



Global Coalition for **SOCIAL PROTECTION FLOORS**

“Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality”.

The Universal Declaration of Human Rights (1948), Article 22.

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The legal, political, economic and moral imperatives to finance social protection for all

*Global Coalition for Social Protection Floors (GCSPF)**

More than half of the world’s population is still denied a life in dignity and social security: the GCSPF calls for action on social protection financing to deliver on the human right to social protection at a time when the world is richer than ever before and that global wealth continues to grow.

The global Community is claiming progress in the battle against poverty. The World Bank states that in 2019 just about 10 per cent of the global population lives in abject poverty when measured against the international poverty line of US\$ 1.90 per person, measured in purchasing power parity (PPP) dollars. That poverty line does not, however, allow a life in dignity virtually anywhere on earth¹.

* This document draws substantially from the writings of GCSPF member organizations and individual members, whose contributions are acknowledged here. The document was drafted by Michael Cichon with a team consisting of Evelyn Astor, Wouter van Ginneken, Barry Herman, Daniel Horn and Nicola Wiebe. Odile Frank finalized the text. The statement is endorsed by the GCSPF membership as its institutional author.

¹ The international poverty line reflects the average of national poverty lines of 15 of the poorest countries, 13

If we were to assume that a poverty line of about US\$ PPP 3.20 were closer to a minimum income that most of the world’s poor would need in order to live, then the global poverty headcount approaches 30 per cent of the global population. Moreover, if we were to assume a poverty line of about US\$ 6.00, which is close to regional average national poverty lines in Asia and Latin America, then about 50 per cent – fully half - of the world’s population would still live in poverty. Despite claims to the contrary, eradicating poverty remains an unattained objective of global social justice.

of which are in Africa and two in Asia. Moreover, a monetary value cannot take into account the multidimensionality of poverty, which is the focus of the 2030 agenda.

And yet, poverty measured in monetary terms is merely the tip of the iceberg of global social misery that can be easily seen, because we dare to take the measure of it and to label it. Inextricably associated with poverty are inequality, exclusion and insecurity. More than half of the world's population suffers from at least one of the three scourges that are products of human society and that obstruct the path to social justice. They are:

1. inequality and exclusion from mainstream economic activity by gender, race, ethnicity or religion;
2. debilitating social insecurity; and
3. the inhumanity of want².

Millions of avoidable premature deaths from birth to adulthood – and billions of people living with ill health – are telling indicators of the burden of global misery. Children and older persons suffer more than people in active age, women more than men, and ethnic minorities more than majorities. Importantly, the three other major victims of these scourges are dignity, hope and ambition. Exclusion, insecurity and the state of want rob billions of persons of their competencies, productive contributions and potential achievements.

The moral imperative to finance universal social protection

The moral and humanitarian imperative is the most evident rationale to ensure the resources to finance social protection for all, given especially that the world's governments have agreed that it is a main means to achieve global poverty eradication in the sustainable development agenda they adopted to transform our world.

We have known for more than a century what can be done. Social protection effectively prevents and reduces poverty, inequality, exclusion and insecurity. The overarching objective of social protection is to provide social security for people as

they confront risks in an uncertain world and free them from the indignity of economic insecurity. Under the new global Sustainable Development Agenda, it is the most important enabling factor for a just transition.

Yet there are other imperatives to deliver universal social protection, notably the legal obligation of States defined in international standards and instruments.

The legal imperative to finance universal social protection

Since the first social security Convention adopted by the International Labour Organization (ILO) in 1919, more than 100 years ago, a growing number of Conventions on social security, among them Convention 102 on Social Security (Minimum Standards) of 1952 that provides a comprehensive framework for the design of social security systems, have widened and deepened the force of international law, and a number of Recommendations, among them Recommendation 202 on Social Protection Floors of 2012, have provided a corpus of guidance to Member States on how to meet their State obligations.

At mid-century, the right to social security was enshrined as Articles 22 and 25 of the Universal Declaration of Human Rights (1948) and as Article 9 of the International Covenant on Economic, Social and Cultural Rights (1966) (see insert). Many countries have included that right in their constitutions or national codes of law in addition to having ratified the ILO Conventions.

In this way, the international community of nations has gradually and progressively defined the content of the universal right to social protection over the last century.

² See Michael Cichon, 2018. "Hardly Anyone Is Too Poor to Share: A basic level of social protection is affordable nearly everywhere", Point of View in Special Issue "Age of Insecurity: Rethinking the social contract", Finance & Development (quarterly publication of the IMF), Vol. 55, No. 4: 14-15 (December).

Article 22

Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Article 25

(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment,

sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

(2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

Universal Declaration of Human Rights, 1948

Article 9

The States Parties to the present Covenant recognize the right of everyone to social security, including social insurance.

