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

**High Level Political Forum
United Nations
New York, 18 July 2017**

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

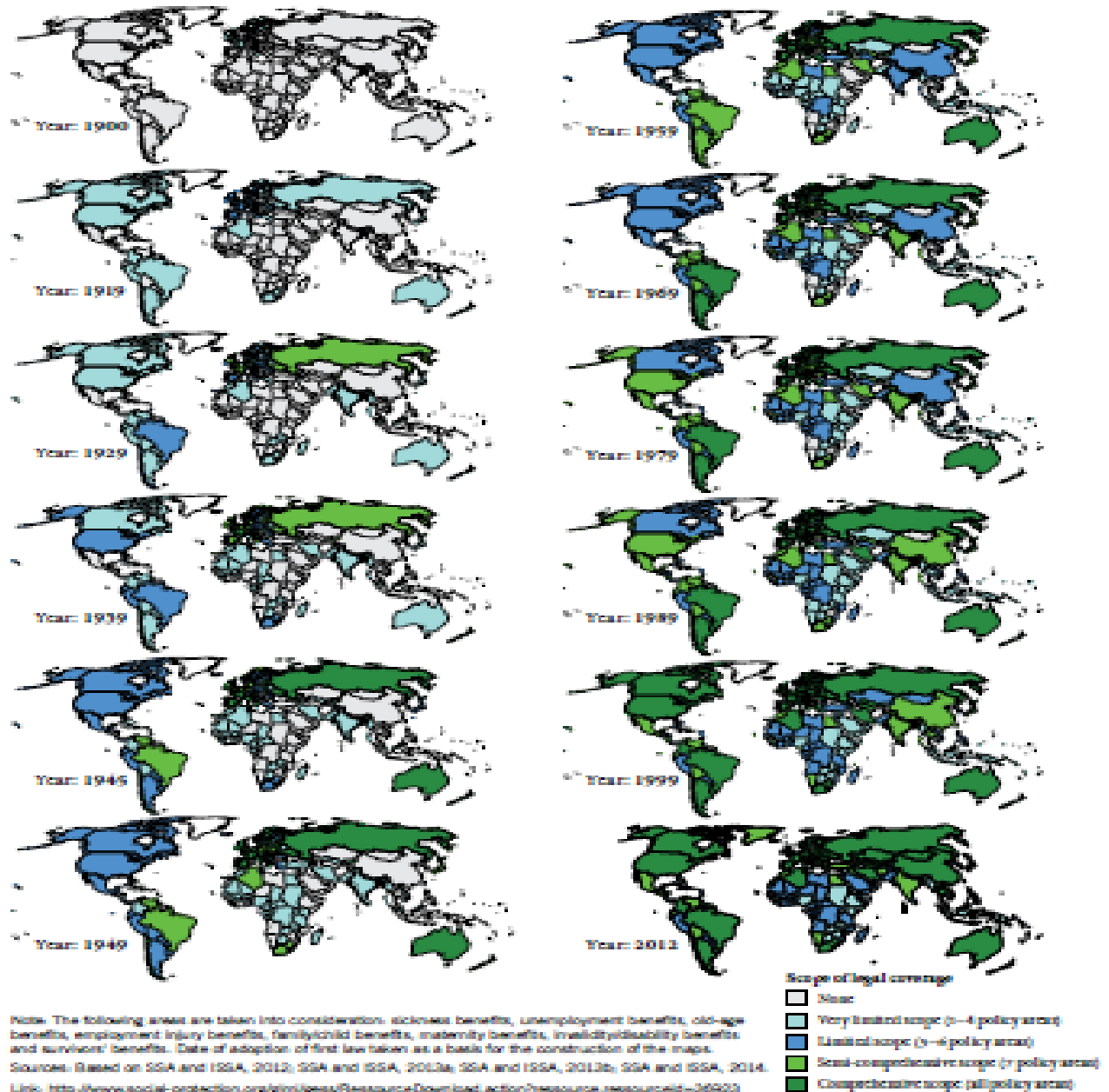
- Universal coverage and access to social protection are central to ending poverty and boosting shared prosperity, the World Bank's twin goals by 2030.
- Also at the core of the Social Protection Floors Recommendation, 2012 (No. 202), approved by world countries, endorsed by the UN and the G20
- World countries have also agreed on SDG 1.3



“Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”

A Story of More than 100 Years: Building Social Protection Systems ... Rapid Expansion since 2000s

Figure 1.1 Towards comprehensive social security systems: Number of areas covered in social protection programmes anchored in national legislation, 1900–2012

