

Winning the Fight against Poverty and Inequality



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The **Global Coalition for Social Protection Floors** was set up in 2012. It is a network of more than 60 organisations all around the world. It seeks to influence international debates on setting up a social protection floor, and raise awareness of ILO Recommendation 202 (particularly relating to the post-2015 Millennium Development Goals agenda) - to create a platform for learning experiences among civil society organisations worldwide, including contributing to the development of tools to achieve this.

SOLIDAR is a European network of 60 NGOs working to advance social justice in Europe and worldwide. SOLIDAR lobbies the EU and international institutions in three primary areas: social affairs, international cooperation and education.

For more information see: www.solidar.org



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FOREWORD

Social security is a human right. More than sixty years ago, article 22 of the Universal Declaration of Human Rights declared **'Everyone, as a member of society, has the right to social security'**.

Nevertheless, the everyday life of billions of people around the world, from North to South and from East to West, shows that access to adequate social protection remains a privilege for the few. This is not just a reality in developing countries, but in Europe as well. Those groups with the highest risk of exclusion – such as the 20.1 million non-EU citizens living in the EU or the so-called NEETs (young people between 15 and 24 years not in employment, education or training) – are more likely to lack access to adequate 'social protection floors' (access to essential services and measures that guarantee income support).

Against this grim reality, social protection has made a very strong return to the international cooperation agenda. In particular, the role that social protection plays in eradicating and preventing poverty and creating social and economic development, is now largely recognised by international agencies, donors, governments and civil society organisations¹.

The ongoing negotiations on the post-2015 international development cooperation framework aimed at setting global goals - that will have to be universal, applying to every country, while every country also contributes to achieving them- will provide a unique opportunity to push for the full realisation of the right to social security for everyone by 2030. In this way, 2015 will be a landmark year in the global fight against poverty and inequality with three crucial summits happening within just six months - Financing for Development (Addis Ababa, July), Post-2015 (New York, September), and Climate (Paris, December 2014). A common element of all three summits is the development of concrete proposals to achieve equitable and sustainable development.

Therefore, we call for universal and comprehensive social protection systems and floors as the core social development element of the new development cooperation framework.

This briefing paper is developed in cooperation with the Global Coalition for Social Protection Floors. The analysis of Wouter Van Ginneken (International Movement ATD Fourth World), Gala Díaz Langou (CIPPEC), Marion Ouma (Africa Platform for Social Protection), Usa Khiewrord (HelpAge International), and Luise Steinwachs (Brot für die Welt) will illustrate the contribution that universal and comprehensive social protection can make to win the fight against poverty and inequality.

Let us all work together in 2015 for Universal and Comprehensive Social Protection!

Conny Reuter, Secretary General of
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¹ In 2012, all the main international agencies adopted social protection policies. This has been the case, for example, with the World Bank, UNICEF, the WFP, the ILO, and the European Commission. At the same time, in Africa, Asia, Latina America, the Arab countries and globally, CSOs have mobilised to demand the implementation of universal social protection systems and floors.

EXECUTIVE SUMMARY

The everyday life of millions of people around the world, from North to South and from East to West, shows that access to adequate social protection remains a privilege for the few. **73% of the world's population does not have access to comprehensive social security systems** (they may be partially covered, or simply not covered at all). Less than 30% of the world's population has adequate social security coverage². 9 million children under the age of five die every year from diseases that are largely preventable³. More than one billion people live on less than US\$1.25 a day⁴ – a shameful situation.

This is a reality that affects both developing and developed countries. In the European Union, for example, non-EU citizens and young people between 15 and 24 years not in employment, education or training (the so called NEETs) are likely to lack access to adequate full social protection floor.

Defining the social protection floors

The social protection floors comprise the following basic social security guarantees as a minimum:

1. access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
2. basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
3. basic income security, at least at a nationally defined minimum level, for people 'of active age' who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
4. basic income security, at a nationally defined minimum level, for older persons. (*ILO Recommendation concerning National Floors of Social Protection R202*).

To highlight the role social protection plays in eradicating and preventing poverty and creating social and economic development on November 2014, SOLIDAR, Brot für die Welt and the Friedrich-Ebert-Stiftung, together with Civil Society Organisations (CSOs) from all around the world and members of the Global Coalition for Social Protection Floors*, organised the 'Universal Social Protection Lobby Tour' to demand EU representatives to:

1. **Recognise that social protection is a human right which enables the fulfilment of other rights.**
2. **Support the inclusion of an implementation target, by 2030, of universal and comprehensive social protection systems and quality nationally-defined social protection floors (such as outlined in ILO Recommendation 202), in the post-2015 development cooperation framework.**
3. **Support the CSO's role in the design, monitoring, evaluation and, where relevant, the implementation of universal social protection systems and floors (including the design of legal frameworks).**

² ILO *World Social Protection Report 2014/15*, "Building economic recovery, inclusive development and social justice".