International Covenant on Economic, Social and Cultural Rights, 1966 (ICESCR)

The two recent international instruments, ILO's Recommendation 202 on National Floors of Social Protection of 2012 and the UN's Sustainable Development Goals (SDGs) of 2015 adopted unanimously by the Member States of the ILO and UN respectively now embody the important international consensus that social protection – at least at a basic level – must be afforded to everyone. Both instruments are, at the same time, ambitious and pragmatic instruments that set the way forward to universal social protection.

The ILO's Recommendation 202 of 2012 provides clear guidance on national policy dedicated to progress in the social sphere. In particular, the definition of basic social protection in the ILO Recommendation refers to a social protection 'floor' that should be available to all and upon which higher levels of security should be built for as many people as possible, as soon as possible. The floor and the additional levels of protection that must be built thereafter together create a comprehensive national social protection system.

The floor of any national social protection system should comprise four basic social security guarantees – income security during childhood, adult years and old age, as well as guaranteed access to essential health care. The term 'guarantees' underlines that the focus is on the outcome in terms of social security that can be achieved by different types of benefits and different types of schemes (whether they be social insurance, social assistance, universal benefits or labour market measures). The overriding objective is to provide security to all who need protection³, Article 4 of the Recommendation defines income security, stating "*these guarantees should ensure that all in need have access to essential health care and basic income security which together secure effective access to goods and services defined as necessary at the national level*".

³ This formulation is that of the ILO's "Declaration concerning the aims and purposes of the International Labour Organisation (DECLARATION OF PHILADELPHIA)" of 1944, a constituent part of the ILO Constitution; see Article III (f): "*the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care*".

Income security, thereby defined as the ability to access essential goods and services, can be achieved through cash transfers and/or transfers in kind and/or in the form of access to essential social services. Health security is a situation where all people have access to essential health care goods and services.

In sum, ILO Recommendation 202 and the SDGs represent an agreed commitment by the global

community for universal social protection coverage that places an obligation on States to extend social protection to all residents. For all international organizations acting on behalf of the global community of nations, including the International Monetary Fund (IMF) and the international development banks, these instruments lay down concrete and unquestionable guidelines in regard to the advice and financial support they must deliver to countries.

The SDGs commit the community of nations to a wide social agenda, justly titled “Transforming our world”. The main social protection targets are:

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, and

3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Further references to social protection are stipulated in goal 5 on gender equality and goal 10 on reducing inequality.

Accordingly, also, the SDGs demand, *inter alia*, quality education, clean water and sanitation, and affordable and clean energy, each an important goal of sustainable development, e.g.:

4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

Transforming our World: The 2030 Agenda for Sustainable Development, 2015

The community of nations has adopted a moral, political and social compass in declaring that the right for everyone to live in social security is a basic human right. Unfortunately, there is substantial variation between governments and between international institutions; some appear to deviate from the guidelines regarding the enjoyment of that right more than others. This call to action by the Global Coalition for Social Protection Floors seeks to influence the course of these practices.

The economic imperative to finance universal social protection

We know that social progress cannot be driven exclusively by economic growth policies. If the only social progress is that which derives indirectly and quite incidentally, as a quasi-side effect, from economic growth, any improvement is slow and uneven. We know that the benefits of economic

growth do not trickle down to all people within societies. Measurable social progress needs a dedicated policy tool directed at the social sphere that helps to jump-start social development, or to accelerate its rate of growth, in order to achieve results much faster than by waiting for the possible, uncertain and haphazard positive social side-effects of economic growth.

Social protection can achieve effective and efficient redistribution in a shorter time than any other policy means. All societies with highly developed economies have substantial public social protection systems – even in countries where these systems, for political reasons, are relentlessly subjected to neoclassical market-oriented pressures to downsize or privatize – and all of them started to develop these systems at early stages of their economic growth, which contributed significantly to their economic development. The global community has

acknowledged that fact and reiterated the central role of social protection for economic development for more than half a century.

It is a reality that not only most countries can afford social protection, but that most countries cannot afford *not* to invest in social protection. No country will be able to realize its economic potential if it does not invest in the health, education and the material security of its population. A significant part of such investments is typically channelled through social protection. Lack of formal social protection is associated with low levels of labour market formalization, which is itself a major barrier to workforce productivity and hence the overall productive capacity of the economy.

The political imperative to finance universal social protection

The political will to mobilize the national resources needed to provide universal social protection must be summoned to meet the legal and economic imperatives to finance social protection. Virtually all developed economies have substantial social protection systems, based on expenditures of about 20 to 30 per cent of gross domestic product (GDP), or more⁴.

All of these economies introduced extensive social transfers at a stage at which they were relatively poor, when compared to the resources they command today. Yet there is no evidence that they gave up much growth, if at all, as they combated poverty, inequality and insecurity through the establishment of social policies. Those circumstances serve to refute the often-quoted notion of a “trade-off” between growth and redistribution. To the contrary, those States with the highest levels of social protection expenditure have today the most robust labour markets and resilient economies⁵.

