



## **ACTRAV/ITC-ILO Course (A155169)**

**Trade Union Actions for Achieving Decent Work for Migrants  
(Kisumu, Kenya, 21 – 25 May 2012)**

# **The Social Protection Floor and Migration**

# Outline of the Presentation

- ✓ Social protection – some historical perspective
- ✓ The social security staircase
- ✓ Social protection global coverage
- ✓ Social security: a new consensus
- ✓ New perspective: social protection floor at national levels
- ✓ 100<sup>th</sup> ILC, June 2011 – recurrent discussion on social protection
- ✓ A comprehensive national perspective: two dimensions of social protection
- ✓ Social security extension strategies
- ✓ The role of Governments and Social Partners
- ✓ Examples of social protection floor components
- ✓ Past and future events at global level

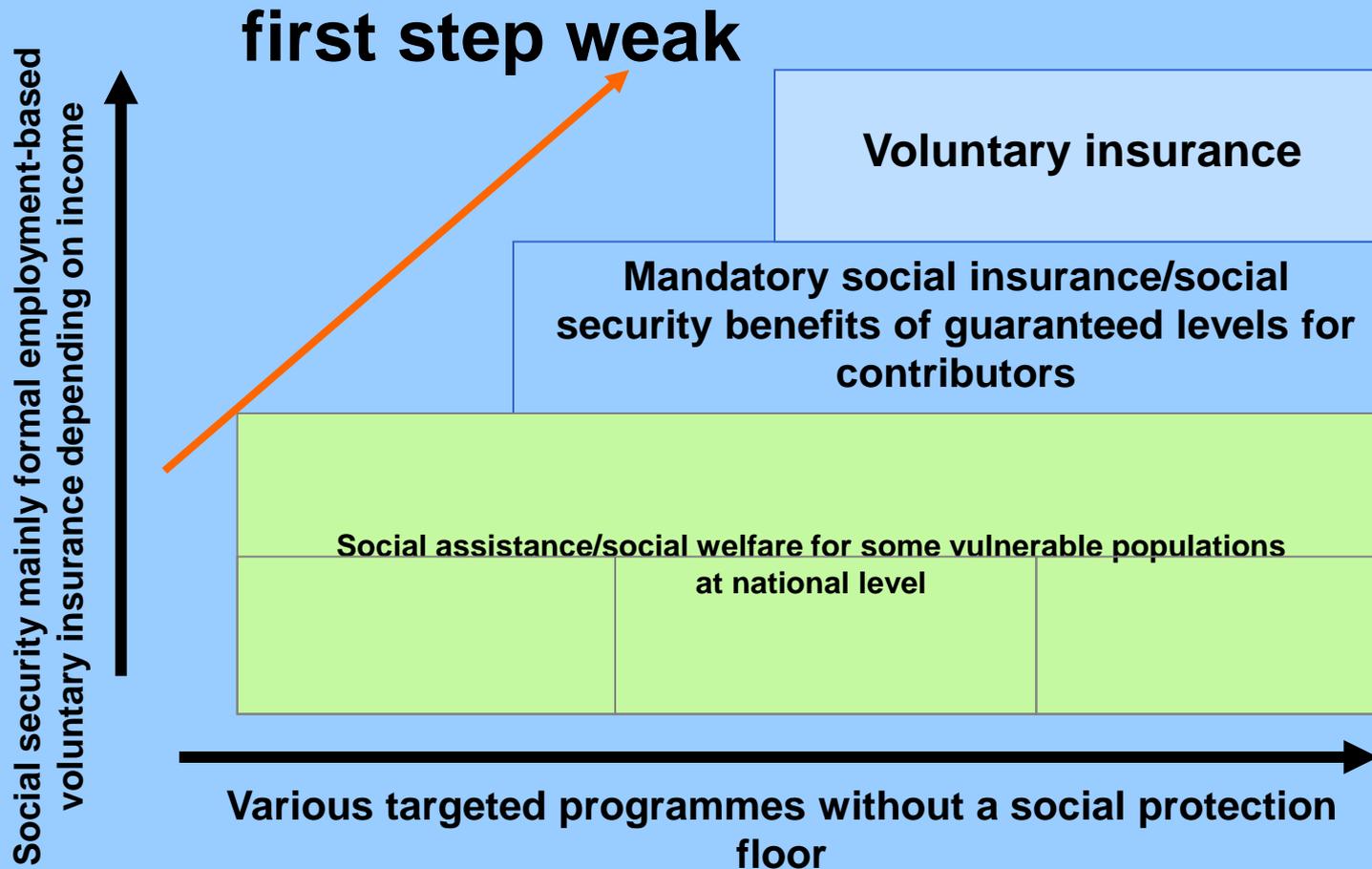
# Social Protection: Some Historical Data

