

Bridging the Gap to Poverty Eradication – The Social Protection Floor Initiative

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Outline

- The Poverty Discussion
- Human Rights
- SPFI
- Platforms
- Way Forward

The Story of Poverty*

Data culled from various UN sources



- Still exists
- Patterns of over-consumption, sometimes extravagant levels of wealth, deeply embedded corruption
- Yet there is a heightened awareness of poverty eradication; ‘cos of MDGs (?)
- About 5.1 billion people or 75 per cent of the world’s population (Economic and Social Council) do not have adequate social security.
- Poverty in middle-income countries
- ESCAP (Asia-Pacific) data - more than a quarter in the Asia-Pacific, are poor (less than US\$1.25 per day), that is, 0.9 billion people.
- Highest levels of poverty in South & South-West Asia (36 %); SEA (21%) East and North-east Asia (13%) and North and Central Asia (8.2 %)

The Story of Poverty (Cont'd)



- Poverty and Women – remain vulnerable to exploitation, discrimination, limited access or none at all to healthcare, poor sanitation and pushes them to extreme levels of survival
- Poverty and food – rising food prices etc 925 million people affected (2010)
- Poverty & sanitation - 38 per cent or 2.6 billion, no clean water
- Poverty and employment – jobs were lost and slow recovery – Occupy Wall Street movement
- Poverty gap – Gini Coefficient; income inequalities; rural versus urban; richest 20 per cent in the world account for 75 per cent of the world income.
- Poverty and disasters and conflicts

Why haven't We Made Poverty History?



- Inadequacy – a lack of consistent, dedicated commitment at the political level
- Comfort level with and an over-reliance for too long on other social security systems
- Stresses that were NOT recognized as flashpoints early enough - changing demographics, structural problems with economic policies, over-reliance on the market forces
- Blaming the poor
- Inadequacy – a lack of a committed inclusive participatory processes to include the affected communities
- CSOs – capacity building and unaware of new initiatives
- Corruption
- Changing leadership and ideologies
- Disasters – natural and man-made
- UN's advocacy

At Stake - Human Dignity

- The UDHR makes no distinction among human beings – inalienable, indivisible and universal
- Article 1 - “All human beings are born free **and equal in dignity** and rights....”
- Article 2 “Everyone has the right to life, liberty **and security of person.**”
- **Article 4** – “No one shall be held **in slavery or servitude**; slavery and the slave trade shall be prohibited in all their forms”
- **Article 13.** – “(1) Everyone has the **right to freedom of movement and residence** within the borders of each state. (2) Everyone has the right to leave any country, including his own, and to return to his country.”
- **Article 22.** –“Everyone, as a member of society, **has the right to social security** and”
- **Article 23** – “(1) Everyone has **the right to work**, to free choice of employment, to **just and favourable conditions of work and to protection against unemployment**; (2) Everyone, without any discrimination, has the right to equal pay for equal work; (3) Everyone who works has the right to **just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity**, and supplemented, if necessary, by other means of social protection; (4) Everyone has the right to form and to join trade unions for the protection of his interests.”

At Stake-Human Dignity (cont'd)

- **Article 24** “Everyone has **the right to rest and leisure**, including reasonable limitation of working hours and periodic holidays with pay.”
- **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.”
- **Article 26** – “ (1) **Everyone has the right to education.**

Human Rights Platforms



- Universal Periodic Review
- CEDAW
- CRC
- International Convention on Economic, Social and Cultural Rights – Article 8, 9, 11, and **Article 10** - “The States Parties to the present Covenant recognize that:
 - 1. The widest possible protection and assistance should be accorded to the family.....; 2. Special protection should be accorded to mothers during a reasonable.....3. Special measures of protection and assistance should be taken on behalf of all children and young persons without any discrimination for reasons of parentage or other conditions....amongst many others

A Possible Solution - SPFI



- Definition - a global and coherent social policy concept that promotes **nationally defined strategies** that **protect a minimum level of access to essential services and income security for all** in the present economic and financial crisis and beyond.
- A **national Social Protection Floor** is a **basic set of rights and transfers that enables and empowers all members of a society** to access a minimum of goods and services and that should be defended by any decent society at any time.
- The Social Protection Floor does not define new rights it rather contributes to the realization of the human right to social security and essential services as defined in Articles 22, 25 and 26 of the Universal Declaration of Human Rights (1948) 4 as well as encouraging the observance of ILO Convention 102 on Social Security (Minimum Standard).
- Based on the list of services and transfers of the Universal Declaration the main elements of the **SPF-I have been defined as:**
 - (1) **essential services: i.e. geographical and financial access to essential services (such as water and sanitation, adequate nutrition, health and education, housing, and other services including life and asset saving information); and**
 - (2) **essential social transfers: i.e. social transfers, in cash and in kind, paid to the poor and vulnerable to provide a minimum income and health security**