⁴ See International Labour Organization, 2017. World Social Protection Report 2017-2019. Geneva: ILO.

⁵ See, for example, European Commission, 2013. “Evidence on Demographic and Social Trends. Social Policies’ Contribution to Inclusion, Employment and the

The fact that countries at the same level of per capita income have a wide range of social protection expenditure (measured as a percentage of GDP) demonstrates clearly that social expenditure is not merely determined by their level of economic development, but by their degree of political will. Indeed, societies exercise considerable discretion when deliberating the fiscal and financial size of their social protection systems. We also see a wide variation of poverty and inequality indicators between countries at similar levels of per capita GDP. The reason is that the private economy – left to itself – does not develop conduits for redistribution. The only protection that arises in that case relates to the spontaneous informal support of the intra-family, intra-kinship kind to counter vulnerability, which cannot and does not cover entire populations, and which is uncertain and haphazard. Government action is required to make redistribution happen systematically.

The fiscal size of national social protection gaps

The most comprehensive global study of the fiscal size of national social protection gaps - the absolute minimum of resources required to close gaps in the financing of social protection floors - comes from a recent study published by the Friedrich Ebert Stiftung (FES) for the Global Coalition for Social Protection Floors⁶. The study provides calculations of only the estimated fiscal size of protection gaps, that is the total additional cost of transfers and services of perfectly targeted social protection systems whose administrative cost is absorbed already by existing effective and efficient national administrations. The figures thus represent only the absolute minimum level of additional investment in social protection for the countries included in the study. To close protection gaps in reality the cost may have to be increased by

Economy”, Commission Staff Working Document. Brussels: European Commission (20 February), 47 pages.

⁶ See Mira Bierbaum, Cécilie Schildberg and Michael Cichon, 2017. “Social Protection Floor Index – Update and Country Studies”. Berlin: Friedrich Ebert Stiftung (FES) for the Global Coalition for Social Protection Floors.

additional administrative cost. Nonetheless, these figures provide an indication of the dimension of the fiscal challenge that countries may face when seeking to close the gaps in their social protection floors. Importantly, the results indicate that some level of effective social protection is affordable everywhere.

The authors of the study developed an index of the cost that countries would need to address if they were to close income security and health security gaps through the theoretically cheapest possible means, for example through perfectly targeted income transfers to the poor. The results of the latest update of the Index indicate that 116 countries would be able to close their social protection gaps with increases in national social protection spending of less than 4 per cent of GDP; in the case of 32 countries, they could close the gap with an increase below 1 per cent of GDP. Only 21 countries would require increases in spending above 4 per cent of GDP to close their social protection gaps⁷. Among these, a small number of countries would likely require some temporary international support to finance the development of adequate social protection floors - at least in the short-term - before they are expected to build up sufficient domestic fiscal capacity. Support amounting to about 50 per cent of their social protection cost, ranging annually between US\$10 and 15 billion, could be needed. That amount is equivalent to about 0.09 per cent of the estimated

⁷ The cost of closing the income poverty gap is calculated as the cost of raising the incomes of persons who have less than 50 per cent of the country's median income up to the 50 per cent level, except in the case of the poorest countries for which the 50 per cent indicator would be below US\$1.90 per day, the international indicator noted earlier in footnote 2. In those cases, the cost of raising the income of the poorest to the US\$1.90 target is used. Calculation of the health spending gap requires assessing the difference between actual national spending and the average public health expenditure of countries with adequate levels and allocation of professional health care staff (see Bierbaum et al., op cit. in footnote 7).

global military spending of about US\$1.7 trillion⁸, a solidarity investment that many would argue would yield a much higher peace dividend than the military spending is likely to achieve. Clearly, this is a level of international solidarity that we are able to afford.

Clearly also, however, before countries resort to international solidarity, they will have to organize national solidarity in the form of effective risk pools which allow people to share the cost of social protection as fairly as possible within the resources that they can already command.

Protecting people by creating coherent systems of large and stable risk pools

There is no doubt that the implementation of social protection floors in low- and medium-income countries will require substantial additional investments in social protection. All social protection systems are essentially risk pools that need to be endowed with adequate resources to be able to fulfill their protective promises.

Nevertheless, not all resources needed for better social protection need to be "new" resources. Extending or introducing formal social protection systems does not really create as much new redistribution as is often maintained. To a large extent, formal social protection systems serve to formalize existing informal intra-family and inter-family transfers – a fact which is rarely (if ever) appreciated. Other than in the dire circumstances that strike entire populations, people have not and do not let their families and clans, friends or neighbours die of hunger. Informal transfers have normally ensured the survival of people who fall on hard times. Formal transfers replace such informal transfers and, importantly, stabilize the certainty of access to adequate and future resources. Informal social protection systems are vulnerable to shocks, as the risk pools are small.

