Missing a golden opportunity?
Social protection floors as a UN social protection strategy and the post 2015 development agenda

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1. Background: The world remains an unfair place

While we may claim progress with respect to the benchmarks set for social development by the Millennium Development Goals, the world as it is, remains an unfair, unequal, insecure and unhealthy place for virtually half its population. About 30 percent of the global population have no access to adequate health care when needed, forty percent of the global population live in abject poverty (under 2 US$ per day), i.e. the cruelest form of insecurity. Every second child is poor and between five and ten million children die every year of preventable causes, and millions of elderly die too early for the same reason. Inequality is on the rise in many parts of the world. The globally accepted poverty lines of US$ 1.25 or US$ 2.00 per capita and day in purchasing power parities remain shamefully low in an ever richer world.

Social progress is uneven, unacceptably modest and slow.

And yet we know a powerful tool to tackle inequality and poverty directly: income transfers. For thousands of years - as long as people are living together - they have shared income in families and communities. But if insecure income is shared in small and poor risk pools the overall effect of income sharing on poverty remains small and unreliable. Social protection systems are a way to formalise income transfers and share income in greater risk pools. The world would need less than 1% of Global GDP to provide a guaranteed minimum level of income security and access to essential health care for all who live in or at permanent risk of poverty. Furthermore, we would probably need between 2 and 6% of global GDP to provide a relatively decent insurance against social insecurity for all people in most developing countries. Most of these resources can and have to be mobilised on the national level. Only a handful of countries would probably need some temporary help from the global community to design, organise and finance their social protection systems and as a priority their social protection floors. After decades of shadow existence in the

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global debate on development policies, social protection systems emerged during the first decade of the new millennium as tools to invest in people and in inclusive growth.

However, it was the global financial and economic crisis that led to a breakthrough and led policy makers around the world to explicitly acknowledge the role of social protection systems as social and economic stabilisers. The support for social protection as instrument in development policies and crisis management grew dramatically in the UN, the International Financial Institutions, the G20 and many national governments. During the critical window between 2009 and 2012, a remarkable albeit fragile global consensus on social protection policy emerged. The ILO seized the opportunity in 2012 to cast that consensus into agreeably “soft stone”, by adopting an international legal standard and hence an instrument of global social governance, i.e. the Recommendation No. 202 concerning National Floors of Social Protection.

Presently, there is only one option to keep social protection on the global and national policy agenda for the next one to two decades: the present negotiations on the post 2015 development goals. The question is, will the UN system - and its owners, i.e. national governments - use that opportunity to put a UN social protection strategy - as part of its vision of development - irrevocably on the international agenda. Unfortunately, the answer is by no means clear.

2. A brief history of major UN social policy initiatives

There were four major defining periods in global social policy and social protection policy making during the last 100 years – each followed tectonic political and economic shocks. The first two defining eras followed two wars. The post WWI period saw new social protection policy initiatives in Europe, the US and Latin America. Truly global social protection policy can be traced back to the founding of the International Labour Organisation in 1919. The ILO remained the dominant locus of global social policy till about the second half of the 1940s.

The post WWII era lead to a further extension of national social protection systems and the Universal Declaration of Human Rights and notably its social policy articles 22 to 26 leading to the International Covenant of Economic, Social and Cultural Rights (ICESCR) in 1966. Global social policy extended its scope and its number of institutional protagonists in the new UN system, but until the 1990s very few effective and comprehensive efforts were undertaken to transform agreed upon policies into global social governance pursuing concrete and measurable implementation strategies for global social rights.