- ✓ 1884 + Germany (Bismarck) health insurance, workers compensation programme, old age social insurance
- ✓ 1919 + ILO created - social protection on the agenda
- ✓ 1927 – creation of what is now called International Social Security Association
- ✓ 1935 – US signs Social Security Act
- ✓ 1942- UK Beveridge Plan, first unified social security system
- ✓ 1944 – Declaration of Philadelphia: extension of social security measures; information interchange between SS institutions; study of common problems in the administration of Social Security

## Historical data cont'd

- ✓ 1945 – UN Declaration of Human Rights: article 22  
“Everyone, as a member of society, has the right to social security”
- ✓ 1946 – France national social security system
- ✓ **1952- ILO Convention 102 on social security**
- ✓ Example of Pensions - Zimbabwe 1994, Indonesia 1977, Philippines 1954, Ghana 1965, Mexico 1943, Georgia 1956, Lebanon 1963, Argentina 1904++, Italy 1919, Canada 1927, Kenya 1965
- ✓ **2001 – ILC “Social Security: a new consensus”**

# The Social Security Staircase –



# Global coverage

- ✓ 20% of world population = adequate coverage
- ✓ 50% + of world population = no coverage
- ✓ Less than 10% covered in least developed countries
- ✓ 20 to 60% covered in middle-income countries
- ✓ Close to 100% covered in most industrialised countries

# Social Security: a new consensus

- ✓ Huge concern on extending social protection to the excluded populations. **Strategies proposed were:**
  - Extending social insurance schemes
  - Encouraging micro-insurance
  - Universal benefits/services financed from general state revenues
  - Extending means-tested benefits or services (social assistance) financed from general state revenues

# 1) Extending social insurance schemes

## Nine contingencies in C102

- ✓ Health care/insurance
- ✓ Sickness
- ✓ Old age
- ✓ Invalidity
- ✓ Unemployment
- ✓ Employment injury
- ✓ Maternity
- ✓ Family responsibilities
- ✓ Death/survivors

# Convention 102 Benefits



# Encouraging Micro-insurance

Examples for access to health care:

- ✓ Pre-payments (ex- Haiti)
- ✓ Cooperative social programmes (ex- Philippines)
- ✓ Welfare Funds (ex- India)
- ✓ Traditional solidarity (all over)
- ✓ Community social protection & micro-insurance (Africa, Asia)

# Who runs these voluntary schemes?

- ✓ Associations, CBOs, NGOs, cooperatives, health care providers, villages, trade unions
- ✓ West Africa – “mutuelles” managed by members, moving towards universal coverage
- ✓ Asia – NGOs, health providers, etc.
- ✓ Note: organised by private organisations, with many variations in size, benefits & approaches

# What kind of schemes?

- ✓ Health care
- ✓ Life insurance (i.e. with micro-finance)
- ✓ Assets
- ✓ Integrated schemes (i.e. VimoSEWA)
- ✓ +/- 90 million people access some social protection via community schemes



## Strategies 3 and 4

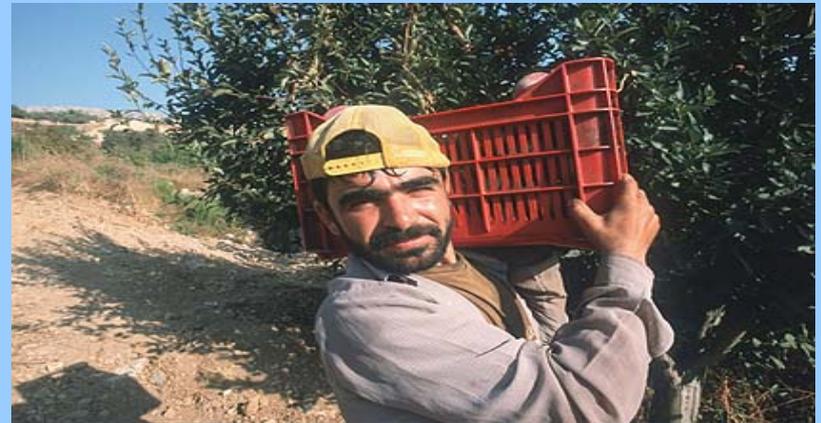
- ✓ Universal benefits/services financed from general state revenues:
  - examples* - free education for all, free health care for all
- ✓ Extending means-tested benefits or services (social assistance) financed from general state revenues:
  - examples* – disability assistance, programmes for indigents