⁸ See Stockholm International Peace Research Institute (SIPRI), 2018. Accessible on 2 April 2019: <https://www.sipri.org/media/press-release/2018/global-military-spending-remains-high-17-trillion> (2 May).

Small risk pools inevitably entail that members of poor risk pools receive less and less reliable protection than members of rich risk pools. Enlarging, and hence stabilizing, social protection risk pools beyond family and kin requires their formalization. Reducing vulnerability through formalization necessarily creates transaction costs in the form of administration, but it also leads uncontroversially to higher levels of reliability, fairness and equality. Formalizing social protection also protects the classical “sharers” of income against the major unpredictable informal costs of protecting people close to them.

The creation of large risk pools can take the form of national tax-financed transfer systems or of social insurance schemes that mandatorily cover subgroups of the active population and their dependants. Social insurance schemes are independent parastatal organizations that collect their own earmarked resources for social protection in the form of contributions from employers and workers. These contributions may be easier to collect than taxes and allow the government to focus the use of general revenues for the protection of those who cannot contribute, or to cover risks that cannot be insured. Social insurance schemes have a contractual arrangement with insured persons. These contracts are generally defined by law and stipulate the nature, amount and structure of benefits that are due to insured persons when the insured events arise (such as sickness, unemployment, disability, and old age). Most social insurance schemes enjoy the support of their contributors and insured persons, who regard them as more reliable and responsive than state systems that often become underfunded, or commercial, profit-making private sector schemes. Most national social protection systems consist of combinations of tax-financed and contribution-financed benefit schemes. The well-designed and financed combination of risk pools of different sizes allows the achievement of universal protection of all residents. It also provides the basis for flexible and progressive improvements in levels of protection for those who seek – and are willing to finance - higher levels of protection.

What is the most efficient way to protect the poorest?

Within systems of national risk pools, the effective protection of the poorest in society often poses particular challenges in many societies. The debate whether tax-financed benefits should be targeted to the poor or whether benefits should be universal has become unnecessarily controversial and should become less so once the alternatives are seen in a rational overall human rights and fiscal policy context.

First of all, targeting cannot be perfect in reality. Rigorous means-testing to determine individual eligibility for benefits would substantially increase the amount of information needed as well as the frequency with which it is collected, given that personal incomes are often volatile, fluctuating around the eligibility line, and dipping below it for unpredictable durations. Collecting detailed information of this type raises the cost of programmes. Rationing of benefits through individual means-tests not only triggers substantial administrative cost but often dramatically increases the overall cost of delivering the benefits. As a result, many governments have taken to replacing actual means tests with what is termed a ‘proxy means test’ (PMT) – a method that uses poverty-related variables (e.g. the worth of observable or reported assets) to predict whether individuals qualify for a benefit. Whereas proxy means tests could have a lower administrative cost than individual means-testing, they must, however, constitute a violation of human rights if they exclude people in actual need. The right to an adequate standard of living is personal, individual and real. It is not a proxy. In one of many explorations into this issue, Development Pathways [points to evidence](#) that exclusion errors can amount to 50 per cent of the otherwise targeted population, which means that the PMT is no more statistically valid than a coin toss⁹.

⁹ Stephen Kidd, Bjorn Gelders and Diloá Bailey-Athias, 2017. “Exclusion by design: An assessment of the effectiveness of the proxy means test poverty targeting mechanism”, Extension of Social Security (ESS) – Working Paper No. 56. Geneva: ILO and Development

The World Bank refers to inclusion and exclusion errors of roughly 30 to 40 per cent¹⁰ which are similarly intolerably large. Based on these estimates, no one would disagree that the use of PMT means that there are – inevitably and systematically – people who are excluded from benefits who need and deserve help.

As targeting systems are fraught with exclusion errors and the means of targeting are themselves associated with creating intolerable stigma, many countries resort to more universal systems. Depending on the nature of an existing protection system, making benefits universal does not necessarily introduce large additional cost. The authors of a recent ILO paper have shown that a basic set of universal categorical cash benefits would require about 4 per cent of GDP in 57 lower income countries¹¹. This is not negligible, but represents only the gross additional cost. If a country already has a targeted system, then the net additional cost of switching to a universal system would be lower, given that it would be offset by dismantling the costly existing administrative system for determining and monitoring eligibility.

Universal benefits – indeed, any benefit system included in the government budget – must be

funded through effective and progressive tax systems. In contrast to this, if additional tax revenue to cover the cost of a protection system is collected from a tax on consumption, for example through a value added tax, it will be regressive, reducing and possibly even eliminating the net benefit to the poor, who will have to pay that tax when they purchase taxed goods or services.

A progressive addition to the income tax paid by earners in the formal economy can assure that the poor receive the intended benefits¹². A progressive income tax would also facilitate the clawback of a part or all of the redistributed resources from people who might not need them as urgently as others. While targeting of benefits may help save only a fraction of a few percentage points of GDP in transfers at the price of creating social stigma and excluding rightful beneficiaries, an effective tax collection system can help to collect much more additional resources than a means-test can ever save. It is also the soundest basis for governments to have the flexibility required to meet the social protection needs of their populations, and to ensure that social policy is gender-responsive and shock-responsive, taking account of potential economic, environmental and humanitarian shocks.

