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# Universal social protection for human dignity, social justice and sustainable development

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**General Survey concerning the Social Protection Floors  
Recommendation, 2012 (No. 202)**

**Third item on the agenda:  
Information and reports on the application  
of Conventions and Recommendations**

**Report of the Committee of Experts on the Application  
of Conventions and Recommendations  
(articles 19, 22 and 35 of the Constitution)**

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# Executive summary

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## Background to the General Survey

As the International Labour Organization (ILO) celebrates its Centenary, the Committee of Experts on the Applications of Conventions and Recommendations<sup>1</sup> (hereinafter “the Committee”) is pleased to publish its General Survey on the implementation of the Social Protection Floors Recommendation, 2012 (No. 202) in national law and practice, pursuant to article 19 of the ILO Constitution. This General Survey is unique, being the first of such reports to focus on a single, stand-alone, Recommendation. This reflects the importance of social protection in the global development agenda and the relevance of the Recommendation in guiding action to combat poverty, inequality and social exclusion, and to achieve universal rights that together ensure life in health and dignity. On the occasion of the ILO’s 100th anniversary, this General Survey is the Committee’s contribution to the furtherance of universal social protection and social justice worldwide.

Recommendation No. 202 was adopted by near consensus in 2012 with a view to providing flexible and meaningful guidance to countries for the design, implementation and monitoring of social protection floors and social security extension strategies, aimed at progressively achieving universal social protection. Today, its guidance resonates with as much vibrancy as it did at the time of its adoption, with countries at all levels of income and stages of development engaged in developing their social protection system in line with the principles and recommendations it puts forward, as this Survey shows.

Based on reports provided by 114 governments and observations submitted by 11 employers’ and 44 workers’ organizations, and by one national labour council representing both workers and employers, this General Survey looks into the impact of the Recommendation at national and international level and provides guidance to enhance social protection in accordance with the Recommendation. More specifically, it highlights good practices and progress accomplished by countries in giving effect to the Recommendation, analyses the difficulties indicated by governments and social partners as impeding or delaying its implementation, identifies means of overcoming these obstacles and formulates practical recommendations for a better application of the Recommendation by ILO member States.

This General Survey is intended to provide guidance to all stakeholders involved in the development of social protection systems at country level, notably: Governments, employers’ and workers’ organizations, representatives of other persons concerned, international organizations and development partners. It is also intended to serve as a key reference for practitioners, academics and the general public. Ultimately, it is hoped that the practices and recommendations put forward in this Survey will help countries to

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<sup>1</sup> The Committee of Experts on the Application of Conventions and Recommendations is the supervisory body in charge of examining the application of international labour standards by member States of the International Labour Organization.

achieve progress towards meeting the Sustainable Development Goals (SDGs) by 2030, to ensure that no one is left behind.

This General Survey is organized in four parts. Part I reviews the role of Recommendation No. 202 in guiding countries towards the achievement of universal social protection, the right to social security and the SDGs. Part II provides guidance on the establishment of social protection floors in national social security systems. The essential health-care and basic income security components of national social protection floors are examined with a view to identifying good practices in their design and implementation. Part III provides guidance and reviews comparative practice in the operationalization of social protection floors within national social security systems and the processes that support the extension of social security at the national level. Part IV focuses on the main challenges and opportunities in the implementation of the Recommendation by member States and outlines proposals for future action to achieve the full potential of the Recommendation.

## Recommendation No. 202: A guiding framework for achieving universal social protection, the right to social security, and the Sustainable Development Goals

As the first international social protection standard of the twenty-first century, the Social Protection Floors Recommendation, 2012 (No. 202), embodies a new international consensus on the crucial role of social protection in furthering human dignity, social cohesion, equality, social justice, as well as sustainable social and economic development.