# **New perspective: social protection floor at national levels**

**2011**

**ILC Recurrent Discussion  
on Social Protection  
under the ILO**

**Declaration on Social Justice for a Fair Globalisation**



# Social Protection Floor

- ✓ Started as UN emergency response to the crisis in 2009
- ✓ UN Chief Executives Board (CEB) agreed on **nine joint initiatives** to confront the crisis, accelerate recovery and pave the way for a fairer and more sustainable globalization:
  - 1) Additional financing for the most vulnerable
  - 2) Food Security
  - 3) Trade
  - 4) A Green Economy Initiative
  - 5) A Global Jobs Pact
  - 6) A Social Protection Floor**
  - 7) Humanitarian, Security and Social Stability
  - 8) Technology and Innovation
  - 9) Monitoring and Analysis

# Social Protection Floor – what is it?

- ✓ A basic set of social rights, services and facilities that every person should enjoy at national level:
- 1) **Services:** Geographical and financial access to essential services, such as health, water and sanitation, education
- 1) **Transfers:** a basic set of essential social transfers, in kind or in cash, to provide minimum income security and access to essential services, including health care

# Social Protection Floor promotes...

- ✓ Holistic and **coherent vision** of national social protection systems
- ✓ Identification and closing of crucial **protection gaps** through coherent and efficient measures
- ✓ **Concerted actions** of UN agencies, national governments and, stakeholders as well donor agencies
- ✓ Increase the **resilience of societies** against the impact of crises through the implementation of automatic social and economic stabilizers.

# What are we trying to achieve?

- ✓ Universal coverage – guaranteed minimum protection
- ✓ Poverty alleviation
- ✓ Minimum income allowing to retain some purchasing power, remain active & be able to move upwards, by having:
  - 1) Access to essential health care for all
  - 2) Income security for children
  - 3) Assistance to unemployed, underemployed, poor
  - 4) Income security for the elderly & disabled