Pathways, 22 pages. Accessible on 2 April 2019: <https://www.developmentpathways.co.uk/wp-content/uploads/2017/03/Exclusion-by-design-An-assessment-of-the-effectiveness-of-the-proxy-means-test-poverty-targeting-mechanism-1-1.pdf>.

¹⁰ World Bank Group Social Protection & Labor Team, no date. “PMT-based social registries: Measuring income and poverty using Proxy Means Tests”. Dhaka: World Bank, 5 pages. Accessible on 2 April 2019 at <https://olc.worldbank.org/sites/default/files/1.pdf>.

¹¹ Isabel Ortiz, Fabio Durán-Valverde, Karuna Pal, Christina Behrendt and Andrés Acuña-Ulate, 2017. “Universal Social Protection Floors: Costing Estimates and Affordability in 57 Lower Income Countries”, Extension of Social Security (ESS) Working Paper No. 58. Geneva: ILO, 61 pages. Accessible on 2 April 2019: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_614407.pdf.

Sustaining effective social protection systems

Social expenditure is an investment of public resources not only in social development, but in economic growth and development. In the long-run, properly designed and managed social protection systems pay for themselves.

In order for resources to be invested, two conditions must be met. First, revenues must be collected. Second, governments must have the capacity for effective and efficient disbursement. For these two conditions to be met, we need fair and progressive tax regimes and corruption-free tax collection and benefit distribution mechanisms.

¹² Considerable research on tax policy design in this context can be found in: Nora Lustig, editor, 2018. *Commitment to Equity Handbook: Estimating the Impact of Fiscal Policy on Inequality and Poverty*. Washington, D.C.: Brookings Institution Press (30 October).

Without a well-resourced state or parastatal entities that can operate sound redistribution, only the rich and powerful ‘few’ will be socially secure and benefit from economic growth. It makes sense to invest in a properly functioning and equitable income-tax and contribution collection mechanism. Tackling tax evasion and strengthening financial transparency could also significantly contribute to the sustainable financing of universal social protection – as it is currently estimated that assets of rich individuals alone worth some 10 per cent of the world’s GDP are held in tax havens¹³. It also makes sense to couple a tax-focused policy with additional job creation, which widens the tax base, and to include incentives to draw more people into the formal economy¹⁴.

In the same vein, the political sustainability of social protection systems will be undermined if public administrations are not capable of delivering benefits reliably, swiftly and without corruption to those who are eligible. This clearly requires major attention be paid to national and global governance as a condition for exercising and maintaining political will, as well as for collecting and disbursing national revenues.

International support for the very poorest countries unable to kick-start the economic benefit social protection at their low stage of economic capacity could come through a global solidarity mechanism, such as the idea of a Global Fund for Social Protection put forward by former UN Special Rapporteurs Olivier de Schutter and Magdalena Sepúlveda¹⁵.

¹³ Jannick Damgaard, Thomas Elkjaer and Niels Johannesen, 2018. “Piercing the Veil”, *Finance & Development* (quarterly publication of the IMF), Vol. 55, No. 2: 51-53 (June).

¹⁴ See, for example, World Solidarity, 2016. “Amussol: informal workers have access to social security in the Dominican Republic!”, WSM-THEMATIC REPORT LATIN AMERICA-N ° 2. Brussels: World Solidarity, 8 pages (December). Available on 2 April 2019: www.solmond.be and www.wereldsolidariteit.be.

¹⁵ For more information see: Olivier de Schutter and Magdalena Sepúlveda, 2012. “Underwriting the Poor: A Global Fund for Social Protection”, Briefing Note 07. Geneva: Office of the United Nations High Commissioner

If developed, a global solidarity mechanism could support the financing of technical assistance on social protection in low-income countries where limited resources exist at national level; it could also support the financing of benefits themselves at points when sudden excessive demand for social protection is experienced due to economic, environmental, or humanitarian shocks. In addition to such a specific fund, existing development assistance could better contribute to reducing national financing gaps for social protection. Only a small portion of Official Development Assistance (ODA) tends to be directed towards social protection, and in such cases, assistance is often used to support small-scale social protection projects and highly targeted schemes, rather than contributing to the gradual development of adequate, sustainable social protection systems¹⁶. Beyond international support, and prior to any assistance from any fund-based or ODA assistance, States must first identify ways to raise revenues or reprioritize public expenditure in order to ensure a more adequate and sustainable fiscal space for social protection. Enhancing progressive taxation and tackling tax evasion would also contribute significantly to budget shortfalls. Expanding contributory revenues for social security coverage, along with policies to increase formal employment, would also be helpful in this regard¹⁷.

for Human Rights, 26 pages (October). Available on 2 April 2019:

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

¹⁶ See, for example, International Trade Union Confederation (ITUC), 2018. Global Conference on Financing Social Protection, meeting held in Brussels, 17-18 September 2018 in partnership with the Friedrich Ebert Stiftung and World Solidarity, documents and conclusions. Accessible on 2 April 2019 at <https://www.ituc-csi.org/Social-Protection-Conference-2018-Documents?lang=en>.