³ See, WHO, www.who.int/pmnch/media/press_materials/fs/fs_mdg4_childmortality/en/.

⁴ See, WB, www.worldbank.org/en/topic/poverty/overview.

This Briefing Paper presents the views of some participants in the 'Universal Social Protection Advocacy Tour' and the 'Call to Action'⁵ for Universal Social Protection subscribed by more than 30 CSOs calling upon EU Governments to support this transformative agenda for change.

**The Global Coalition for Social Protection Floors set up the Coalition for a Social Protection Floor in 2012. It is a network of more than 60 organisations all around the world. It seeks to influence international debates on setting up a social protection floor, and raise awareness of ILO Recommendation 202 (particularly relating to the post-2015 Millennium Development Goals agenda) - to create a platform for learning experiences among civil society organisations worldwide, including contributing to the development of tools to achieve this.*

⁵ On November 2014, more than 30 CSOs sent a letter to EU Members States Representatives. You can find the letter online at http://www.solidar.org/IMG/pdf/a3_letter_to_eupermrep_on_universal_social_protection.pdf.

Wouter Van Ginneken | International Movement ATD (All Together in Dignity) Fourth World⁶

Over the next 15 years, the fight against poverty, hunger and inequality will have to be won through the achievement of the Sustainable Development Goals (SDGs) that are being formulated in the context of the post-2015 development agenda. The fulfilment of the right to social protection and the implementation of corresponding Social Protection Floors (SPFs) will be indispensable in achieving these goals.

Within this context, the Global Coalition for Social Protection Floors focuses on the implementation and on the promotion of social protection floor (SPF) concepts at various policy levels.

The Global Coalition for Social Protection Floors: its main aims and priorities

The Global Coalition promotes SPF concepts at various policy levels, and it focuses its attention on fulfilling the right to social security. It aims at contributing to the monitoring and implementation of the four guarantees formulated in ILO Recommendation No.202 - at local, national and global levels. These four guarantees include universal access to health care, basic income security for all children, basic income security for all adults of working age who for one reason or another cannot work, and also basic income security for all elderly people.

At the global level (such as for the post-2015 development agenda) and at regional levels, the Coalition and its members are lobbying for universal coverage where no one is left behind. This means that not only should all citizens be covered, but also residents in a country who

may not have been registered as citizens. Yet, millions of people in extreme poverty live in informal settlements in remote deprived areas, or they are homeless and not registered by local and national authorities. According to UNICEF, 230 million children under the age of five have not had their birth officially recorded⁷.

Approximately 10-15% of the world's 214 million international migrants are undocumented⁸, and a further 10 million are stateless⁹.

The Coalition believes poverty and hunger are violations of human rights. It promotes full participation by civil society – working hand in hand with the social partners; the participation of people living in poverty for the effective design and implementation of SPFs; and universal provision at local, national and international levels.

Social Protection Floor and human rights: concepts and issues

In his report to the UN Secretary General in September 2014, Professor Philip Alston, the Special Rapporteur on Extreme Poverty and Human Rights, defined the right to social protection as the right to social security and access to essential social services¹⁰. This is in line with the so-called Bachelet report, published by the ILO in 2011, which defined the conceptual framework for the UN Initiative on Social Protection Floors.

Universal access to basic income security and essential social services provides people with the basic capabilities to participate in economic, social, cultural and political life. It creates a virtuous circle where people will become more productive for the economy, and where cohesion in families and in societies is fostered so that people and economic decision-makers can plan in a stable long-term environment.

⁶ The International Movement ATD (All Together in Dignity) Fourth World is committed to finding solutions that eradicate extreme poverty. Working in partnership with people in poverty, its human rights-based approach focuses on supporting families and individuals through its involvement in disadvantaged communities, on creating public awareness of extreme poverty, and on influencing policies to address it. At the 2012 ILO International Labour Conference, the Movement formulated and coordinated comments on ILO Recommendation No.202, and acted as a spokesperson for 60 NGOs, which constituted the basis for the Global Coalition for Social Protection Floors.

⁷ See UNICEF 2013, www.data.unicef.org/corecode/uploads/document6/uploaded_pdfs/corecode/Birth_Registration_lores_final_24.pdf.

⁸ See PICUM 2013, www.ohchr.org/Documents/HRBodies/CMW/Discussions/2013/DGDMigrationData_PICUM_2013.pdf

⁹ See UNHCR www.unhcr.org/pages/49c3646c155.html.