Its high relevance and impact allowed its objective to be recognized and included in the framework of the 2030 Agenda for Sustainable Development adopted by all United Nations member States in 2015, providing a shared blueprint for peace and prosperity for people and the planet, and recognizing that ending poverty and ensuring healthy lives requires universal social protection systems ensuring adequate protection throughout the life cycle. By providing concrete guidance on the progressive achievement of universal social protection, while acknowledging the diversity of national circumstances and leaving the necessary flexibility, for each country to implement the approach best suited to its needs, it has become a reference for global, regional and national action to ensure life in health and dignity and to make the human right to social security a reality so as to leave no one behind.

In essence, reaffirming the human right to social security, the Recommendation calls for the establishment as a priority of social protection floors, comprised of basic income security and essential health-care guarantees for all in need, throughout the life cycle, as a fundamental element of comprehensive national social security systems. These should be embedded within strategies for the extension of social security that also aim at progressively ensuring higher levels of protection to as many people as possible, guided by the ILO's other social security standards.

### Key messages

***Giving effect to Recommendation No. 202 brings States closer to meeting their international human rights obligations.*** The Recommendation is the first international instrument to define the basic social security guarantees of social protection floors that every human being should enjoy for a life in health and dignity. As such, it has established itself as a reference in international law and is used by UN treaties bodies and experts as

a guiding framework for the advancement of the human rights to social security, to an adequate standard of living and to the highest attainable standard of mental and physical health.

It also provides guidance regarding the formulation and implementation of national social security extension policies and strategies to progressively achieve universal social protection. Applying the principles set forth in the Recommendation is also crucial to ensure that the development of national social security systems follows a rights-based approach. Efforts should be made to achieve the simultaneous application of the human rights instruments and the ILO's social security standards through a strategic approach defining coherent policies and interventions.

***Implementing rights-based social protection and anchoring rights in law.*** The Recommendation calls for the establishment of social protection floors and higher levels of protection by law. The only way of effectively guaranteeing social security rights is to specify clearly by law the role, responsibilities and rights of all the parties concerned. Laws and regulations that are clear and specific constitute a framework against which persons protected can obtain redress. Most countries have constitutional provisions that safeguard the right to social security or social protection and, in some countries, the constitution establishes a link between this right and the right to dignity. However, the specific legal provisions that are necessary to establish predictable and enforceable rights to benefits are often lacking, especially regarding non-contributory benefits. While the vast majority of countries have a legal framework governing the provision of contributory benefits under social insurance schemes, non-contributory benefits are not established in law as frequently, especially in many middle-income and most low-income countries. The effective implementation of social security laws and regulations is equally important to ensure that rights are enjoyed in practice. Effective complaint and appeal procedures that are accessible for all and that safeguard the rights and dignity of protected persons are crucial to ensure due process, and should also be specified by law.

***Implementing Recommendation No. 202 is instrumental in achieving the Sustainable Development Goals.*** The inclusion of social protection systems and measures for all, including social protection floors, and of universal health coverage, including financial risk protection and quality essential health-care services, as targets for the achievement of the SDGs illustrates the relevance of the Recommendation's objectives to social and economic development and inclusive growth, and its role as a guiding policy framework in furthering these Goals at the national level. Many countries are including social protection systems as an integral part of the broader framework of socio-economic and human development and are promoting social protection as part of their national social and economic development strategies. Countries which have not yet done so are encouraged to follow this approach as part of their strategy for the implementation of the SDGs in the years to come, and more particularly as concerns targets 1.3, 3.8, 5.4, 8.5 and 10.4.

***Cuts in social protection expenditure are prejudicial to economic and social development.*** Investment in social protection is yielding returns in many countries by stimulating economic growth and stability and improving the performance of national economies, resulting in more equitable and cohesive societies. A wide range of countries report the positive effects of investment in social security on economic growth and stability, including linkages between increased levels of social protection and economic performance. Some governments, however, are reducing social expenditure and public investment in skills development. The short-term competitive gains that may result from such measures may be detrimental to long-term sustainable economic and social growth, and may also compromise the ability of the countries concerned to improve the quality of

their workforce, particularly in the context of the higher skills requirements of a more globalized economy and technological progress.

