

Working for a Social Protection Floor

by Ellen Ehmke & Andreas Bodemer

Worldwide, 75% of the population have no or insufficient access to social security provision. Despite the long record of social security as a human right, which is enshrined in the Universal Declaration of Human Rights (Art. 22, 25) and the International Covenant on Economic Social and Cultural Rights (Art. 9), its implementation has been widely disregarded.

Many pretexts have been given to excuse this severe injustice. Prominently, the competitiveness of a globalised economy has allegedly caused a scarcity of financial resources available for social policies. On the one hand, the assumed negative effects of social security on economic growth have served as reason to cut back globally. On the other hand, during and after the economic crisis of 2009/2010 many observers confirmed the benefits of wide-ranging use of existing social security structures.

Amidst these contestations, the need to extend social security receives growing recognition among some national governments and in international forums.¹ This could be seen during this year's International Labour Conference (ILC), when delegates from nearly all countries – workers, employers and government representatives – reaffirmed that social security is a basic human right and a prerequisite for social and economic development. To facilitate such an extension the delegates initiated a process which should lead to an International Labour Organisation (ILO) Recommendation on Social Protection Floors (SPF) to be discussed at the next ILC in 2012.

According to this year's ILC delegates, the recommendation should provide guidance to member states to develop social security extension strategies that enlarge the number of people covered (horizontal extension) and thereby establish national Social Protection Floors. This should be combined with the encouragement to reach progressively higher levels of protection (vertical extension) guided by the up-to-date ILO social security standards (above all Convention No. 102, 1956). The four key elements of the SPF should be nationally defined minimum levels of protection before, during and after working life, including child and unemployment benefits and pensions, as well as access to essential health care. The ILC furthermore strengthened the mandate of the ILO as the international body in which this issue should be discussed and decided upon.

While the formal proceedings are certain and an agreement could be reached on the envisaged components of the floors, many other questions are still open for discussion. During the ILC debates the worker representative raised a number of points that should be included in the recommendation, such as the *"definitions of the general principles of social security including, inter alia, a rights-based approach, adequate benefits, universality, resource pooling, collective financing, sound financial governance ... guidelines on the content of the Social Protection Floor ... recognizing the UN concepts of access to essential services (water, sanitation, health, education), and a basic set of essential social transfers."*²

Yet, many of these issues raised by workers – such as the adequacy of benefit levels, whether or not the benefits shall be universal, the extent of involvement of the social partners, the definition of targets for progress (defined time periods and growth of percentage of population covered) – are contested, on a national as well as on an international level.

Worker organisations can play a key role in defining, implementing, monitoring and enforcing social protection policies. Therefore, it will be crucial that they get active and mobilise on all levels in the run up to the next ILC in June 2012, to ensure that the recommendation provides clear guidance on design, funding, governance and a timeframe for the implementation of SPFs. In doing so the labour movement faces a number of challenges but there are also opportunities ahead.

A first challenge is connected to financing social protection. Despite other claims, ILO research has been essential in establishing that *"No society is too poor to share."*³ And indeed: studies show that countries with similar levels of government expenditure (in proportion to the GDP) spend significantly different proportions of their (often small) budgets on social security. According to ILO studies, 'packages' of basic social transfers (excluding health care) can be provided at the level of 2 to 5% of GDP.

Even for poorest countries like Burkina Faso, Ethiopia and Nepal it has been shown that it is possible to provide elements of such 'packages' like (modest) universal basic pension schemes at the cost of between 1.0 and

1.5% of GDP.⁴ In Brazil the conditional cash transfer programme *Bolsa Familia* covers 46 million people at a cost of only 0.4% of GDP. Investments in social protection are, hence, a matter of political choices and of the ability to implement these amidst varying power constellations, rather than determined by the unavailability of fiscal resources. The labour movement plays a key role in making these choices visible, and conclusively in reversing them where they fail to make social security for all reality.

A second challenge is the representation of the unorganised. But, thinking beyond core membership and developing an encompassing vision of social security is an opportunity for trade unionists to overcome the insider-outsider problem. The debates around the ILO Convention on Domestic Workers No. 189 (2011) showed that, with considerable efforts from all sides, it is possible to bridge a potential divide between informal and formal workers and create a united workers group. In the process for the planned Recommendation on Social Protection Floors, formal sector workers will need to engage with those working informally, to understand and take up their social security needs. Established worker organisations should use their position in consultation and decision-making bodies to lobby for the social protection of and together with the hitherto uncovered and unorganised.

Overcoming the insider-outsider problem will be important to build strong civic coalitions that can counter attempts by private interest groups that seek to capture public policies, or prevent necessary policy change. For such coalitions it will be important that trade unions themselves are not perceived as a group with clientelist interests. Even if some workers may fear that a SPF will erode existing levels of social protection, the response to defend benefits for insiders at the costs of outsiders is not viable in the long run. Going beyond the needs of today's members is a tough challenge, but can be rewarding when it opens room for new members and overall stronger worker representation.

On a global level workers are confronted with a third challenge. The debate on the cushioning of the negative effects of the globalised current economic order has been focused on the eradication of extreme poverty. Although this focus might seem pragmatic, it is reductionist. It typically lacks the analysis of the multidimensionality of poverty and focuses on 'lifting' people above an internationally set poverty line.

But, the concept of social security as presented by worker representatives in the ILC and elsewhere, goes beyond poverty alleviation or human capital investment. The International Trade Union Confederation (ITUC) has already called for "social protection floor[s] set at a level above the poverty line, and sufficient to provide reasonable living standards."⁵

Social security is a need for all those who cannot or should not work, i.e. children, women in maternity, the ill, the aged and the disabled. And equally for the working age able-bodied who are hit by un- or underemployment, low productivity or hazardous employment that constrains them from leading a decent life. Social security is about the creation of an environment in which each individual can develop to her or his full potential, ultimately free from hunger, want and disease. It is about life and work in dignity for everyone. Worker organisations can use the debate around the new ILO Recommendation to challenge the dominant minimalist approach.

Overall, the global and national debates around the Social Protection Floors offer an opportunity for the labour movement to be a prominent part of a broader popular movement to put pressure on governments to incorporate social protection provision as well as corresponding equitable employment and economic policies into national politics.

¹ International Labour Organisation (2011) *Social protection floor for a fair and inclusive globalization. Report of the Advisory Group chaired by Michelle Bachelet*, Geneva.

² More information on the debates on the Recommendation can be found in the *Report of the Committee for the Recurrent Discussion on Social Protection*, (http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_157820.pdf)

³ International Labour Organisation (2009) *Social security for all. Investing in social justice and economic development*, Geneva. p13.

⁴ International Labour Organisation (2008) *Can low income countries afford basic social security?*, Geneva.

⁵ International Trade Union Confederation (ITUC) (2010) 2nd World Congress: *Resolution on Extending Social Protection and ensuring good occupational health and safety*, Vancouver, June 2010.

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