¹⁰ Professor Alston's Report is available online from <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N14/501/65/PDF/N1450165.pdf?OpenElement>

The social protection floor concept is close to the human rights concept of core obligations for the state in regard to economic and social rights. The 'floor' should not be understood as a 'maximum' or as a 'ceiling', because when circumstances permit, or when priorities have changed, benefit levels should be improved. Moreover, the floor is not a safety net into which people can fall. On the contrary, it provides everyone with basic building blocks to enable them to contribute to economic, social, cultural and political life.

The right to social protection, and the fight against extreme poverty and hunger

The eradication of extreme poverty is the key objective in the post-2015 development agenda. Poverty is a multi-dimensional reality. It not only concerns a lack of income, but also a lack of access to essential social services, including food security, and a lack of empowerment. It is often the result of various forms of discrimination and social exclusion. This is well-defined in the UN guidelines on extreme poverty and human rights, which were adopted by the UN Human Rights Council in 2012, and they were 'noted with appreciation' by all the member countries of the UN General Assembly. These guidelines can be seen as the blueprint for the human rights approach to poverty, which should be reflected in the SDGs and the post-2015 development agenda. The UN guidelines include not only economic and social rights, but also civil rights (such as birth registration and access to justice) and political rights (such as participation).

The current formulation of the SDGs, as proposed by the Open Working Group Outcome Document¹¹, shows a major lack of ambition. Goal 1 on "Ending poverty in all its forms", defines three targets which are somehow inadequate:

- Target 1.1 still uses \$1.25 per person per day as the poverty indicator. This indicator only relates to income, and it sets the target very low, even when it is adjusted for purchasing power differences between countries. It may also provide a very low starting point for the social security cash benefits that are

mentioned in target 1.3. It also does not recognise the existence of extreme poverty in industrialised countries where poverty rates are on the increase.

- Target 1.2 only aims to reduce by half the number of people out of poverty in all its dimensions. First of all, the indicator to be used for this target should not be a composite indicator, but a variety of indicators that measure fulfilment of each individual human right. Secondly, 'reducing the number of people by half' is against the Human Rights approach, as well as against one of the main principles of the post-2015 development agenda which aims to 'leave nobody behind'.
- Target 1.3 on social protection systems, including social services, should not cover only a 'substantial' part of the poor and the vulnerable, but provide universal coverage.. Again, the current formulation of this target is not line with the Human Rights approach and it violates the first principle of the post-2015 development agenda – 'leave no one behind'. As the High Level Panel of Eminent Persons on the Post-2015 Development Agenda suggested, targets should only be considered 'achieved' if they are met for all relevant income and social groups, especially for the bottom 20%¹²

Social protection floors and the fight against inequality

SPFs can have a significant impact on inequality¹³.

First of all, social protection (cash) benefits can contribute to gender equality. Since women are usually employed in more precarious jobs than men, they cannot build up their own entitlements under social security schemes, such as pensions and unemployment benefits. Women are therefore often more dependent on tax-financed cash benefits (if they are available),

¹² See www.post2015hlp.org/the-report/p.29

¹³ Clearly, they can by no means be the only instrument against the inequality which is engendered by the current structure of the (world) economy, and by the fact that global and consistent governance is only in its incipient stages.

¹¹ See <http://undocs.org/A/68/970>

which tend to be lower. The formalisation of employment, in particular for women, can therefore be a powerful tool for gender equality.

Secondly, cash benefits and social services have a significant impact on equality of opportunity. Access to essential social services, such as health care and education, will – in the long run - give people with lower incomes the same economic opportunities as people with higher incomes. In particular, access to education and training can play an important role in this area.

Thirdly, the impact on inequality also depends on how SPFs are financed, whether this is done by progressive or regressive taxation. If progressive income and wealth taxes are used to finance SPFs, they can significantly reduce inequality. But this has to be coordinated between countries, and it requires strong global

governance and coordination, which remains very weak at the moment.

Conclusions

The universal fulfillment of the right to social protection and the implementation of broad and human rights-based SPFs will be indispensable for eradicating extreme (i.e. multi-dimensional) poverty by 2030.

Low income countries need predictable and progressively decreasing international resources to set up their national SPFs.

The EU and its member countries should concentrate its development funds on the implementation of the post-2015 development agenda, with a special 'window' for the implementation of broad- and human rights-based national social protection floors.

SOCIAL PROTECTION FLOORS: EXPERIENCES FROM LATIN AMERICA

Gala Díaz Langou¹⁴ | CIPPEC¹⁵, Argentina

Over the last 15 years, the different countries that make up the Latin America region have been developing social protection policies. From a regional perspective, it can be seen that, unlike in the 1990s and early 2000s when targeted interventions were predominant, in recent times social protection programmes have been based on three key principles:

1. **A rights approach:** Social protection as both a manifestation of social and economic rights, and also as a requirement for the fulfilment of other rights.
2. **Universalism:** providing social protection for everyone, leaving no one behind.
3. **Comprehensiveness:** Social protection from a wide approach, integrating the provision of basic income, access to social services, and productive inclusion in different age groups. Most of the Latin American countries have increased social protection spending since 2000, and increased the coverage and benefits of the concrete programmes.

