are included under the respectively relevant goals.

Regardless of which option is pursued, at a global level there is a core set of indicators that would be important to include in a global “dashboard” to meaningfully measure progress:

- Percentage of the population with access to predictable cash benefits in case of need, considering people in active age, older persons, persons with disabilities, migrants and families with children.
- Percentage of the population protected against the financial costs of ill-health (e.g. through social health insurance or other mechanisms).
- Percentage of school-age girls and boys with effective access to universal, free primary and secondary education.

In addition to these core indicators and in line with the principle of nationally defined floors, there should also be a dashboard of indicators that can be selected as appropriate for different countries. Some examples could include specification of coverage of benefits by population groups (percentage of older people receiving pension; percentage of families with children protected against the financial costs of ill-health (e.g. through social health insurance or other mechanisms), percentage of people with disabilities receiving disability benefits, percentage of unemployed receiving unemployment benefits, percentage of poor receiving income and food consumption support, percentage of children who do face financial barriers to affording primary school, percentage of the food insecure population assisted through formal social protection programmes).

The principle of progressivity is critical in tracking distribution and effective social protection coverage for vulnerable and excluded populations. Each of these indicators should be disaggregated to track the inclusion of different groups, for instance by income, sex, age, race, ethnicity, disability, etc.

To support expansion of social protection coverage, as a foundation of inclusive sustainable development, action will be needed to strengthen national systems (i.e. through the development of social protection policies, programmes and partnerships):

Strengthening linkages across sectors and with broader economic and social policy: Social protection helps bring a coherent systematic approach to addressing multidimensional vulnerabilities in an integrated way across multiple objectives. In order to ensure a holistic approach to sustainable development, policies to improve social protection and those to increase coverage and access in other social sectors, such as education, health, nutrition, and housing, need to be mutually reinforcing. In addition, social protection must work together with a mix of broader economic and social policies – pro-poor macroeconomic, industrial, employment, and agricultural policies and social inclusion and anti-discrimination policies - to ensure the achievement all three dimensions of sustainable development.

Design, implementation and governance: Social protection systems need to be carefully designed and implemented in order to ensure their effectiveness, efficiency, sustainability and inclusiveness. For example, an important prerequisite is the issue of identification cards, especially for excluded groups, to enable access to social protection programmes. Inclusive design and implementation also needs to take into account the added vulnerabilities faced by specific groups, related to exclusion and discrimination due to gender, ethnicity, disability, etc. Strengthening monitoring, accountability and participation mechanisms, in formulation and implementation, both ensures the effectiveness of social protection programmes and improves their governance and transparency.

Sustainability of social protection systems – financing and political support: Social protection should be financed, in principle, by national resources. Identification of the right mix of domestic financing and ways to expand fiscal space over time are essential to deliver sustainable social protection systems. Their sustainability also relies on political will and broad-based support in society. The idea of establishing a Global Fund for Social Protection¹⁹ was launched by the United Nations Special Rapporteur on the right to food and the United Nations Special Rapporteur on extreme poverty and human rights.

Partnerships: At the national level, the division of responsibilities is an important factor. Governments are ultimately responsible for the development of social protection, but other partners such as the private sector and civil society also play an important role. At the international level, cooperation among governments and coordination and support from international organisations is necessary. Positive ongoing experience in exchange and cooperation between states in social protection should be expanded. Progress in cooperation of international organizations needs to result in enhanced harmonization at policy and country level. Only through the synergy achieved by putting together the organizational infrastructure, funds, manpower and knowledge of the diverse nation states and international partners will it be possible to build a social protection future for the billions who need it.

Improving availability and quality of data: Regardless of the indicators chosen, it will also be necessary to improve data collection and statistics on social protection at the national and global level in order to track progress.

¹⁹ http://www.ohchr.org/Documents/Issues/Food/20121009_GFSP_en.pdf