A Rights-Based Approach and Success



- ILO - Ensuring a basic level of social protection and a decent life for people is an obligation under the Human Rights Instruments. In each country a long term development plan which responds to local needs and capabilities and incorporates basic elements of the Social Protection Floor would ensure essential human rights for all.
- It is possible to implement such systems with a modest increase of 4% in budget allocation for development even in most developing countries. Over time, as resources allow, benefits can gradually be increased to respond to more of the needs of the most vulnerable.
- As Secretary General Ban Ki-moon pointed out in his report, “Countries that have developed comprehensive, universal social protection policies covering the majority of the population have successfully reduced poverty and improved social conditions on a broad scale.”
- **Universal access to basic social protection and social services is necessary to break the cycle of poverty.** Social protection measures are essential to reducing vulnerability to various shocks and to enhancing people’s capacity to manage and overcome situations that affect their well-being.

What and How? The Social Protection Floor Initiative (SPF-I)*

Next 6 slides from ILO presentations slides shared at ICSW prep meeting



- A story of supply and demand
- A set of **basic social rights, services and facilities** that each member of society should be guaranteed
- A SPF should consist of:

Availability of **essential services**:

- Housing,
- Education/skills,
- Health care supply,
- Food/Nutrition,
- ...

Accessibility of these services through basic **transfers in cash or in kind**:

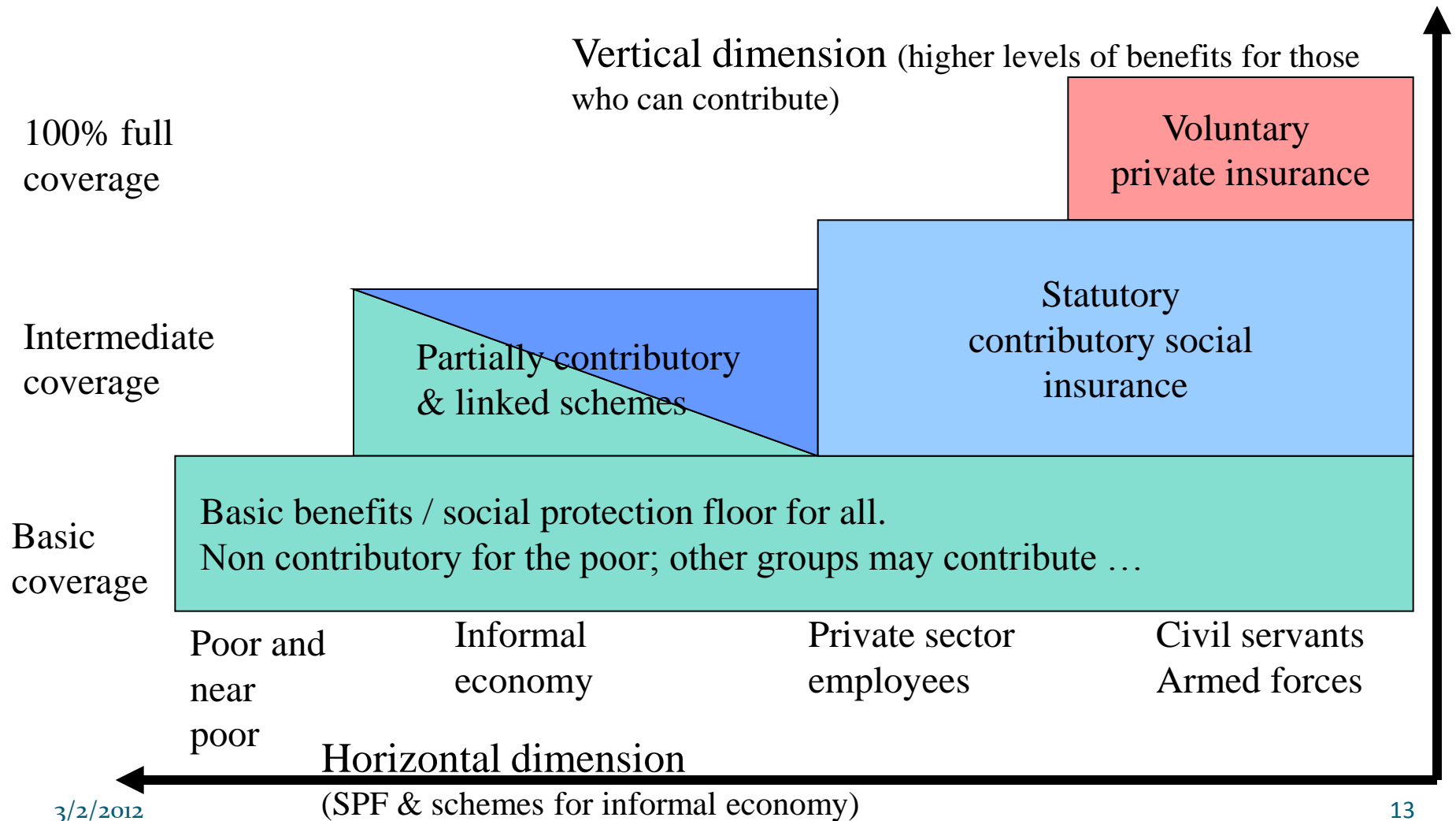
- Subsidized health insurance / health cards,
- Scholarships & school buses,
- Minimum income support to families (family/child benefits), the working poor (cash transfers and PWPs) and the elderly (minimum pensions) ...