The next defining era for global social policy started in the mid-1970s. Following the oil-shocks in the 1970s, the neoclassical orthodoxy during the 1980s lead to a contraction or containment of social expenditure. The collapse of the planned economies in Eastern Europe - and with it the end of the competition between two economic and political systems - reinforced the contraction of welfare states during the 1990s. Its rigorous support of the Pinochet model of pension reforms marked the entry of the World Bank in to social protection policies in the 1980s. The neoclassical paradigm pushed for a privatisation of classical social insurance systems on the one hand and the retreat of state to residual welfare policies. Social protection policies increasingly retreated from wider redistribution, insecurity and inequality concerns to poverty and health issues. The World Bank sought to limit the management of social justice to residual social risk management. Facilitated by the geopolitical changes and perhaps in a reaction to the emerging de facto hegemony of the International Financial Institutions in economic and social policy,
the UN at the beginning of the 1990s entered into what Hulme (Hulme 2000) called a period of “summitry”
2. It consisted of a series of major summits with topics ranging from child welfare, to social development and financing for development which sought to set the agenda for decades to come. Except for the World Summit on Children in 1990, these summits typically lead to policy “commitments” rather than concrete goals, targets and indicators, i.e. the later “GTI approach” to global social governance.

It was OECD policy managers and bureaucrats who developed the precursors of the MDGs in form of the International Development Goals (IDGs) and hence made a decisive step towards casting global social policy commitment into instruments of global social governance (OECD 1996). These were goals for development policies of the rich people’s club rather than goals for development per se, but they clearly had the ambition to “shape the 21st century”. The UN Millennium declaration in 2000 on the other hand sought to summarise the results of the UN summits into a development strategy for all. In in a final act a club of UN, IFI and OECD bureaucrats in 2001 discerned a set of the MDGs from the Millennium Declaration and the OECD goal template which was de facto adopted by the global community and the UN system during the Conference in Financing for Development in Monterrey in 2002 (UN 2002).

Due to their historical roots the Millennium Development Goals turned out to be a largely accidental and incoherent list of 8 objectives, 18 targets and 48 indicators focussing on poverty and specific health, gender and education issues as the central objectives for human development till 2015. An overall vision of human development and environmental development was not visible. But nonetheless, they turned out – perhaps unexpectedly so – as the most powerful instrument of Global Social Governance that the global community has ever seen.

We may just be in the final phase of the latest defining period of global social policy making and global social governance. From 2007 the debate to improve national social protection systems gained some momentum and made it even into the Chair’s conclusions of the G8 summit in 20073. However, it needed the Global Financial and Economic Crisis to trigger a social policy breakthrough. The Crisis, unfolding against the background of a much bigger, structural and permanent social crisis, clearly shook the certainties and agreed wisdom of economics and economic policies. It was suddenly widely accepted that social and economic development could be at risk without sound social policies and strong social protection systems. Policy makers were aware, that the failure of national and the virtual absence of international supervision of the financial sector had permitted the crisis to happen. The social fallout could not be ignored and hence policy makers hailed social security systems as economic and social stabilizers. International agencies used the opportunity to adjust their development strategies. It is not accidental that the EC, the G20, UNICEF, the World Bank and the International Labour Organization (ILO), all have developed new social protection

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2 The period of summitry saw the following major conferences(list largely based on Hulme (2009): In 1990, the UN World Conference on Education, The UN World Summit for Children (which set goals for infant, under five and maternal mortality, reduction of malnutrition, universal access to safe water and sanitation and became an early model for goal and target setting, and follow-up monitoring), the UNCTAD Conference on Least Developed Countries; in 1992 the Earth Summit in RIO, the International Conference on Food and Nutrition in Rome (demanding to halve the number of hungry people, the World Conference on Human Rights; in 1995 the UN Fourth World Conference on Women, the World Summit on Social Development (the “Copenhagen summit formulating commitments, but no binding goals, endorsing the 20/20 Initiative, setting the commitment to reduce poverty to 100%); in 1996 the UN Second UN Conference on Human Settlements (HABITAT II) and in 2002 the International Conference on Financing for Development Monterrey, Mexico, which de facto endorsed the MDGs

3 See ILO: The new consensus, Geneva 2001 and G8 Summit: CHAIR’S SUMMARY Heiligendamm, 8 June 2007
strategies seeking to promote more inclusive growth\(^4\) in 2012. All these strategies are broadly compatible and at least do no longer openly contradict each other although subtle differences remain such as the absence of a rights based justification of social protection in the new World Bank strategy.