Based on ILO Recommendation 202, as a regional average, all four social protection floors were considered basic guarantees:

1. **Access to Essential Health Care:** there has been an evident increase in the extension of non-contributive

healthcare insurance and also increased healthcare expenditure. However, the quality of those services remains a challenge.

2. **Basic income security for children** has been greatly advanced by 'conditional cash transfer programmes' (though the sufficiency of these benefits would be in dispute).
3. **Basic income security for persons in active age:** is still a major challenge, though over the last 15 years, progress has been made in the reduction of informality and the marginal advancement of unemployment insurance.
4. **Basic income security for older persons:** there has been a very important expansion of pension coverage (both contributive and non-contributive) in almost all Latin American countries, together with a more flexible access to retirement for all workers (both formal and informal).

The recent Latin American experiences show that the attainment of incipient (though not yet complete) social protection floors is fiscally, politically and operatively feasible in developing countries. These developments have had two very significant impacts. On the one hand, poverty and extreme poverty have been reduced from 48.4% in 1990 to 27.9% in 2013¹⁶, while on the other hand, inequality has been tackled as well - the region's Gini co-efficient¹⁷ has been reduced from 0.55 in 2002 to 0.49 in 2012¹⁸.

In spite of these developments, Latin America is still the most unequal region in the world. This means that even if an increasing number of Latin American countries now qualify as 'Upper Middle Income Countries', inside the countries

¹⁴ Gala Díaz Langou is the coordinator of CIPPEC's Social Protection Programme. She was invited to share CIPPEC's experience in the Latin American region in the "Universal Social Protection for all" advocacy tour, held in Brussels, November 4th - 7th, 2014.

¹⁵ The Centre for the Implementation of Public Policies Promoting Equity and Growth (CIPPEC) is a private, non-profit organisation that strives to create a more just, democratic, and efficient state in Argentina and Latin America to improve the quality of life for all inhabitants. CIPPEC analyses and promotes public policies that foster equity and growth, translating ideas into concrete actions in the areas of Social Development, Economic Development and Government. CIPPEC is a member of the Global Coalition for Social Protection Floors (SPFs) Core Group since 2011. The attainment of universal and comprehensive SPFs as a first step towards building Social Protection systems is one of the main goals of CIPPEC's Social Protection Program.

¹⁶ CEPAL, 2013.

¹⁷ The Gini co-efficient is a measure of statistical dispersion intended to represent the income distribution of a nation's residents. A Gini coefficient of one (or 100%) expresses maximum inequality among values (for example where only one person has all the income or consumption, and all others have none), while a coefficient of 0 expresses maximal equality.

¹⁸ CEDLAS, 2013.

there is huge inequality and income concentration. There are still 143.8 million people who live in poverty¹⁹. Furthermore, poverty affects children disproportionately - **70 million Latin American boys and girls live without having their most basic needs satisfied.** These children live in relatively 'young' households, and usually with a female head of household. Their poverty is also worsened by the fact that women and young people have a precarious role in the labour market, so they are more likely to suffer higher unemployment, informality, lower wages and more working hours.

Consequently, the Latin American region faces two main challenges in the near future. Firstly, Latin American countries need to move towards a real situation with universal, comprehensive and complete social protection floors, leaving no one behind regardless of their age, gender, status in the labour market or their geographical location. Secondly, they need to build social protection systems from the isolated social protection programmes that are now in place. This means creating coherent integration of 'intervention's, coordinating sectors and levels of government, and institutionalising the system through new laws – and it also means working towards a more progressive fiscal pact which would allow sustainability.

In this context, two changes are necessary in the Latin American region,

- Firstly, ensuring that universal and comprehensive social protection floors (as a first step towards building social protection systems) are included in the Sustainable Development Goals in the post 2015 development agenda.
- Secondly, fostering increased cooperation with the EU. The European experience in the building of social protection systems is clearly an inspiration for the Latin American region. It can also be a mutual learning process, as several Latin American countries have learnt how to cope with the economic crisis while still providing social protection to its inhabitants.

Both Europe and Latin America today face the great challenge of firstly sustaining and

secondly achieving social cohesion in times of increasing inequality. The institution of universal, comprehensive and progressive social protection floors and systems is the most efficient tool to surpass this challenge, and ensure the fulfilment of social and economic rights.

¹⁹ CEDLAS, 2014.

Marion Ouma | African Platform for Social Protection (APSP)²⁰

The Social Protection Floor Initiative and the African Union Social Policy Framework

In the last two decades many African countries have initiated and adopted programmes and policies in the face of deepening poverty and rising inequality.

