Global Partnership on Universal Social Protection to Achieve the SDGs – USP2030

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Universal Social Protection, the World Bank, the ILO and the SDGs

- Universal coverage and access to social protection are central to ending poverty and boosting shared prosperity, the World Bank's twin goals by 2030.
- Also at the core of the Social Protection Floors Recommendation, 2012 (No. 202), approved by world countries, endorsed by the UN and the G20
- World countries have also agreed on 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”
A Story of More than 100 Years: Building Social Protection Systems

... Rapid Expansion since 2000s

Many countries have put in place universal social protection schemes:

- Algeria
- Argentina
- Armenia
- Azerbaijan
- Belarus
- Bolivia
- Botswana
- Brazil
- Brunei
- Cabo Verde
- Chile
- China
- Cook Islands
- Georgia
- Guyana
- India
- Kazakhstan
- Kiribati
- Kosovo
- Kyrgyz Republic
- Lesotho
- Maldives
- Mauritius
- Mongolia
- Namibia
- Nepal
- Samoa
- Seychelles
- South Africa
- Swaziland
- Tanzania
- Trinidad and Tobago
- Thailand
- Timor-Leste
- Ukraine
- Uruguay
- Uzbekistan

Example: China
Expansion of old-age pension coverage over 2001-2013

SEE 23 COUNTRY CASES AT: [www.universal.social-protection.org](http://www.universal.social-protection.org)
...and many development partners working together to promote Universal Social Protection Systems

See: www.universal.social-protection.org
Universal Social Protection
SDG 1.3 Social protection systems for all, including floors

Children
- Child Support

Working age
- Support for those without jobs
- Maternity
- Work Injury
- Disability Benefits
- Access to Health

Old age
- Old Age Pension, Survivors

Safety nets for the poor
Pathways to Universal Social Protection

Governments have a wide set of options to achieve universal social protection.

- Some countries opted for immediate universal coverage – eg. Botswana, Timor Leste.
- Others employed gradual and progressive approach – eg. Brazil, Thailand.
- Some have universalism embedded in their national constitutions - eg. Bolivia, South Africa.
- Others have achieved universalism without any constitutional provisions eg. Swaziland, Uruguay.
- Universal social protection is most commonly started with old-age pensions, but some countries have opted to universalize in parallel disability, maternity and/or child benefits. Eg. Argentina, Nepal.
  - Some provide a publicly-financed social pension/benefit to all – eg. Mongolia, Namibia.
  - Others provide a minimum pension to those who do not have a contributory pension, ensuring universality - eg. Azerbaijan, China.
  - Some strategically uses of transfers to the poor and vulnerable to reach poorest who otherwise fell in-between cracks - Brazil, Chile, Georgia(SSNs).
Higher utilization of health services facilitates search for jobs and riskier decision-making, which increases human development and productivity. This leads to higher income security for households and inclusive growth and human development.

Social Protection: Demonstrated Results

- Reduces poverty and inequality
- Increases consumption and aggregate demand
- Better access to food and better nutritional status
- Higher utilization of health services
- Higher school attendance and reduction in child labour
- Facilitates search for jobs and riskier decision-making
- Lessens social tensions and conflict
- Supports crisis response and structural change
- Improved health
- Better educational performance
- Promotes productive employment and entrepreneurship
- Builds political stability
- Promotes economic growth
- Increases human development and productivity
- Lessens social tensions and conflict
-增进收入安全家庭
Strategies for Universal Social Protection Systems, including floors

- (a) Start **national dialogue** and call all relevant stakeholders, including employers, workers, UN and development partners
- (b) **Identify gaps** in social protection
- (c) Determine **appropriate social protection schemes**, whether **contributory or non-contributory**, or both, as well as the time frame and sequencing for the progressive achievement of the objectives
- (d) **Cost** selected schemes, identify potential **fiscal space**
- (e) Discuss **financial and human resources** with Ministry of Finance
- (f) **Agree national strategy through national social dialogue**
Cost of Social Protection Floor in 90 Developing Countries, in %GDP

- **GLOBAL AVERAGE**: 2.9
- **SUB-SAHARAN AFRICA**: 5.5
- **MIDDLE EAST NORTH AFRICA**: 2.6
- **LATIN AMERICA CARIBBEAN**: 2.7
- **EUROPE CENTRAL ASIA**: 4.8
- **ASIA PACIFIC**: 2.6
- **LOW INCOME**: 10.7
- **LOWER MIDDLE INCOME**: 5.4
- **UPPER MIDDLE INCOME**: 2.2

Source: ILO calculations; the Social Protection Floor includes universal child and orphan benefits, maternity benefits, disability pensions, support for those poor and without jobs, old-age pensions plus the administrative costs, based on national poverty lines.
Development Aid Necessary

- Particularly in low income countries
- **Social Protection**: Limited ODA, urgent need of funding
  - **While the recurrent costs of social protection floors are affordable in the majority of developing countries**: ILO estimates in 90 developing countries that recurrent resources needed to operate cash transfers and administrative costs amount to 2.9% GDP as an average
  
  - **Start-up investments are needed**: Initial investments for:
    - technical advisory services (design, legal, actuarial, financial)
    - computers/ICT
    - building of administrative, actuarial and statistical capacities, including training to government officials
  
  - **Calls for a global fund or global trust funds (De Schutter/Sepulveda, ILO, Global Coalition for Social Protection Floors)**, or a global commitment/initiative, for social protection floors
1. Coordinated support for Social Protection Floors:
   - A “Global Fund” – proposals by de Schutter/Sepulveda, ILO, Global Coalition Social Protection Floors
   - **Trust Funds:**
     - ILO Flagship Programme on Social Protection Floors
     - Multi donor multi partner trust fund (MPTF)

2. Multi-stakeholder dialogue – more innovative sources of development finance

3. Monitoring Financial Commitments
   - Monitoring Development Aid – OECD DAC CRS Code 16010 Social/ welfare services
   - Monitoring innovative sources of finance
Complemented by Innovative Sources of Development Finance

To complement -- never replace – ODA. Examples:

1. *Airline ticket levy*, exists in about 9 countries, earmarked for global health initiative UNITAID

2. *Financial Transaction Taxes (FTT)*, already exist in some G20 countries (EU 2011 estimates FTT could raise between €16-€400 billion)

3. *Arms trade taxes*: 10% tax on the international arms trade could accrue up to US$5 billion annually (WHO 2009b)

4. Proposals for a World Solidarity Fund

5. Issuing new Special Drawing Rights (SDRs), UN proposals, would also serve to protect countries from the risk of financial crisis

6. Voluntary donations using new methods (percentage of credit card sales, lotteries, etc),
There is national capacity to fund social protection floors in virtually all countries. There are many options, supported by UN and IFIs policy statements:

1. Re-allocating public expenditures
2. Increasing tax revenues
3. Expanding social security coverage and contributory revenues
4. Lobbying for increased aid and transfers
5. Eliminating illicit financial flows
6. Using fiscal and foreign exchange reserves
7. Managing debt: borrowing or restructuring debt
8. Adopting a more accommodative macroeconomic framework (e.g. tolerance to some inflation, fiscal deficit)
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http://universal.social-protection.org