# 100<sup>th</sup> International Labour Conference, June 2011 – Recurrent discussion on SP

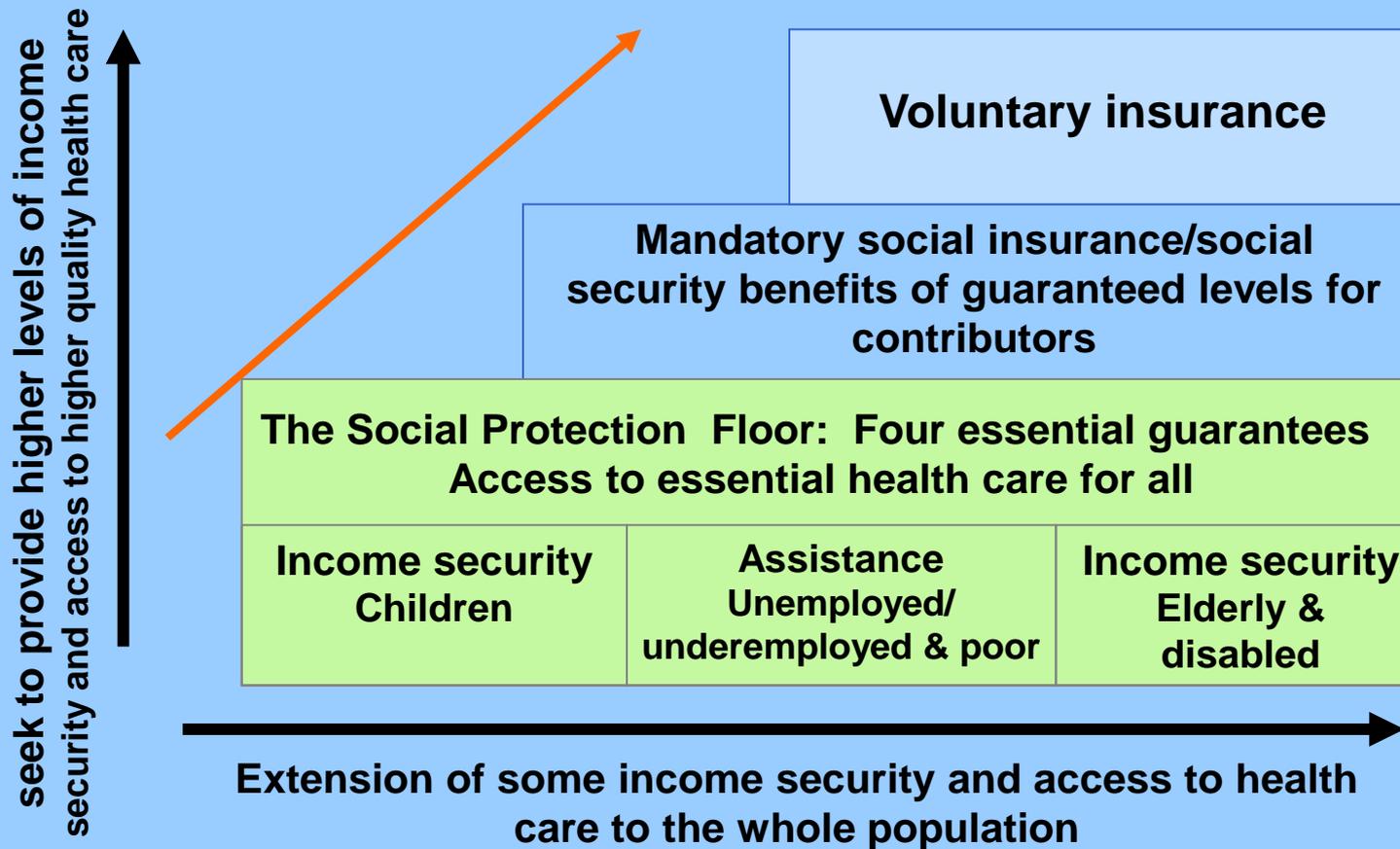
Main conclusions of the discussion:

- 1) Policy and institutional context
- 2) Role and need for social security
- 3) Social security extension strategies\*\*
- 4) Ensuring affordability & financing of SS\*\*
- 5) Social security governance
- 6) Role of ILO standards
- 7) Role of government & social partners\*\*
- 8) Role of ILO & follow-up\*\*

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\*\* Mention of labour migration in conclusions of discussion

# A comprehensive national perspective: two dimensions of social protection



# Social security extension strategies

✓ Every member State should design and implement its Social Protection Floor guarantees **according to national circumstances and priorities**

✓ 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, promoting gender equality, social and economic adequacy, rights-based benefits, financial and fiscal sustainability, good governance, etc.

✓ Member States should be encouraged to continuously employ efforts aimed at the transition **from informal to formal economies**

# Convention 102 and the future Recommendation

## Today

The up-to-date ILO social security standards, in particular Convention No. 102

- ✓ Set out principles that guide design, financing, governance and monitoring of national social security systems
- ✓ Benchmark and reference in the gradual development of comprehensive social security coverage at national level

## Tomorrow

### Convention No. 102

- ✓ Ratification and effective implementation remain a key priority for member States
- ✓ Pragmatic solution that would enable its interpretation in a gender-responsive way without revising the instrument

There is a need for a **Recommendation** complementing the existing standards

- ✓ Set out guidance to member States in building Social Protection Floors within comprehensive social security systems tailored to national circumstances and levels of development

# The role of governments and social partners

## Governments

- ✓ Provide an appropriate **policy**, legal and institutional framework, effective governance and management
- ✓ Foster **coherence** of social security policies with employment, macroeconomic and other social policies
- ✓ Develop a **national two-dimensional** social security extension strategy
- ✓ Promote gender equality
- ✓ Address the needs of women, men and children and the **specific needs of vulnerable groups**