¹⁷ Isabel Ortiz, Matthew Cummins and Kalaivani Karunanethy, 2017. “Fiscal Space for Social Protection and the SDGs: Options to Expand Social Investments in 187 Countries”, Extension of Social Security (ESS) Working Paper No. 48. Geneva: International Labour

A recent Asian Development Bank publication demonstrates that many developing countries have realistic options at their disposal at the national level to close the resource gaps¹⁸. The authors of the study found that in 12 of 16 Asian countries studied, tackling even the wider social agenda of the SDGs (including social transfers, health, education and essential services) would require an increase in government resources of less than 20 per cent over the next decade or so. In short, while some countries are so poor that they cannot offer much protection without an arguably modest contribution from the international community, the vast majority of societies in the world can already afford a solid level of social protection and of access to social services.

Nevertheless, resource mobilization requires sustained political will and long-term fiscal planning and preparation to meet the inevitable but unpredictable economic challenges that arise¹⁹. In times of crisis (such as financial and/or economic crisis, natural or climate change-related catastrophes, influx of refugees and migrants, among others) social protection expenditures need

Organization and New York: UNICEF & UNWOMEN, 71 pages (2nd edition, 25 May).

¹⁸ Michael Cichon, 2018. "The Social Protection Agenda of the Sustainable Development Goals and Its Fiscal Challenge" and Appendix 1: "Sustainable Development Goals, Governance, and Outcome Targets Constituting the Social Protection Agenda of the Sustainable Development Goals" in Sri Wening Handayani, editor. Asia's Fiscal Challenge: Financing the Social Protection Agenda of the Sustainable Development Goals. Manila: Asian Development Bank, pp. 10-49 and 210-213 (October). Accessible on 2 April 2019: <https://www.adb.org/publications/asia-fiscal-challenge-social-protection-agenda>.

¹⁹ Barry Herman, 2018. "Sustainably Financing Social Protection Floors: Toward a Permanent Role in National Development Planning and Taxation", Discussion Paper. Berlin: Bröt für die Welt with the Global Coalition for Social Protection Floors, Analysis 81, 40 pages (April). Accessible on 2 April 2019: <http://www.socialprotectionfloorscoalition.org/wp-content/uploads/2018/06/2018-Publication-Analyse81-Barry-Herman.pdf>.

to be maintained and increased. Governments can cope with added social protection needs from such emergencies to a point, which differs according to the state of overall development and the historical ability to build up national reserves. International mechanisms are necessary beyond that point to address such crises, including quickly disbursable grants or loans on appropriate terms. Whereas a range of such resources is already available²⁰, there is still room to expand them and to reset prequalification terms to draw on them.

Furthermore, low-income and low-middle-income developing countries do not have the capacity to capture all taxes due that presently escape their fiscal systems without help. While some progress has been made, further internationally coordinated efforts are required to effectively reduce tax evasion of multi-national enterprises as well as of wealthy individuals and families. Technical assistance would also help countries design systems that no longer offer opportunities for legal, but unethical, tax avoidance schemes; for example, that no longer offer competing tax incentives to foreign investors that erode the national tax base and activate a fiscal "race to the bottom". We also need new global initiatives on international taxation in the context of the United Nations, the International Monetary Fund and the Bank for International Settlements, in addition to initiatives of the OECD.

It should also be noted that one reason that social protection systems are stressed in periods of crisis is due to the priority given to uninterrupted repayments to government creditors during the time when expenditures should focus on domestic needs. It is timely to seek recalibration of the risk-sharing between involved parties and to repurpose interactions to prioritize sustainable financing and uninterrupted provision of the more necessary social protection.

²⁰ Inter-agency Task Force on Financing for Development, 2018. Financing for Development: Progress and Prospects, 2018. New York: United Nations. Accessible on 2 April 2019: https://developmentfinance.un.org/sites/developmentfinance.un.org/files/Report_IATF_2018.pdf.

The obligation to protect people in times of hardship and to maintain the services that are the precise objective of loans must take precedence over any obligation in respect of debt repayments when government revenues contract. At the same time, we should not wait for sovereign bankruptcy and measures of last resort to protect spending for basic social protection. Proposals to design loans and bonds which automatically suspend, postpone, or cancel debt servicing during periods of economic stress have many supporters, but have yet to be put into practice²¹. Moreover, the conditions required of countries in *quid pro quo* for receiving official loans during crises and recovery periods must protect the social protection floor and increase it as required to address the crisis-related human needs; for the international community to act otherwise would be antithetical to international commitments and human rights, as well as to the purpose of social protection itself.