With the support of a coalition of UN agencies, notably WHO and UNICEF, the ILO used the tailwinds of the crisis to move the policy agenda towards global social governance through social security standard setting – a governance tool it had neglected for almost a quarter of a century. The speed of action was triggered by the fears that the fragile political consensual reaction to a particular economic and financial crisis and its social fallout might fade away too quickly without leaving behind a trace in the global governance system. In June 2012 ILO member unanimously accepted the Recommendation R.202 *Concerning National Floors of Social Protection*.

The haste was fully justified. The window of good will to achieve a real improvement of social protection worldwide was soon closing again. As soon as the economic and financial crisis turned – predictably - into a fiscal crisis, austerity measures recommended by macro-economic strategists and strongly resembling the policy recipes that had sprung from the Washington Consensus - believed to be long dead - took the top slot on the political agenda again and social protection spending\(^5\) came under attack again in many countries. Against this background the global community is presently negotiating a set of new development goals to replace the 2001 MDG list.

3. **The ILO, the joint UN crisis initiative and the emergence of the Social Protection Floor concept**

During the first decades of global social policy and its own existence, the International Labour Organization focussed on social security for workers in the formal economy and their families. The standard setting of the Organization created a unique body of legal social policy instruments albeit focused on people who had the privilege of working under a formal employment contracts and their dependants\(^6\).

Only in 2001 the ILO the International Labour Conference demanded a greater focus on the extension of social security coverage to the uncovered groups of the population. Perhaps inspired by the demonstrable success of the Mexican Oportunidades Programme from the late 1990s onwards and the Bolsa Familia programme in Brazil and its precursor programmes, as well as the bold Thai Universal Health Care scheme that had started in 2002, a series of ILO policy papers and regional conferences\(^7\) showed after 2004 that

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\(^5\) For evidence on the nature of fiscal austerity measures taken in 2010/11 see Ortiz et al. (2011 ) and Roy and Ramos (2012)

\(^6\) The failure to reach out to the informal sector remains surprising. Already in 1944 three progressive documents had been adopted by the International Labour Conference, i.e. the Declaration of Philadelphia, which subsequently was incorporated into the Constitution of the ILO and the Social Security Recommendations R. 67 on Income Security and R. 69 on Medical Care. The Declaration of Philadelphia explicitly charged the Organisation with “the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care”.

\(^7\) Figures and calculations can be found in ILO (2008), Pal et al. (2005), Mizunoya, S. et al. (2006).
with an investment of between 2 to and about 6% of GDP even low income countries could probably afford some basic form of universal income security and health care as floor of protection.

The political opportunity to put the concept on the political agenda came when the global economic governance failed and the Crisis hit. A new developmental social protection concept – the social protection floor - emerged. The term social protection floor was first used as the title of one of nine crisis initiatives of the UN system during a meeting of the UN Chief Executives Board for Programmes in April 2009 that was chaired by the ILO Director General. The ILO and WHO were jointly charged with leading the Social Protection Floor Initiative (UNSPF Initiative). The initiative was joined by 19 UN agencies and a number of major bilateral donors and NGOs. While the other eight Crisis initiative soon turned into routine UN business, the Social Protection Floor Initiative became a player in the global social policy arena. For about three years it was the broadest and most active UN social protection initiative that the UN agencies have ever jointly undertaken.

In summer 2010 the ILO convened a high level advisory board for the SPF initiative that was chaired by the then former Chilean President Michelle Bachelet. The Bachelet Advisory Group issued the first version of its report in summer 2011 (Bachelet 2011). The report made the case for social protection floors stating that they support the realization of human rights and promote social justice, are an effective tool for combating poverty and inequality, help accelerating progress towards achieving the MDGs and beyond, are affordable even in low-income countries, help to address the social and economic impact of crises and global economic imbalances and are an important tool for gender empowerment. The ILO obtained a mandate from the 100th Labour Conference in 2011 to develop a new international social protection standard.