***Social protection systems play a central role in reducing and preventing poverty, inequality, social exclusion and social insecurity.*** Most countries successfully use social protection policies, schemes and benefits to combat poverty and inequality. The combined effect of social security transfers on poverty reduction among the respective groups of the population should be better acknowledged and measured. To optimize outcomes, member States should consider the development of coherent national social protection policies and strategies in coordination with other public policies, and the systematic inclusion of such policies in broader national poverty reduction strategies, in accordance with the Recommendation.

***Social solidarity is a prerequisite for universal social protection.*** Social solidarity, including its financial aspects, lies at the heart of social security. It strengthens social cohesion and social peace, and it is a powerful weapon against poverty and inequality, and an effective instrument for making societies more equal and just.

Today, this principle is put into practice in most countries, although to a varying extent. Effective and equitable redistribution mechanisms based on solidarity are crucial for achieving universal social protection and more specifically for developing comprehensive social security systems, which extend social protection to all members of society. Member States should pay particular attention to the importance of this principle when engaging in reforms. The reduction of the scope of social insurance through the introduction of mandatory or voluntary individual savings mechanisms that shift economic and financial risks onto individuals is difficult to reconcile with the principles set out in the Recommendation. It should therefore be ensured in all cases that such schemes are part of a broader system based on the principles of solidarity, risk-pooling and collective financing, and the participation of the persons protected.

***Universal social protection can only be achieved through inclusive social protection systems.*** Social protection systems are important tools to work towards social inclusion and equality, including gender equality, and to address inequalities and discrimination. Many countries have laws, policies or mechanisms in place intended to ensure equality of treatment and protection against discrimination in the provision of social security guarantees, but broad inequalities in coverage and access remain. Characteristics such as gender, disability, origin, ethnicity and vulnerable employment exacerbate the risk of exclusion from social security in countries at all levels of income.

Universality can only be achieved through non-discriminatory, inclusive and responsive social protection systems that meet the needs of a diverse population in a manner that ensures respect for the rights and dignity of all persons protected. A number of countries have recently adopted laws and policies aimed at extending protection and support to categories of the population who were previously excluded. Yet, in many countries, certain categories of the population, representing, in some parts of the world the majority, do not have access to social security. The coverage of workers in non-standard forms of employment relationships, persons in the informal economy, rural populations, and migrants remains particularly challenging in many parts of the world. As a priority, member States should therefore extend their social security systems to cover those who are not yet protected, and to cover social risks that are not yet addressed, in accordance with national circumstances, so as to attain the highest possible scope and level of social protection possible.

***Progressive realization of universality in protection involves setting time frames and objectives.*** In application of the principle of progressive realization, member States



should strive to move ahead in extending coverage and levels of protection on a continuing basis, without delay. In times of crisis or in the context of austerity measures and fiscal consolidation, the reduction in levels of protection should only be considered as a last resort option, should not go beyond what is strictly necessary to preserve the financial and fiscal sustainability of the system and should not result in a breach of solidarity with those segments of the population who are the most in need of protection. Such measures should not be maintained for a longer period than that which is strictly necessary and should be accompanied by a social impact assessment with a view to introducing measures to mitigate adverse effects on the most vulnerable.

## Establishing social protection floors as a core element of comprehensive social protection systems

Recommendation No. 202 is the first and so far single international legal text to crystallize and define the notion of social protection floors as nationally defined sets of basic social security guarantees which should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which secure effective access to a set of goods and services defined as necessary at the national level. These guarantees should be realized through the most effective and efficient combination of schemes and benefits, in cash or in kind, pursuant to the national context.

### Key messages

***Securing effective and universal access to essential health care remains a global challenge.*** While universal health coverage has been achieved in many high- and middle-income countries, in many countries the population has access to only certain components of essential health care. Severe gaps still exist across and within countries, with only 61 per cent of the global population covered by law, and over 50 per cent of the global population having no access to adequate essential health care, including prenatal care and the most basic treatment against malaria, HIV/AIDS and tuberculosis. In most countries, the accessibility and affordability of essential health care are little or not guaranteed.