Getting to universal social protection

Swift action by a number of political actors in national governments and global institutions is needed to ensure that the human right to social protection can be universally enjoyed. To this end, the Global Coalition for Social Protection Floors demands that the following actions be taken by key official players.

National governments and parliaments

In order to initiate and/or build national social protection systems, governments and parliaments need to apply appropriate levels of national capacity and resources; to this end, national governments and parliaments are requested to:

1. Develop, implement and enforce strong legislative frameworks for national social

protection systems, and any other schemes that ensure universal, non-discriminatory protection, reliable and adequate benefit entitlements as a right;

2. Create and/or facilitate representative and transparent national social dialogue and societal consultation that is comprehensive and inclusive on the design and implementation of national social protection floors and systems;
3. Build the administrative and governance capacities to operate effective, responsive and efficient national protection systems;
4. Mobilize the necessary resources for social protection by increasing fiscal space through progressive forms of taxation that favour the taxation of income over the taxation of consumption, tackling tax evasion and illicit financial flows, and supporting access to formal employment, formalizing employment whenever possible, and introducing or expanding social insurance schemes for those who can contribute, among other measures;
5. Ensure consistency between social protection policies and other social and economic policies such that they together pursue common and coherent overall social policy goals; for example, policies for the reduction of informality and introduction of minimum wage levels to abolish in-work poverty should be implemented in parallel with the availability of a comprehensive set of social services in order to free the social assistance resources for the protection of people who are out of work or not available for work by reason of age, maternity, sickness, or disability.
6. Assume and contribute to international responsibility to ensure that social protection floors can be maintained or expanded in resource-poor countries, as well as during crisis situations in hard hit countries (i.e. due to natural, climate-related and humanitarian shocks).

²¹ Staff of the International Monetary Fund (IMF), 2017. "State-Contingent Debt Instruments for Sovereigns", IMF Policy Paper: Staff Report and Press Release. Washington, D.C.: International Monetary Fund, 45 pages (23 March and 22 May). Accessible on 2 April 2019: <https://www.imf.org/en/Publications/Policy-Papers/Issues/2017/05/19/pp032317state-contingent-debt-instruments-for-sovereigns>.

International Financial Institutions

The World Bank, regional development banks and the International Monetary Fund (IMF), are requested to:

1. Clarify their economic, financial and loan policies with respect to the unequivocal role of social protection as an investment and essential component of economic growth and development and ensure coherence across all areas of their activities on that basis;
2. Provide – whenever necessary – resources in the form of grants or concessional loans to facilitate investments in the set-up of national social protection systems that include investments in training and capacity-building of staff, and in the physical infrastructure that are required to implement social protection systems responsive to the needs of societies and that protect the entire resident population;
3. Cooperate with other international institutions, civil society and social partners including trade unions to develop a robust procedural methodology to determine the minimum level of investment in social protection systems to recommend to governments at all levels of development;
4. Help assure the resources needed to close the gaps in national social protection in good as well as bad times by making the long-run mobilization of resources in national financing frameworks for this purpose and their expenditure in medium-term spending plans conditions to pre-qualify for automatic and immediate access to international financial support during severe crises so as to ‘ring fence’ the social protection floor;
5. Support the conceptualization and negotiation of international financial instruments and initiatives to support national investments in social protection, such as an International Financial Transaction Tax, a Financial Activities Tax, and similar measures;
6. Make collaboration with relevant UN agencies and consultations with all national stakeholders a mandatory part of advisory activities and lending programmes for member countries, in the form of national social dialogue and societal consultation processes; and

7. Contribute through their advisory and investment activities to the implementation of the SDGs and other globally or regionally agreed international instruments on social protection, as well as work to enable countries to attain their national social protection priorities.

The United Nations System and in particular its specialized agencies ILO, WHO, FAO are requested to:

1. Promote the implementation, application, and, where appropriate, the enforcement of existing international standards, including ILO’s Social Protection Floors Recommendation, 2012 (No. 202) and applicable labour standards and human rights law relevant to social protection by ensuring coherence in internationally agreed social policy, including in the promotion of action at global and national level to implement the SDGs;
2. Work toward upgrading and strengthening international standards by promoting their further development, ensuring at the same time that in addressing rights to income and health security, no development must contradict or regress on obligations already formulated in existing international instruments and objectives specified in the SDGs and any other acquired rights and entitlements;
3. Work to create a global solidarity mechanism to support the maintenance and advancement of
4. social protection components and systems that helps countries with very low income and countries in distress to catalyse financing for essential social transfers to achieve income security and health security, and that also serves to coordinate support to States to develop independent financing capacity over the medium and longer term;
5. Support countries to develop representative, constructive and transparent national social dialogue and societal consultations on social protection and make such dialogue and societal consultations an integral component of the technical or advisory support that UN agencies provide to States on social protection;
6. Intensify collaboration across the UN system on social protection and wider social policy matters

and monitor the national and international funding of social protection and actions of the International Financial Institutions as part of the new Social Compact agreed at the Third International Conference on Financing for Development in Addis Ababa (2015);