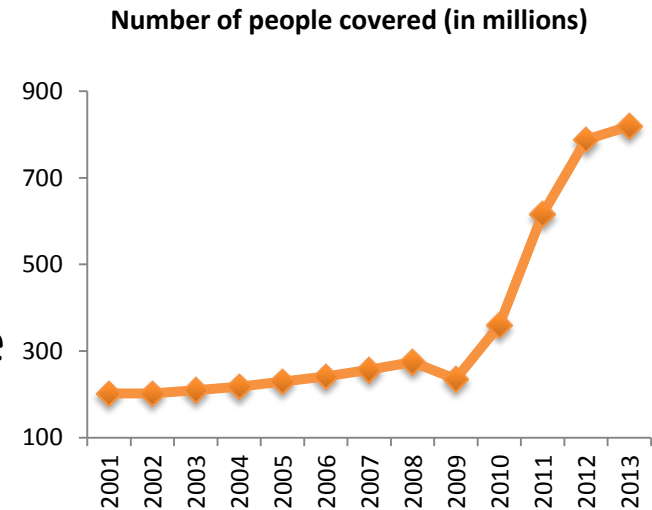


Source: [World Social Protection Report 2014-15](#), ILO

Many countries have put in place universal social protection schemes:

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

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



**SEE 23 COUNTRY CASES
AT: www.universal.social-protection.org**



...and many development partners working together to promote Universal Social Protection Systems



See: www.universal.social-protection.org

Universal Social Protection

SDG 1.3 Social protection systems for all, including floors

Children

Working age

Old age



Child Support

Support for those without jobs
Maternity

Work Injury

Disability Benefits

Access to Health

Old Age Pension, Survivors

Safety nets for the poor

Pathways to Universal Social Protection

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

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

Social Protection: Demonstrated Results

Higher income
security for
households

Reduces poverty
and inequality

Lessens social
tensions and
conflict

Builds political
stability

Increases
consumption and
aggregate
demand

Supports crisis
response and
structural change

Promotes
economic growth

Better access to
food and better
nutritional status

Higher utilization
of health services

Improved health

Higher school
attendance and
reduction in child
labour

Better educational
performance

Facilitates search
for jobs and riskier
decision-making

Promotes
productive
employment and
entrepreneurship

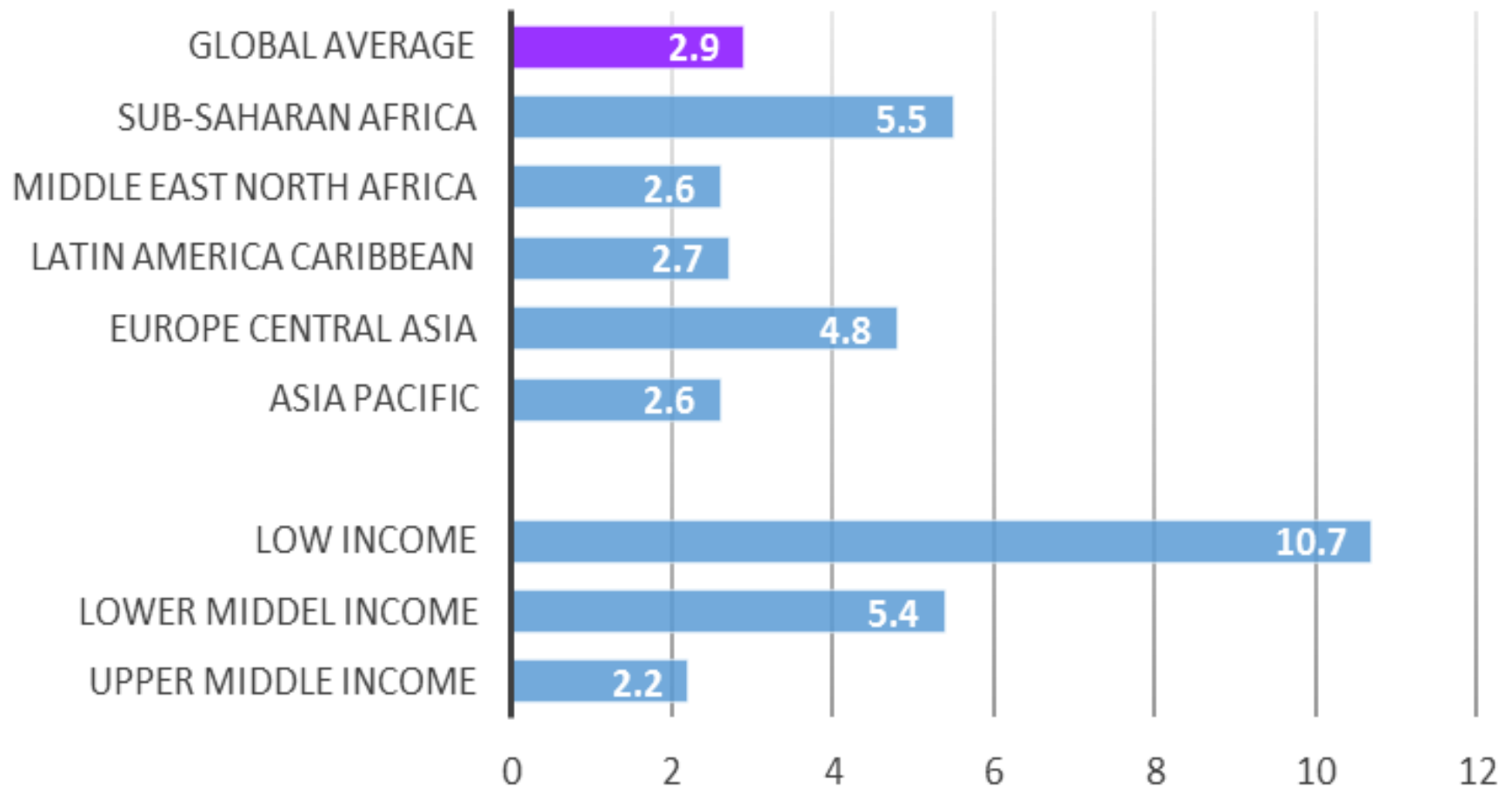
Increases human
development and
productivity