Regionally, Africa's watershed moment in social protection goes back to the 2006 Inter-Governmental Regional Conference. The Livingstone Call for Action²¹ called on governments to institutionalise social protection programmes. In 2008, during the First Session of the African Union Conference of Ministers in Charge of Social Development, member states adopted the recommendations of the Livingstone Call and this formed part of the African Union Social Policy Framework (AU SPF).²² The AU SPF urges governments to set in place a "minimum package" for the vulnerable and the poor comprising essential healthcare benefits for children, informal workers, the unemployed, the elderly and people with disability. The minimum package aims to provide a platform for broadening and extending social protection as more fiscal space is created. These recommendations formed a basis on which most Africa governments initiated social protection programmes.

Tremendous effort has been made by governments and development partners. In 2000, according to Garcia and Moore (2012), there were 19 programmes in 9 countries in sub-Saharan Africa, and all were concentrated in Southern Africa. By 2012, the number of programmes has risen to 245 and in 41 countries, demonstrating a remarkable uptake and increased political will by governments.

²⁰ The APSP's main objective is to support the development of effective national social protection policies and programmes and thereby contribute to the achievement of the Millennium Development Goals and the goals of the African Union Social Policy Framework (SPF).

²¹ See www.ipc-undp.org/doc_africa_brazil/Livingstone-call-for-action.pdf

²² See www.un.org/esa/socdev/egms/docs/2009/Ghana/au2.pdf

Social protection programmes and policies have made various contributions in different fields:

1. Realisation of human rights

Social protection is a human right and when well-developed and well-designed, it promotes the realisation of other rights. The United Nations Declaration on Human Rights (1948) and Article 9 of the ICESCR (International Covenant on Economic, Social and Cultural Rights) are international instruments that make 'social security as a human right' a central policy. Nationally, South Africa, and more recently Kenya, have created progressive constitutions within which the right to social protection is enshrined, providing room for justifiability when governments fail to provide for the citizenry. This becomes even more the case when citizens hold their governments to account as 'duty bearers'.

2. Poverty, vulnerability and inequality

While the Millennium Development Goals (MDGs) have played a key role in accelerating the reduction of poverty, poverty and its effects have persisted. Whereas there has been a significant reduction in the number of those living in poverty in Latin America and Asia, Africa has only seen a marginal reduction. Social protection provides a renewed impetus to tackling poverty.

Whereas there are a huge number of poor people, there are also a few people with massive wealth. South Africa, Namibia and Botswana are some of the countries with high levels of inequality. This portends danger for national cohesion. Social protection programmes can help address this inequality, but they will be most effective when they seek to promote redistribution, not only of income but also assets, and access to social services, power and decision-making. The problems achieving this are the implementation of social protection programmes which lack an anchor in broader social policy, and they are sometimes implemented in isolation with a simplistic narrow focus on cash transfers.

The high levels of unemployment among the bulging youth population present another challenge to stability and social cohesion.

Joblessness is common, and stable jobs are difficult to come by. Many work in the informal sector where incomes are low with no employment security. Social security and insurance services are deficient, and in the case of accidents or the loss of employment, there is no compensation. The adoption and implementation of national social protection floors can promote decent work for youth and also for people in the informal sector.

Universal social protection programmes also play a role in creating solidarity and cohesion amongst citizens, particularly when they are promoted as citizen's rights and entitlements and built on social contracts. Narrowly targeted programmes can, however, undermine stability and social cohesion where only the "lucky few" get selected on a programme. Universal programmes, in contrast, encourage the allocation of more funding, not only for social protection but also for other services.

Special attention needs to be paid to the design of programmes. For example in Kenya, the Hunger Safety Net Programme (HSNP) has a Rights Component which offers a mechanism where individuals can express grievances on any aspect of the programme's operation. Members of the Rights Committee have mobilised collective action to persuade local authorities to deliver other services beyond the programme, thereby enhancing state-society relations. They have also been involved in dispute resolution within the community.

3. Economic Growth

Social protection leads to greater economic growth. Social protection programmes can be a stabiliser in times of crisis and they can help kick-start the demand for domestic goods. Social protection, and to a wider extent social policy, should not be used as residual policies that are only discussed after economic growth has taken place. Social protection leads to economic growth by reducing poverty, sustaining incomes, promoting social mobility, and contributing to the exit from poverty. Programmes actually have positive impacts on productivity. When people have access to health services, nutrition, education and social assistance provisions, their productive capacities are increased and they can better engage in income-generating and livelihood activities.

However there is still limited macro-economic impact to be realised from many programmes in Africa. This is largely due to the limited scale and the low absolute value of the transfers. Narrowly targeting the very poor inhibits the economic impact of social protection.