- Notion of **availability** and **accessibility** – *both work hand in hand, are articulated (from ILO)*

The SPF is NOT a safety net

Criteria	Safety Nets	Social Protection Floor
Overall Objective	Poverty reduction	Giving effect to the Human Right to Social Security
Type of interventions	Targeted set of non-contributory transfers, depending on government priorities	Universal entitlement to protection through a defined basic package for all in need
Benefit levels	Minimum	National poverty lines
Role	SNs as transitory response measures/ short term (crisis, reforms)	Rights-based, systemic “insurance” against poverty for all residents

It is a floor, not a ceiling: the SPF & SS staircase



Situation in Thailand

76% population

- maternity, invalidity, death, sickness and old age benefits

Extension of 5 benefits to Informal Economy* (article 40)

UCS since 2001 (health) and 500 Bath scheme (pension) since 2009...
Social assistance

Provident fund system

-Govt P Fund
-Private school teachers WF

Workmen's Compensation Fund (WCF)
-Social Security Fund (SSF)

-Non contr. pension sch.
-CS Medical Benefit Sch.

Poor and near poor

Informal economy

Private sector employees

Civil servants
Armed forces

- Challenges to extend coverage to IE workers (+/- 60 people joined)
- Fragmentation of social security schemes
- Inequalities have increased over past years ... Capitation amount under UCS = 2,200 THB/capita whereas under CSMBS = 12,100 THB/capita

Process - Social Protection Floor: from conceptual to practical implementation



AWARENESS RAISING

NATIONAL SPF TASKFORCE, UN SPF TEAM SET UP

SP STOCKTACKING & MAPPING
PRELIMINARY ANALYSIS
PRIORITY AREAS FOR INTERVENTION

IDENTIFICATION OF POLICY OPTIONS
DESIGN & COSTING

FISCAL SPACE ANALYSIS – LT FINANCIAL SUSTAINABILITY
RECONSIDER DESIGN IN LIGHT OF FISCAL SPACE

LEGISLATION

IMPLEMENTATION

MONITORING, EVALUATION, COST-BENEFIT ANALYSIS, IMPACT

TIME
↓

3/2/2012

civilsocietyforum/icsw/bm

Therefore - Implementing and Extending SPFI....

- Is feasible and affordable - ILO studies show that it is between 3 to 5% of GDP
- Is a flexible and adaptable concept
- Shows many examples across the world
- Access to a SPF is/must be a precondition for employment that is with such availability and access to **essential services** - Housing, education/skills, health care supply, food/nutrition – can a person become employable
- The SPF facilitates access to employment & training – removes barriers eg transportation costs
- The SPF, a tool for activating labour market policies