The ILO recommendation R.202 Concerning National Floors of Social Protection adopted unanimously by the 101st International Labour Conference less than a year later after intense and constructive debate is an instrument of international law that all 184 member states of the ILO should take into account when drafting national social legislation. This global social policy and governance instrument stipulates that ILO member states should build respectively complete their social protection systems on the basis of a floor of four crucial social security guarantees. These four guarantees consist of a basic level of income security during childhood, adult years and old age, and access to essential health care for all residents and provide core content for the Human Right to social security as expressed in articles 22 and 25 of the Universal Declaration of Human Rights. It leaves the means and methods of implementation, as well as the level of entitlements to national decisions and participative processes.8

It is often overlooked that the Recommendation does not just deal with the floor of protection but also requires countries to build higher levels of protection as soon as possible and hence guides the 184 member states how comprehensive overall national social protection systems should be built on the solid basis of a floor. For that process the Recommendation (paragraph 3) lists 18 principles that should govern national social protection systems, ranging from universality of protection, adequacy of protection, the obligation to define benefits by law, non-discrimination, progressivity of implementation, acknowledging the diversity of methods and approaches, and the need for tripartite participation and public consultation on benefit

8ILO 2012: Social Security for all – Building social protection floors and comprehensive social security systems, Geneva, 2012, see text of the recommendation on p. 33
levels and conditions, demanding respect for dignity of people covered, efficient complaints procedures, transparency, financial, fiscal and economic sustainability and the linking to high quality public services.

R. 202 also clearly formulates a protection objective: According to Article 4 of the Recommendation “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”.

This formulation defined the SPF as a combination of income and health security provided through cash transfers and transfers in kind including in form of access to essential social services as listed in Article 11 to 13 of the ICESCR. It was clearly drafted as basis for an overall UN social protection strategy incorporating the mandates of a wide range of UN agencies. And yet, the political price to pay for the swift standard setting action of the ILO was that after June 2012 the SPF perceived as an agenda owned by the ILO and not the UN as a whole. The other agencies, perhaps with the exception of UNICEF, lost interest and the Social Protection Inter-agency Co-ordination Board (SPIAC-B), that was initiated by the G-20, took centre stage, officially co-chaired by the ILO and the World Bank, and the SPF Initiative waned away.

4. The Post 2015 agenda: A last chance to create a UN social protection strategy?

With R. 202 the global community hence has defined unanimously a comprehensive set of social protection principles, obligations and objectives for all societies. And it has done so unanimously. R. 202 is not a binding international legal instrument but it remains a recommendation to 184 countries.

There is only one principal conduit by which R.202 can influence national policies. It can help to create or protect national policy space for social protection policies. The global consensus creates moral legitimacy and thus a political shield for national demands. It provides a political platform for national pressure groups that demand more social justice through social protection. They can always remind national governments of the global consensus they have subscribed to in Geneva whenever necessary and when demanding the establishment or safeguarding of social protection floors and national social security extension strategies at the national level.

That is of particular importance when governments turn back towards restrictive social policies. In particular during the present-crisis triggered-policy ambivalence between the consensus on social protection on the one hand and the perceived need for austerity policies on the other hand, it needs a maximum of political legitimacy to keep the issue of social protection floors on the “front burner” of global social policy debates. In order to ensure that degree of legitimacy the SPF needs to migrate back from the ILO to the UN as a whole. A unique opportunity to make the SPF the core of a truly UN strategy visible, and the efforts to establish the SPF as an accepted element of global social policy “sustainable”, is to ascertain that the SPF plays an important role in the formulation of the post 2015 development goals.