4. Human Capital and Social Development

Evidence shows direct positive outcomes on human and social development progress where social protection is implemented. In Ghana, the social protection flagship programme 'Livelihood Empowerment Against Poverty' (LEAP) has not only increased enrolment among pupils in schools, but also reduced the incidences of absenteeism. The programme therefore contributes to ensuring the attainment of education. The Productive Safety Net Programme (PSNP) in Ethiopia has helped increase agricultural productivity, thereby enabling families to invest in non-consumption activity to manage risks. The Enhancing Social Protection (ESP) programme in Uganda has facilitated an increase in food production and increased productive investment in livestock and in micro-enterprise.

5. The Empowerment of women

Though the impact of social protection is not gender neutral, its development and implementation needs to be cognisant of gender differences. Transfers to women have led to increase in education, health and nutritional levels at household level as women are considered conscientious in the use of resources. Social protection can effectively address gender imbalances when they need to consider women's life cycle risks, the burden of care and the differences in access to services, work and productive activity. It should be noted, however, that targeting women does not ensure and eliminate the root causes of gender inequality, and the targeting of women may also have unintended impacts on gender relations.

The South Africa Old Age Grant has had positive nutritional achievements on girls under the care of older persons. Girls in households where there is a pension are between three and four centimetres taller than those in households with no pension. In Kenya, the Cash Transfer for Orphans and Vulnerable Children (CT-OVC) Programme has promoted

access to HIV services for women. In Malawi, households that receive a family allowance or a child grant show better school attendance, which creates positive gender effects and gender equity. Social protection programmes have enhanced the sexual and reproductive rights of girls and women. Studies show delayed sexual activity by girls where there is a cash transfer and reduced transactional sex, when women are given other alternatives for income generation. Social protection programmes that provide cash to women go a long way to improving their participation in labour. It supports them in accumulating assets, and it promotes risk management. Social protection programmes also improve intra-household resource allocation, thereby giving women the power of choice.

WHY UNIVERSAL SOCIAL PROTECTION? EXPERIENCE OF THE OLD AGE SOCIAL PENSION IN THAILAND

Usa Khiewrord | HelpAge International²³

Thailand is a middle income country and a member of ASEAN (Association of South East Asia Nations). In general, governments in Asia agree with the concept of social protection for all.

In September 2013, the 10 ASEAN countries endorsed the ASEAN Declaration on Social Protection²⁴ and made a commitment to improve social protection, including pensions for older people.

However, the approaches used by each country to achieve full coverage of old age pensions are different. Most countries preferred to expand old age pensions through contributory pension schemes for the general population, supplemented by social pensions (non-contributory, tax-financed schemes where recipients do not have to make a direct contribution to receive their benefit).

Moreover, many governments, having once developed a social pension scheme, have opted to use a targeted approach (where beneficiaries have to prove that they are poor to be able to benefit from the scheme) rather than a universal approach - where everyone is eligible when they reach a certain age, such as 60 or 65.

Only a few countries have implemented universal social pensions. Thailand is among these few countries.

The focus on predominantly contributory and targeted social pension schemes is one of the main obstacles to achieving full access to pensions for everyone. According to the ILO World Social Protection Report, published in 2014, overall in Asia only a small portion of elderly people are covered by old age pensions - between 20% and 40% of the total elderly population. The rate is even lower in ASEAN countries.

²³ HelpAge International helps older people claim their rights, challenge discrimination and overcome poverty, so that they can lead dignified, secure, active and healthy lives.

²⁴

See www.asean.org/images/archive/23rdASEANSummit/5.%20asean%20declaration%20on%20social%20protection_final.pdf

The Old Age Social Pension Scheme in Thailand was introduced in 1993 as a national programme targeting poor and neglected older people. It covered 20,000 older people with a benefit level of €5 per month.

The years between 2009 and the present day have seen major changes. The programme was changed to a universal scheme, or, technically speaking, a pension-tested scheme as older people who are already covered by any government pension schemes are not included. A number of external and internal factors led to this change, including, among others, the weakness of the targeted approach in comparison with the universal approach.

Why old age social pensions should be universal rather than targeted?

Universality has several advantages, including:

- 1. Ensuring that poor people, who are the primary target group, are not excluded.** Experience from Thailand and other countries in the region shows that using the targeted scheme resulted in the exclusion of a large percentage of poor older people who should be eligible. This is mainly due four factors, firstly a selection process that is not transparent, secondly corruption, thirdly the lack of a database, and finally the difficulty in identifying or proving who the poor actually are. The good intention of aiming the benefit at the poor usually effectively excludes them. **The universal approach is very successful in reaching the poor.**
- 2. Promoting unity and social solidarity in communities.** The targeted approach creates conflicts and tensions in communities as a result of selection processes which are viewed as unfair by those who meet the criteria but who are not selected. These conflicts and tensions also have a negative impact on other community development

initiatives. The universal approaches promote unity and solidarity as everybody benefits. HelpAge's direct experience and research in Thailand comparing before and after the universal scheme has proved this²⁵.