ASEAN - Challenges



- **Total population of ASEAN is estimated to be 600 million** with a large young population aged between 15 and 60 years.
- **Literacy rate** of young population in Singapore, Malaysia, Brunei, Vietnam is about 90%, while Thailand and Indonesia is about 80%. Governments in the region have attached importance to education with the provision of free education at the primary and secondary level being available to all children. In Singapore, Malaysia, Brunei and Thailand education has become compulsory. Expenditure on universal education in these countries constitutes a major proportion of the social expenditure.
- **Universal health services** is available in terms of free immunization programs. TFR varies – averaging 2.15 in countries like Indonesia (2.37), Malaysia (2.93), Laos and Philippines (3.22); and below in Singapore (1.35) and Thailand (1.93). (Source United Nations Population Statistics, 2005).
- Most of ASEAN is **still rural with industries** supported by agriculture except for Singapore and Brunei
- **Migration** is a huge issue - internal and transborder
- **Informal sector** - 10 years ago - more than half of the labour force was engaged in the informal sector in Thailand (52.6 percent), while in Malaysia and Philippines it was relatively lower at 31.1 percent and 43.4 percent respectively. Singapore's informal sector is small, and therefore only 13.1 percent of the labour force was engaged in the informal sector. In the other countries especially Laos, Cambodia, Vietnam and Myanmar the rate exceeds 65%.

Challenges (Cont'd)

- ASEAN countries, while developing economically and recovering from the financial and economic crisis of the late 1990's, are nevertheless generally **facing the pressures of globalization and ageing.**
- **Increased competition**
- ASEAN countries deal with **cushioning the burden of restructuring;**
- Dealing with increasing governance, legitimacy and acceptability of economic reforms;
- enabling risk taking by individuals and firms through providing a floor level income in the case of losses; and
- countering the effects of workforce mobility, urbanisation and migration of labour which tend to break down traditional, family and community based social protection systems.

Social Security

- In Vietnam, Lao PDR and Thailand, social security protection has a short history.
- On the other hand, in Singapore, Malaysia and the Philippines, social security protection has been developing for half a century. Despite this, coverage remains restricted to a small proportion of employees in the formal private sector.

Approaches to social protection ASEAN



- **First pillar – the social assistance, safety-net tier**

- “safety-net” pillar - **social assistance** programs, **non-contributory** being financed from tax revenues.
- Means **tested** against income and assets so that those in need are well identified. Funds are **publicly managed** or administered by the government or its agencies
- Income benefits and long term assistance

- **Second pillar – the social insurance tier**

- **Social insurance** or saving pillar where individuals contribute a portion of their income into individual or personal accounts for future income protection such as unemployment, sickness, maternity, employment injury and pensions

Approaches – Cont'd

- Financing can come from long-term protection such as provident funds to other savings schemes which can be mandatory in nature or co-sharing with employer.
- Benefits include eligibility conditions which have to be fulfilled but effective with formal sector
- **The third pillar – the voluntary, top-up tier**
- **voluntary** private insurance pillar designed to provide additional coverage to those who can afford the premiums

A Regional Response - ASEAN



- ASEAN GO-NGO – established by the former Regional President. Has been used to raise awareness to certain issues.
- The last two GO-NGO forums have been on SPFI – general introduction and the second one was about applying SPFI to older persons, an ageing population discussion
- Recommendations have been accepted by ASEAN governments on SPFI eg Agreed on the need to strengthen cooperation amongst ASEAN Member States towards universal coverage of social protection to the peoples of ASEAN through the following actions:
 - Ensure participatory and rights-based approach in designing, implementing and
 - monitoring social protection schemes in ASEAN Member States;
- Malaysian civil society sector will conduct SPFI training and so will Singapore – own initiatives
- Other initiatives – Cambodia, Laos, Thailand, Indonesia – more with ILO

International Platforms

- G20 leaders have identified social protection as key response along with employment measures. They committed \$50 billion to support SPFI
- May 2011 Latin America and Caribbean countries and France have agreed to focus on consolidating on SPFI at the next G20 and have made a Declaration to this purpose
- Sept 2011 G20 and Employment Ministers also committed to SPFI as a resilience measure to financial crisis
- Nov 2011, G20 has made a stronger commitment to SPFI
- June 2012 - ?

Way Forward

- Capacity-building on SPFI
- CSOs advocate and implement on SPFI
- Solidarity among NGOs
- Financial resources
- Empowerment of CSOs/Individuals
- Participatory and inclusive
- Political will
- Financial resources
- Sharing of practices as the successes are important
- Review of social assistance schemes for the poor
- Working with media; social media
- Monitoring and evaluation schemes on outcomes