The present MDGs have been criticised in many ways for not being coherent and comprehensive, being too orthodox by dealing with symptoms of systemic failure rather than root causes, not having been designed in a participatory process and having emerged from the International Development Goals (IDGs) which were first formulated by the club of rich nations in the OECD in the middle of the 1990s (OECD/DAC 1996). Nevertheless, the MDGs have turned out to become the most powerful non-religious tools of global social governance that the World has ever known. They remain soft instruments but they constitute unique measurable benchmarks for global social development. Since 2002 a total of about 165 countries agreed to undertake national MDG reports (46 in Africa, 21 Arab States, 32 Asia and the Pacific, 33 in Europe, 32
in Latin America and the Caribbean). Hence, for the first time that number of countries accepted some framework of accountability tracing social development.

However, when trying to assess their impact on social reality a problem of attribution persists. Whether national policies and social development have actually changed as a consequence of the MDGs is difficult to establish. The UN itself claims success in the 2013 MDG Report (UNH 2013). The Secretary General states «The Millennium Development Goals (MDGs) have been the most successful global anti-poverty push in history». The report claims that 6 out of 18 targets have already been met or are within close reach. Whether that success can be attributed to the MDGs remains a matter of academic debate (see Box 1).

The problem of attribution is directly linked to one of the major weaknesses of the MDGs. Most goals limit themselves to formulating outcomes and targets and more or less closely related indicators. Coherent and concrete instruments of governance were left aside. Hence no direct link between objectives and concrete policies were identified and logically the attribution of social progress to the MDGs remained a problem. Notably social protection and social security as coherent concepts addressing wider equality issues than poverty relief were absent.

Just now, the UN member states have a chance to correct that weakness and give social protection a prominent role in the next generation of development goals. This would at least ensure that countries at regular intervals have to report on the progress of implementing their national social protection strategies and national social protection floors. To what extent and at what pace that will change social realities may remain debateable but at least a clear UN strategy on social protection would be visible, one tool for national policy accountability would be introduced and at least one or more social development goals would have a concrete national governance instrument - in form of social protection systems - attached.

**Box 1: Did the MDGs change social reality?**

The UN Systems own task team on the post 2015 Agenda concluded in a think piece (UN 2012) …"It is not easy to weigh all MDG strengths and weaknesses to reach firm conclusions about their impact and added value. For one, we lack a counterfactual to determine the precise added value of the MDG agenda, that is, it is hard to say what progress would have been made without the internationally agreed agenda. Yet, arguably no previous agenda has resonated worldwide and provided a common cause to address poverty and put human progress at the forefront of the development agenda."

Friedman (2013) sought to trace the impact of the MDGs on social development by statistically determining the change point in the development curves of about 19 of the 48 MDG indicators and concluded in 2013 “…that about half of the MDG indicators exhibited no acceleration or deceleration during the time period from 1992 to 2008 and about one-third exhibited accelerations before 2001 ” and hence concluded that there was no MDG triggered change in real social development and that where change occurred that change (with one exception) occurred before the MDG were formulated. However, these findings may be perfectly in line with the usual process of a global policy consensus building. Before official objectives or commitments are formulated major policy shifts may have already occurred in some parts of the world. Evidence on policy effectiveness will then facilitate the formulation of international goals (as was the case with the establishment of the SPF concept). Inflexion points in curves describing social outcomes might thus be observed before the respective policies are actually formulated.

In a new analysis a groups of young researchers of Maastricht University analysed the impact of the MGDs globally and in three countries (Brazil, Ghana and South Africa) and conclude (see Al Raee, M., et al 2014): “On a global level sector-specific aid has been increasingly allocated towards health and population and other social sectors, thus in line with priorities set by MDGs and indicating donors’ commitment to them. .... On a national level, we saw that MDGs have widely served as an accountability framework. All three countries studied have undertaken efforts to establish how national policies and programs contribute to goal attainment and regularly report on progress made. The MDGs have arguably become a global benchmark that can drive change and open up policy space for stakeholders in development processes who can refer to a set of clear and measurable targets. While the final attribution of development outcomes to MDGs is a thorny issue, one can still conclude that the MDGs have been an effective tool of Global Social Governance...”
5. Conclusion and present prospect for a UN wide Social Protection Strategy

The UN member states have a unique opportunity at their hands to ensure that social protection and with it a realistic objective and a social governance tool with clear inputs and measurable outcomes in terms of poverty alleviation, reduction of inequalities, improvement of health status and social and labour market inclusion is kept on the global agenda till at least 2030. However, we are at a “make or break” point.