3. **More public support leading to more resources going into it.** Under the targeted scheme, the social pension scheme did not gain support from either the general public or the politicians, as it was directed towards the poor. It was often attacked for corruption and flaws in the selection process. This was resulted in it being very poorly resourced. As the saying goes **"a scheme designed for the poor is usually a poor scheme"**.

However, with the universal approach, everybody stands to benefit. The number of pensioners is greater, so it will be politically important. The universal approach will speed up the improvement, coverage and level of benefit.

Social pensions became one of the key political campaigning points in the last General Election. During the Election, older people made up around 16% of the electorate, which is enough to significantly affect the election result.

During the fifteen years from 1993 to 2008, the level of the benefit increased from €5 to €12, while the number of recipients grew from 20,000 to 1.7 million older people (approx 25% of Thailand's elderly population).

In the last five years (since 2009), the government has switched to a universal scheme. The level of the benefit has changed from a flat rate of €12 to a progressive rate ranging between €14 and €24, depending on the age of the pensioners. The number of pensioners increased from 1.7 million people to 7.3 million older people (around 80% of elderly people).

4. **Reducing administrative costs.** Identifying the poor is complex, time-consuming and it uses up a lot of

resource - the more rigorous the system, the higher the cost. Also, poverty for each individual is not static, so to be accurate, it needs to be regularly reviewed and this further increases the cost. The universal approach is therefore much more cost effective as the state only needs to know the pensioner's age on one occasion, and then delete their name when they die.

5. **Encouraging people to save for old age.** Targeting discourages people from participating in a saving scheme for old age. They will not benefit if they are too rich to qualify for a pension when they are old enough, so some may opt not to save money during their working lives. This particularly affects the people who are below the poverty line, but this gap is small. The universal approach will not discourage people from saving for their old age.
6. **No stigma.** Social pensions designed specifically for the poor have a stigma attached, and they therefore have a negative impact on the life of recipients. Some eligible elderly people may not be willing to claim as it is not dignified. The universal scheme has no stigma attached to it.
7. **It is affordable.** One of the main reasons that most governments use to justify their decision not to implement a universal social pension is that it is not affordable. In 2013, the cost of the social pension in Thailand was 2.43% of the national budget, or 0.53% of the GDP (2012).

An important point to make is that, even with the rapid increase in the number of older people in the country and the increase in the level of benefit, the percentage of GDP going on pensions will start to reduce in the long run as the average economic growth rate becomes faster than the increased cost of the social pension scheme.

Finally, adequacy is equally important. The level of benefit will have to be large enough to be meaningful. For example, Thailand has a successful story regarding the coverage, but setting it at an adequate level still has a long way to go. The average amount of the

²⁵ Worawet Suwanrada and Dharmapriya Wesumperuma, *Development of the Old-Age Allowance System in Thailand: Challenges and Policy Implications* in "Social Protection for Older Persons: Social Pensions", ADB, 2012.

old age pension is currently at one third of the national poverty line. There is no plan to increase the pension according to the rising cost of living. It needs to be further improved.

Within this framework, CSOs have four important roles to play:

1. Firstly in raising awareness of the role of universal social protection in development;
2. Secondly in facilitating inputs from people in a discussion that will directly impact on their lives (such as, are targeted benefits or universal benefits better? The appropriate level of benefit? The type of schemes and so on);
3. Thirdly helping people - particularly vulnerable groups - to access their entitlement, and
4. Finally monitoring the government's commitment through watching its implementation of the scheme.

To conclude, **only if the universal approach is employed in social protection programmes, it can be certain that the intended benefits will reach people who are most in need. Evidences have proved it and we can learn from each other to achieve our common goal- Social Protection for all!**

FINANCING SOCIAL PROTECTION: A NATIONAL AND INTERNATIONAL RESPONSIBILITY

Luise Steinwachs | Bread for the World²⁶

The Committee on Economic, Social and Cultural Rights has elaborated the right to social protection's normative content, as well as the core obligations governments have in respect of social protection. Furthermore, the ICESCR (International Covenant on Economic, Social and Cultural Rights) states that the full realisation of the rights recognised in its Covenant on ESCR should be achieved - inter alia - through international assistance and co-operation. It follows from this that the provision of **social security for everyone is also an international responsibility**.

National societies and their governments are the first in line to implement and finance social protection, but in particular low-income countries may need the support from the global community to eradicate extreme poverty and establish social protection systems.

Against this background, the debate on international financing options should be intensified.

