Addressing social inclusion through social security: The ILO’s experience in monitoring social protection policies

MOST International UNECSO workshop
Measuring Social Public Policies: Inclusiveness and Impact
Paris, 25-26 March 2013

Christina Behrendt and Florence Bonnet
ILO Social Protection Department
1. Addressing social inclusion through social security
Addressing social inclusion through social security/protection: some channels of impact

- Meet basic needs
- Guarantee effective access to health care
- Contribute to long-term well-being
- Enhance ability to escape poverty and guarantee income security
- Build human capital and enhance poor people’s productive capacity
- Promote equity, social justice and empowerment
- Contribute to long-term well-being
- Build human capital and enhance poor people’s productive capacity
- Promote equity, social justice and empowerment

Social inclusion
2. The ILO’s approach to addressing social inclusion through social security
Where does this fit into the ILO’s strategic framework?

All of the ILO’s four strategic objectives are relevant to promoting social inclusion.

- **Promote and realize standards and fundamental principles and rights at work**
- **Create greater opportunities for women and men to decent employment and income**
- **Enhance the coverage and effectiveness of social protection for all**
- **Strengthen tripartism and social dialogue**

Consultation process leading to ILO strategy and Social Protection Floors Recommendation

International Labour Conference 2001
- “New consensus” on extension of social security

Crisis response initiatives 2009
- Global Jobs Pact
- ILO and WHO mandated to lead UN CEB joint crisis response initiative on the social protection floor

International Labour Conference 2011
- Adoption of two-dimensional strategy (Resolution and Conclusions)
- Agreement on elements of possible Recommendation

International Labour Conference 2012
- Adoption of Social Protection Floors Recommendation

Global tripartite consensus: 453 votes in favour and 1 abstention from 142 countries

Social Protection Floor Initiative International and regional endorsements (G20 and others)
The Social Protection Floors Recommendation: A key instrument to promote social inclusion

Provides guidance to members to

**Horizontal dimension:**
Guaranteeing access to essential health care and minimum income security for all

**Vertical dimension:**

(a) Establish and maintain, as applicable, social protection floors as a fundamental element of their national social security systems

(b) Implement social protection floors within strategies for the extension of social security that progressively ensure higher levels of social security to as many people as possible, guided by ILO social security standards

Progressively build and maintain comprehensive and adequate social security systems

nationally defined sets of basic social security guarantees aimed at preventing or alleviating poverty, vulnerability and social exclusion
National social protection floors as part of comprehensive social security systems

<table>
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<tr>
<th>NATIONAL SOCIAL SECURITY SYSTEM</th>
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<td>Higher levels of protection</td>
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<th>NATIONAL SOCIAL PROTECTION FLOOR: nationally defined basic social security guarantees</th>
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<td>access to a set of goods and services constituting essential health care including maternity care</td>
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<td>basic income security for children providing access to nutrition, education, care and any other necessary goods and services</td>
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<td>basic income security for persons in active age unable to earn sufficient income</td>
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<td>basic income security for persons in old age</td>
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Monitoring social protection policies according to the Social Protection Floors Recommendation

Nationally-defined monitoring mechanisms and regular national consultations (participatory national dialogue)

- Collection, compilation and publication of social security data, statistics and indicators
- Legal framework to protect private individual information
- Taking into consideration relevant guidance provided by ILO and other international organisations
- Exchange of information, experience and expertise among members and with ILO
- Technical assistance from ILO and others

Strong emphasis on national monitoring mechanisms and national consultations
3. Monitoring social protection policies: ILO tools
Tools for comprehensive monitoring and evaluation of national social protection systems: from mapping to simulation of future costs and impacts of policy reforms

- ILO Social Security Inquiry: database containing social security statistics and indicators
- Social Protection Expenditure and Performance Reviews and Social Budgets (SPERs): detailed assessment of social protection policies, including their coverage, expenditure and financing
- Rapid Assessment Protocols (RAPs): tool for estimating the cost of implementing cash transfers and other social security benefits
- ILO Employment and Social Protection Expenditure, Policy and Impact Assessments
ILO Social Security Inquiry as a tool for mapping social protection systems