***Insufficient funding is the main cause of essential health-care deficits and results in increased risk of financial hardship.*** The establishment and maintenance of essential health care involves guaranteeing effective access to care and services of adequate quality, anchored in law, and that are available, accessible (and therefore affordable without an increased risk of impoverishment) and acceptable, for all persons. Health protection policies need to be an inclusive part of social protection policies and be coherent with other public policies, and particularly social, economic and employment policies. The main deficits in access to essential health care relate to the underfunding of health protection, shortages of health workers and high rates of out-of-pocket payments, resulting in an increased risk of impoverishment and financial hardship. The countries concerned are to be found in all regions, although mainly in Africa and in Asia and the Pacific. The highest rates of exclusion among the global population are among rural and unregistered populations, ethnic minorities, pregnant women, older persons and the poor/vulnerable.

***Efforts to provide universal access to essential health care imply addressing current funding deficits and improving policy and participatory frameworks.*** Efforts should be strengthened to establish universal health coverage in law as well as in practice to secure the provision of accessible high-quality care for all in order to prevent deaths and illness, improve health and reduce health-related impoverishment, so as to realize the full national potential for economic prosperity and decent work. Improving the

accessibility of adequate essential health care requires the adoption of measures in the majority of countries to address funding deficits, including the reallocation of budgets, and to ensure that a sufficient number of health workers are employed in decent jobs that are equally distributed throughout the country so as to ensure the provision of quality care to all in need without discrimination on grounds of gender, age or residency status. Members States should also implement policies that are coherent, gender-sensitive and integrated across the health, social and economic sectors in order to achieve sustainable progress. Participation in decision-making through national social dialogue is the most effective method of achieving equitable progress that leaves no one behind, and progress toward meeting SDGs 1 and 3.

***A diversity of approaches helps to guarantee at least basic income security throughout the life cycle.*** All members of society, should, at every stage of life – childhood, active age and old age – be guaranteed basic income security at least at a nationally defined level, as part of national social protection floors. To this effect, a considerable diversity of schemes and mechanisms exist across and within countries. These mainly take the form of child and family benefits to ensure income security in childhood; sickness, maternity, employment injury, disability and unemployment benefits for persons in active age; and retirement, old-age or survivors’ pensions for persons in old-age. These are provided through social insurance schemes, universal schemes, social assistance schemes (including those classified as safety nets or targeted anti-poverty programmes), and fiscal (tax), economic and other public policies. Social insurance is, across all regions, the type of mechanism most widely used, followed by social assistance. An increasing number of countries are implementing either targeted (mostly means-tested) or universal publicly funded benefit schemes to ensure a wider population coverage. Most countries use a variety of mechanisms, and many, a combination of contributory (mainly social insurance) and non-contributory benefits. Some countries complement cash benefits by benefits in kind (for example, food, housing, care services), and other measures falling under other policy areas such as tax relief measures, active labour market policies, education and training policies, social services and other support services. The most effective and efficient combination of benefits and schemes should be implemented, taking into account the national situation, with a view to optimizing outcomes and reaching universal coverage.

***Important gaps remain in guaranteeing basic income security.*** Providing and maintaining a coherent set of benefits and services to effectively guarantee basic income security is complex and challenging for many countries. Less than 60 per cent of countries thus reported having schemes and benefits ensuring income security for children. While full coverage of persons in active age is virtually achieved in all OECD and EU Member States, in other countries coverage is often limited to certain categories of persons and is conditional on the type of economic activity, sector of employment, legal status or other factors. At the global level, only 68 per cent of persons above retirement age receive some form of pension. In many low-income countries, fewer than 20 per cent of older persons over the statutory retirement age are in receipt of a pension.