Inclusive growth and human development

Strategies for Universal Social Protection Systems, including floors

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

Cost of Social Protection Floor in 90 Developing Countries, in %GDP



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

Development Aid Necessary

- Particularly in low income countries
- **Social Protection:** Limited ODA, urgent need of funding
 - **While the recurrent costs of social protection floors are affordable in the majority of developing countries:** ILO estimates in 90 developing countries that recurrent resources needed to operate cash transfers and administrative costs amount to 2.9% GDP as an average
 - **Start-up investments are needed:** Initial investments for:
 - technical advisory services (desing, legal, actuarial, financial)
 - computers/ICT
 - building of administrative, actuarial and statistical capacities, including training to government officials
 - **Calls for a global fund or global trust funds (De Schutter/Sepulveda, ILO, Global Coalition for Social Protection Floors), or a global commitment/initiative, for social protection floors**

Shaping the Global Commitment on Social Protection

1. Coordinated support for Social Protection Floors:

- A “Global Fund” – proposals by de Schutter/Sepulveda, ILO, Global Coalition Social Protection Floors
- **Trust Funds:**
 - ILO Flagship Programme on Social Protection Floors
 - Multi donor multi partner trust fund (MPTF)

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

3. Monitoring Financial Commitments

- Monitoring national budgets – System of National Accounts and IMF Government Finance Statistics (GFS)
- Monitoring Development Aid – OECD DAC CRS Code 16010 Social/ welfare services
- Monitoring innovative sources of finance

Complemented by Innovative Sources of Development Finance

To complement -- never replace – ODA. Examples:

1. *Airline ticket levy*, exists in about 9 countries, earmarked for global health initiative UNITAID
2. *Financial Transaction Taxes (FTT)*, already exist in some G20 countries (EU 2011 estimates FTT could raise between €16-€400 billion)
3. *Arms trade taxes*: 10% tax on the international arms trade could accrue up to US\$5 billion annually (WHO 2009b)
4. Proposals for a World Solidarity Fund
5. Issuing new Special Drawing Rights (SDRs), UN proposals, would also serve to protect countries from the risk of financial crisis
6. Voluntary donations using new methods (percentage of credit card sales, lotteries, etc),

NATIONAL BUDGETS: Fiscal Space for Social Protection Floors Exists Even in the Poorest Countries

- **There is national capacity to fund social protection floors in virtually all countries. There are many options, supported by UN and IFIs policy statements:**
 1. Re-allocating public expenditures
 2. Increasing tax revenues
 3. Expanding social security coverage and contributory revenues
 4. Lobbying for increased aid and transfers
 5. Eliminating illicit financial flows
 6. Using fiscal and foreign exchange reserves
 7. Managing debt: borrowing or restructuring debt
 8. Adopting a more accommodative macroeconomic framework (e.g. tolerance to some inflation, fiscal deficit)



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Become part of USP2030

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<http://universal.social-protection.org>