- Covers various types of schemes
  - statutory schemes and some non-statutory schemes, private and public schemes
- Type of data:
  - administrative data
  - Household survey data where possible
- Functions covered:
  - Old age; disability; survivors; sickness and health; unemployment; employment injury and occupational disease; family/children, and maternity, housing; other income support and assistance (n.e.c.)/social exclusion.
  - Can be further expanded
- Includes indicators on social security expenditure, financing as well as coverage
- Provides basis for ILO World Social Security Report and ILO Decent Work Indicators
Social Protection Expenditure and Performance Reviews (SPERs) and Social Budgets

- Provide institutional and statistical picture of the national social protection system
- Provide statistical analysis of the costs and financing sources
- Analyse the social protection needs and priorities, existing extent of coverage and coverage gaps
- Identify information gaps and recommend measures to improve availability and quality of the required statistical data and other information
- Measure the performance in terms of effectiveness, equity and efficiency
- Example of countries: Ukraine, Chile, Argentina, Uruguay, Senegal, Zambia, Tanzania, South Africa
Social budgeting: Monitoring past, current and future social protection finances

• Questions addressed:
  - How is the current social expenditure allocated?
  - What are the sources of financing?
  - What are the expenditure/revenue accounts for all existing social protection schemes?
  - What resources are needed in the future to finance existing schemes?
  - How much it will cost in short, medium, longer term to finance new planned or reformed schemes?
Costing of cash transfers and other benefits contributing towards an assessment of fiscal space: Rapid Assessment Protocol

**BENEFIT COST ESTIMATES**
- Benefit parameters
- Reference, target and covered population
- Total costs

- **README**
- **EAP**
- **ECO**
- **GGO (BS)**
- **GGO (SQ)**
- **POP**
- **AR**

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- BEN (1)

- **MODELING EXERCISE**

- **INFORMATION INSTRUCTIONS**
- **ACTIVE POPULATION**
- **MACRO-ECONOMIC FRAMEWORK**
- **GENERAL GOVMNT. OPS. SQ**
- **POPULATION BY AGE AND SEX**
- **ACTIVITY RATES BY AGE AND SEX**
ILO Decent Work Indicators
The social security dimension

Indicators already developed

- SECU-1. Share of population above the statutory retirement age (aged 65 or above) benefiting from an old-age pension – (main indicator)
- SECU-2. Public social security expenditure (percentage of GDP) – (main indicator)
- SECU-3. Health expenditure not financed out of pocket by private households – (additional indicator)
- SECU-4. Share of economically active population contributing to a pension scheme – (additional indicator)

Indicators to be developed by the ILO (future indicators)

- SECU-5 Share of eligible population covered by (basic) health care provision
- SECU-6 Public expenditure on needs-based cash income support (% of GDP)
- SECU-7 Beneficiaries of cash income support (% of the poor)
- SECU-8 Sick leave
- SECU-9 Share of unemployed receiving regular periodic social security unemployment benefits
- SECU-10 Ratio of average old-age pension received to minimum wage

Decent work is central to sustainable poverty reduction and is a means for achieving equitable, inclusive and sustainable development. The 2008 ILO Declaration on Social Justice for a Fair Globalization recommends the establishment of appropriate indicators to monitor and evaluate the progress made in the implementation of the ILO Decent Work Agenda. The ILO is supporting member States through technical assistance and capacity building at national, sub-regional and regional levels in this regard.
Reference documents

ILO social security strategy and Social Protection Floors Recommendation

- ILO Recommendation concerning national floors of social protection (Social Protection Floors Recommendation), 2012 (No. 202).

More general

- Extending social security to all. A guide through challenges and options (Geneva: ILO, 2010).
- See also GESS web portal: www.social-protection.org/

contact: behrendt@ilo.org or bonnet@ilo.org