***Securing the adequacy of benefits goes hand in hand with universality, and remains challenging.*** The benefits provided by social protection systems should be set at a level that is sufficient to realize, at least, the basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion, without which they could not be considered to meet the principle of adequacy established by the Recommendation. In combination, available benefits and schemes should be sufficient to ensure access to the goods and services defined as necessary and allow life in dignity throughout the life cycle. This involves access, without hardship or an increased

risk of poverty, to at least essential health care, and ensuring at least basic income security, for children, persons in active age and older persons at a level sufficient to allow life in dignity. Globally, countries use a variety of benchmarks and references for the establishment and calculation of benefits levels taking into account national characteristics, including their economic, demographic and geographical situation. The references most commonly used to set the level of basic benefits are minimum consumer baskets, minimum wages and national subsistence levels or poverty lines. The adequacy of basic income security should thus be assessed taking into account the whole set of social protection measures that contribute to income security for the persons concerned and their families, and their effective implementation. Transparent procedures for the regular review of the basic social security guarantees should be established, with tripartite participation, as well as consultation with the representatives of persons concerned.

***Stepping up efforts to reach basic income security is essential.*** In order to close social protection gaps, contributory (social insurance) schemes and non-contributory schemes are essential components of national social protection floors, with a view to securing at least basic income security for all. Contributory social insurance schemes should remain a fundamental element of income security in active and old age, as they provide benefits that are related to previous earnings, and tend to provide higher levels of income security than benefits provided under non-contributory, means-tested or universal schemes. Non-contributory benefits schemes play a key role in poverty reduction provided that the benefits, together with other support measures, are not below the accepted poverty line or the monetary value of a set of necessary goods and services. Such schemes should especially be considered for persons not covered by contributory schemes, including with a view to provide basic income security for children and in old age. Efforts should be made to ensure careful coordination and alignment of existing schemes and benefits, as well as their coordination with other policies.

## Policy design and implementation, financing and coordination, monitoring and evaluation

### Key messages

***Adopting and implementing a national social protection policy is key in the pursuit of a universal and comprehensive social protection system.*** The development and implementation of comprehensive national social protection policies and strategies aimed at reaching universal social protection is at the heart of Recommendation No. 202 and increasingly considered as the optimal manner of pursuing a holistic approach to social protection at the national level. In line with the international human rights framework, member States should seek to ensure the full realization of the human right to social security and prioritize the implementation of social protection floors to the maximum of their available resources, including fiscal resources. In a context characterized by limited coverage and resources, the design and implementation of a national social protection policy has the potential to prioritize social protection on the political and development agenda, on a par with other social, economic and financial policies, and to build coherence and convergence in pursuit of higher overarching national objectives.

***National policies are key in establishing national priorities and objectives and following up on them.*** In most national contexts, policies specify time frames and sequencing as a blueprint to achieve the progressive realization of the human right to social security. They should be supplemented by mechanisms aimed at monitoring progress which, where appropriate, lead to regular review and updating of national social protection

objectives through iterative policy formulation cycles. A systematic cycle of policy formulation, implementation and monitoring ensures that countries are in a position to constantly measure progress and adjust policies according to changing situations and needs.

***Holistic policies pave the way towards comprehensive social protection systems.*** Most countries are currently engaged in building comprehensive social security systems, including but not limited to national social protection floors. Policy processes favour the emergence of comprehensive social protection systems covering the entire population through a combination of tax-financed schemes which provide floor together with contributory protection mechanisms. The latter are essential for ensuring higher levels of protection. This is a complex task which is better commenced at the macro policy level, as it often involves significant changes in the scope and focus of existing schemes.

***Policy development processes represent a useful tool to secure coherence by way of establishing coordination mechanisms needed both within social protection systems and with other public policies.*** Policy processes are key opportunities to reduce fragmentation and improve coordination mechanisms between the various components of national social protection systems so as to enhance transparency, efficiency and cost-effectiveness and more effectively reduce poverty and secure public support for the expansion of the fiscal and political space available for social protection. In a context characterized by limited coverage and resources, the design and implementation of a national social protection policy has the potential to place social protection high on the political and development agenda, while promoting coherence with other social, economic and financial policies in pursuit of higher overarching national objectives.