7. Increase international multilateral technical and advisory capacity to support Member States on the development, administration and financing of national social protection systems;
8. Place stronger emphasis on supporting national capacity building for social protection planning, management and financing, on the application of good standards of social governance at national level and on helping to develop and strengthen standards of good and responsible social governance; and
9. Support the establishment of an international tax cooperation body at the United Nations that makes international cooperation on tax matters more effective, aimed at reducing opportunities for tax evasion and aiding countries to capture the taxes due that can serve to finance social protection, by reducing downward pressures on national tax levels from global tax competition, among other means.

Civil society and trade unions

In addition to national and international authorities, civil society and trade unions play important roles in building political will and generating public support for reform. Their inclusion alongside the political actors in national governments and global institutions is a matter of democratic and inclusive governance, increasing the likelihood of broad-based support and of strengthening the social contract.

The development, implementation and monitoring of universal social protection policies requires the effective and structural involvement civil society and trade unions. Whereas governments are, of course, the primary duty-bearers in delivering universal social protection, they should recognize the important transformative role that civil society and trade unions play in realizing the right to social protection for people around the world. This is mainly due to their important work on the ground, with the people and for the people.

At national level, civil society and trade unions, broadly represented by the membership of the Global Coalition for Social Protection Floors, organize women and men in their communities, work with vulnerable groups, help develop good practice in matters of social protection, and empower communities to formulate demands that can transform national systems.

International instruments on social protection create policy opportunities to promote the extension of social protection at national levels and themselves promote national and international solidarity to support national efforts.

To this end, the Global Coalition for Social Protection Floors, a coalition of civil society organizations and trade unions, pledges to continue to:

1. Demand adherence to international instruments on social protection by national governments and international organizations and to promote the further development of global standards;
2. Demand the set-up and continuation of national dialogue and national societal consultations on social protection;
3. Demand consistency between social protection policies and other social and economic policies; for example, policies for the reduction of informality and introduction of minimum wage levels to abolish in-work poverty should be implemented in parallel with the availability of a comprehensive set of social services in order to free the social assistance resources for the protection of people who are out of work or not available for work by reason of age, maternity, sickness, or disability.
4. Train trade union and civil society representatives in the design, planning, financial and general management, supervising and monitoring of social protection systems as needed; and
5. Monitor national and international efforts to extend social protection systems inter alia by organizing regular national and international meetings on accountability mechanisms and outcomes that review national progress towards universal social protection that is inclusive and accessible, notably with reference to completing the social protection floor and progress in

achieving the wider international social agenda. These meetings should in particular monitor the policy recommendations of the IMF, the World Bank, the ILO and other UN specialized agencies working in specific countries and their compliance with international instruments and development objectives.

Our world is not sustainable without social security for all

Experts, civil society, and trade unions have pointed out for decades that at least a basic level of social protection that provides a solid level of security is affordable, everywhere. This is not a long-term hope for a distant better future. Basic social protection is affordable now. A maximum of between 2 and 3 per cent of global GDP would be needed to bring the income of the poorest up to the US\$ 3.20 line and add about US\$500 per poor person to the annual resources available for health care.

If the global community continues to hesitate to muster the solidarity to finance that level of national and international redistribution, we would be accepting another outrageous situation for global humanity, on par with that of our reckless treatment of the environment.

The accelerating destruction of our natural environment and growing indifference to human misery are parallel tendencies that are reciprocal in

many ways. One problem cannot be solved without solving the other. People cannot be expected to change their behaviour to protect the environment – and hence help reduce environmental hazards that are predominantly caused by the lifestyles and production technologies that benefit the rich – if their economic misery, hunger, lack of education and access to essential goods and services forces them *inter alia* to burn fossil fuels, dilapidate resources and endangered assets, dispose of waste improperly, and fail to protect sources of clean water; prevents them from having access to carbon-neutral forms of transport; and limits their capacity to produce goods without wasting scarce inputs.

No country can afford not to invest in social protection. Poverty, inequality and uncertainty not only affect the quality of life of billions of individuals, but also undermine the cohesive fabric of societies, the credibility and stability of national and geo-political systems and the sustainability of our physical environment. They are a source of national unrest, a potential cause of major public health and environmental catastrophes, of migratory pressures and of conflict.

We have the mandate, the means and the insights to act. We have to muster the political will for the good of all of us.

JOIN US TO ACHIEVE SOCIAL PROTECTION FOR ALL

GLOBAL COALITION FOR SOCIAL PROTECTION FLOORS - GCSPF

<http://www.socialprotectionfloorscoalition.org/>