The ongoing process of formulating the post 2015 development goals is opaque and multifarious and the global community, consisting of governments, civil society, trade unions and other interest groups is engaged in heavy on-stage negotiations and back-stage lobbying. With the SPF-I defunct and the SPIAC-B dominated by the World Bank, the UN agencies all seek to defend their turf by trying to anchor their mandates in the new set of what will most likely be up to 20 sustainable development goals.

And yet the complex process begins to show some results. The high level panel has issued a report in May 2013 focussing on the abolishment of abject poverty and reduction of inequalities of opportunity. In February 2014 the Open Working Group charged with drafting sustainable development goals by September 2014 has issued a number of lists of focus areas for possible sustainable development goals since February 2014. In June it issued a preliminary zero draft of 17 possible future sustainable development goals and no less than 2011 accompanying targets (see OPW, June 2014).

Elements of social protection floors, i.e. income and health security as well access to essential goods and services, are dispersed over 7 goals (No 1: end poverty, No.2: end hunger, No 3: attain a healthy life, No.4: Provide equitable education, No.6: secure water and sanitation, No.7. provide access to energy, No.10: reduce inequality…) and 10 targets. The zero draft will be subject to further negotiations between governments till about September 2014. Presently the income security guarantees and the health security guarantees formulated under R. 202 are split between two goals (poverty and health) ignoring the inseparability of income security and health security as interacting components of a holistic concept of social protection. Health security cannot be achieved without a minimum level of income security and vice versa.

The formulation of poverty target 1.3, i.e. “by 2030, fully implement nationally appropriate social protection measures including floors, with a focus on coverage of the poor, the most marginalized and people in vulnerable situations” reveals an implicit preference for a residual welfare state dealing with the poor and vulnerable only rather than pursuing a wider objective of social justice and hence retreating from the wider 2012 consensus agenda of R. 202. Interestingly the dropping of one comma after “floors” could make the difference between a residual and comprehensive social protection target...

Equally disconcerting is that none of the main income and health security targets are listed under objective No. 17 (enhance implementation and global partnership) as areas of global collaboration. That means the enabling role of social protection for the attainment of the objectives of many of the 17 development goals is not recognised.

The process is subject to further international negotiations and there is a risk that this may further weaken the contents of the present zero draft. The outcome of the debate remains unclear at the moment and hence

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9 The Process is described in full detail in the mimeo (Mohammed, 2013) of the Secretary General’s Special advisor for the MDG process.
the prospect for the creation of a coherent UN social protection strategy, well and visibly anchored in the future global development agenda, remains as yet uncertain. Unfortunately.

It is now obvious that social protection will not become a standalone goal - as a global coalition of 91 NGOs and Trade Union Federations is presently demanding (GC21014). There are simply too few government interested in pursuing this objective and the UN agencies are too preoccupied with defending their own turfs to pursue a common goal for social protection. The UN might miss a golden opportunity to build a coherent and common UN social protection strategy on the “agreed language” of R. 202. The positive development in the global debate of social protection and the SGS is that the Global Coalition for Social Protection Floors is emerging as a potentially powerful civil society alliance for social protection floors. It has supported the formulation of R. 2012 during the International Labour Conference in 2012 and now actively campaigning for a prominent role of social protection in the SDGs.

Civil society may have to shoulder the role of the main sponsor of social protection floors at times when the “in-crisis” global enthusiasm for social protection floors is fading away. Depending on the outcome of the SGD process they may have to develop a plan B to promote social protection floors. For example, a powerful catalytic device to keep social protection on the global policy agenda is to create a process and a movement that would lead to a UN Convention on national Floors for Social Protection. While not impossible to achieve that is certainly a “long shot”.

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