Given that national economies worldwide lose significant financial resources as a result of illicit financial flows, for example through money laundering and tax evasion, the international community should put more effort into controlling **tax havens and tax exemption systems** designed for international investment. Global cooperation is central to combating international tax avoidance and evasion. The lack of an international agenda in tax matters costs all governments a great amount of resources that could be invested into social protection.

In addition, new and effective taxes will have to be applied to the financial sector, such as **taxes on financial transactions and financial activities**. These resources could be budgeted for national social protection systems.

At present, there are no effective ways to manage **debt rescheduling and debt relief**. Debt service competes with development spending even in

countries that do not suffer from an acute debt crisis. The possibilities of debt reduction and cancellation have to be explored to end the debt crisis and to allow countries to spend resources for i.e. social protection and poverty eradication.

In particular for low-income countries the financial support of other countries is indispensable, possibly at a progressively decreasing rate. Some countries may also need additional outside financing in times of crisis. This could be in the form of a special financing window within the context of existing global or regional institutions, or through the establishment of a specific fund for the financing of national social protection floors. A fund could provide re-insurance for countries where shock-related risks currently make it difficult for states to stick to their development trajectories. In this context, any engagement of private institutions, particularly actors of "philanthrocapitalism", has to be transparent, closely monitored, regulated and controlled by national governments, civil society and the international community.

The financing of social protection should eventually be based on **sustainable and sufficient national resources, and a fair international trade and financial system**.

Moreover, new approaches have to be elaborated that correspond to the global migration of labour. This development cannot easily be challenged by nationally defined systems, and it needs more intensive international cooperation such as the portability of entitlements for migrants.

Finally, further analysis is needed to ascertain the root causes of the structures and processes that lead to the rapid accumulation of wealth. It is not enough to create redistribution mechanisms, such as through social security, but **it is necessary to challenge both the accumulation of wealth and the idea of infinite economic growth**. Inequality is a major barrier to sustainable human development, as it has detrimental effects on both individuals and societies, and it makes it difficult to reduce poverty overall.

²⁶ Bread for the World – Protestant Development Service is the globally active development and relief agency of the Protestant Churches in Germany. In more than 90 countries all across the globe we empower the poor and marginalised to improve their living conditions. Key issues of our work are food security, social security, the promotion of health and education, the access to water, the strengthening of democracy, respecting human rights, keeping peace and the integrity of creation.

CONCLUSIONS AND RECOMMENDATIONS

In recent years, social protection has very much returned to the international cooperation agenda. The role social protection plays in eradicating and preventing poverty, and creating social and economic development, is largely recognised by international agencies, donors, governments and civil society. Nevertheless, more than two billion people in the world still live in poverty, and they are not adequately covered by social protection. Less than 30% of the world's population has adequate social security coverage²⁷.

In the light of the ongoing negotiations on the post-2015 international development cooperation framework, we, the Civil Society Organisations (CSOs) from all around the world acting as members of the Global Coalition for Social Protection Floors*, demand that governments ensure that:

The post-2015 development cooperation framework supports the inclusion of a target on the implementation, by 2030, of universal and comprehensive social protection systems, and quality nationally-defined social protection floors (as outlined in ILO Recommendation 202).

The July 2014 proposal from the UN's Open Working Group for Sustainable Development Goals includes, under Goal 1, the phrase 'End poverty in all its forms everywhere'. The target for implementation is *"nationally appropriate social protection systems and measures for all, including floors, and, by 2030, achieving substantial coverage for the poor and the vulnerable"*. We consider this a good basis for a more ambitious target, namely the implementation of universal and comprehensive social protection systems, and quality nationally-defined social protection floors.

By 2010, the UN MDG Summit outcome document had already acknowledged that progress towards the achievement of the MDGs could be made by *"Promoting universal access to public and social services, and providing social protection floors"*. More recently, the 2012 Rio+20 Resolution²⁸ talked of *"the need to provide social protection for all members of society, fostering growth, resilience, social justice and cohesion, including those who are employed in the informal economy. We strongly encourage providing social protection floors for all citizens."*

Universal social protection systems build resilience and prevent people from falling into poverty and their redistributive role contributes to reducing inequality. Universal social protection systems directly address many dimensions of poverty, and they have major impacts on the economic and environmental dimensions of sustainable development.

As the *Synthesis Report of the UN Secretary General on the Post-2015 Agenda* titled "The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet" (published in December 2014) declares **"Economic growth should lead to shared prosperity... Ensuring that everyone, including women, the disabled, youth, the aged and migrants, all have decent employment, social protection and access to financial services, will be a hallmark of our economic success"**²⁹.

²⁷ ILO World Social Protection Report 2014/15, "Building economic recovery, inclusive development and social justice".

²⁸ The Future We Want' UNGA A/RES/66/288 Para 156.

²⁹ See http://sustainabledevelopment.un.org/content/documents/5527SR_advance%20unedited_final.pdf