Ensure effective access to social security to all

## Employers and workers

- ✓ Raising awareness and building **public support** for social security and ILO social security standards
- ✓ Actively participate in **social dialogue** processes aiming at the design, implementation and monitoring of national social security strategies and policies, as well as the establishment of national Social Protection Floors
- ✓ Jointly develop initiatives to support the **transition to formal** employment and formal enterprises
- ✓ Actively participate in the **governance** of social security institutions

Ensure effective social dialogue processes

# Examples of social protection floor components

## 1) Access to health care for all

❖ Rwanda – Health Insurance

## 2) Income Security for Children

❖ Brazil - Bolsa Familia

## 3) Income security for the elderly

❖ South Africa – Social pensions

## 4) Income security for unemployed, etc.

❖ India – National Rural Employment Guarantee Act

# 1) Access to health care for all

## Rwanda – Health Insurance (semi-contributory)

- 1- 2008 Law – all Rwandans must be covered by health insurance through various schemes
- 2- Formal economy - Social Security Fund of Rwanda
- 3- Informal economy 1998-2004: 226 community based schemes supervised by Ministry of Health
- 4- Financial mechanisms: Uniform contribution of 2 USD/year/person; most vulnerable – contribution paid by govt, NGO or donor (Genocide Survivor Assistance Fund, Global Fund)
- 5- 2010 – 97% covered (91% by CBHI)
- 6- Strengths: political commitment, increased mobilisation at local, health care and national levels since 2005, affordability of SP, health care facilities, part of a social protection policy since 2005, decentralisation
- 7- Other elements of social protection floor being implemented slowly

## 2) Income Security for Children

### Brazil - Bolsa Familia (non-contributory)

- 1- Social protection system comprises contributory & non-contributory-social protection floor advanced
- 2- Population 190 million, 30 million poor, 8.9 million extremely poor, huge socio-economic inequalities
- 3- Conditional cash transfers -Law 2003 – family grants by Ministry of Social Development & Fight against Hunger
- 4- Objective: transfer income to poorest families to combat hunger & poverty, promote access to health, education & social welfare public services
- 5- Conditionalities: pre-birth & nursing health care, vaccination, school registration & attendance, socio-educational & community activities
- 6- Strengths: political will; decentralised delivery; unified registry for programmes; low administrative costs (5% of budget); impact on living conditions, reduction of child labour, malnutrition, poverty & inequalities; local economies dynamisation

### **3) Income security for the elderly**

#### **South Africa – Social pensions (non-contributory)**

- 1) Means-tested social pension introduced in 1928, same amount paid to all racial groups since 1933
- 2) Women over 60 & men over 65 eligible – means tested on individual and partner's income levels
- 3) Monthly pension of approx 109 USD distributed by Dept of Social Development
- 4) Financed by general taxation: 1.4% of GDP and 38% of total cash transfer expenditure
- 5) Survey- how pension is used by household: 46% on food, 12% on utilities, 10% on social participation, 9% on household expenditure, 5% on debt, 3% on healthcare, 3% on education, 2% on savings (source: HelpAge)
- 6) Strengths: reduces no of people living below poverty line by 2.24 million; increases income of poorest by 50%; 94% of people over 65 receive it; almost universal!!

## 4) Income security for the unemployed

### India- National Rural Employment Guarantee Act

- 1) India – 300 million people live in chronic poverty w/less than one dollar/day; 73% of poor live in rural areas; 77% of labour force rural; 85% of women in labour force are rural
- 2) 2005 – law & rights-based framework for minimum 100 days of work guaranteed at minimum salary or else unemployment allowance
- 3) Funding: Central government pays wages, State government pays unemployment allowance
- 4) Strengths – political will, decentralised, labour intensive public works & green jobs, 52 million households got work, 2.83 billion person-days of work in 2009-2010, 48% women, local improvement of services, rural connectivity, less internal migration

# Past and Future events at global level

- Past events:
  - ✓ Sept 2011 in Paris – Presentation of the Report on the Social Protection Floor by Mrs Michelle Bachelet.
  - ✓ November 2011 in Cannes – Sixth Meeting of the G-20 heads of government (SPF on the agenda).
  
- Future event
  - ✓ 2012 – ILC - Elaboration of an Autonomous Recommendation on the Social Protection Floor (as a complement to Convention 102).