***Effective social dialogue during policy development and implementation acts as a strong catalyser for building a stronger social protection system.*** Designing and implementing national social protection strategies and policies calls for joining the interests of all stakeholders to better assess gaps and address the specific needs and challenges. However, the institutional framework for social dialogue is often inadequate to support sufficiently representative and effective national dialogue processes. When organized and structured in an inclusive and participatory manner, policy development processes are recognized to foster constructive dialogue on the challenges faced and allow for the emergence of innovative and consensual solutions and accordingly also generate substantial positive economic outcomes. In turn, decisions are informed and transparency and accountability are increased. Therefore, designing and implementing policies for the development of comprehensive and universal national social security systems requires broad and participatory consultations at the policy design phase, as well as the implementation and evaluation phases, including with civil society actors. In addition, transparent, accountable and participatory management of social protection systems offer the best guarantees of the financial viability and sustainable development in association with the principle of solidarity in financing under the responsibility of the State.

***Policy development processes are optimal for addressing the challenges related to the informal economy.*** In a context of prevailing high and growing levels of informality and persistent inequality, poverty and vulnerability, social protection policies are key to designing effective measures to facilitate transitions from the informal to the formal economy, taking into account the needs of disadvantaged groups and persons with special needs. This can be achieved by progressively guaranteeing a basic level of income security and essential health care for all through a nationally defined social protection floor and by facilitating, in parallel, the integration of persons with, even limited, contributory capacity into mainstream contributory social security schemes through the removal of legal, financial and administrative barriers, and measures promoting formalization through

better compliance and incentives. This sets in motion a virtuous cycle of sustainable development and guarantees higher levels of social protection coverage.

***Targeting poverty poses a challenge for universality.*** While universal protection can be achieved through different means, governments and financial institutions should support policies that safeguard progress achieved in building social protection floors, particularly for disadvantaged groups and persons with special needs. Policymakers should therefore assess carefully possible impacts of the use of means-tested schemes, and particularly their suitability to address social protection deficits in light of the specific national circumstances. All available policy options should be assessed also from a rights-based perspective, and their respective advantages and drawbacks duly evaluated, including the higher costs incurred by certain targeting mechanisms, especially in terms of data collection, processing and regular reassessments to determine eligibility.

***Together with policy frameworks, matching legal frameworks are indispensable components to underpin and sustain social protection systems.*** In accordance with its overall and primary responsibility to guarantee the human right to social security, the State has the duty to progressively develop a legal framework reflecting the policy framework. Legal frameworks are key to secure the progressive achievement of the objective of universal, comprehensive and adequate social protection. The process of designing a social protection policy offers the opportunity not only to streamline and systematize the various social protection mechanisms, but also to shape the contours of the overall statutory social protection framework so as to ensure its durability beyond political cycles, as statutory provisions offer greater guarantees of broader social and public dialogue, due process and financing.

***Gaps in protection and lack of adequate benefit levels mostly result from lack of securing all financing needed.*** Despite significant progress in the extension of social protection coverage worldwide, the large and persistent gaps in protection are due mostly to the limited resources assigned to social protection. There is thus a need to develop a comprehensive view of the revenue base and of the potential to allocate sufficient resources, and to make the most efficient use of the maximum of available resources. Cost and ex ante assessments of the expected impacts, together with financial (including actuarial) and institutional feasibility studies, are a prerequisite to the development of sound policy frameworks with a view to progressively securing the resources to extend social protection floors to all within a reasonable time frame. In cases where the social protection system fails to provide any protection or only provides benefits at levels below national poverty thresholds, the State could not be considered as fulfilling its overall and primary responsibility to guarantee sufficient financing to ensure life in dignity. In this respect, combined with effective and measurable indicators necessary to calculate and ensure the provision of adequate levels of benefits, the establishment in each country of a social protection expenditure floor would represent the incompressible or core social protection spending to be guaranteed by the State at all times, and therefore protected against fiscal and economic austerity measures.

***Collective financing offers the best guarantees for financial sustainability, especially in times of fiscal consolidation.*** The progressive universalization of social security lies in strengthening and extending social solidarity and solidarity in financing as the manifestation of the collective values of social cohesion, mutual assistance and sharing of responsibilities, and of the human values of empathy, compassion and care for the weak. The collective financing of social protection on the broadest possible basis is the optimal means of addressing life contingencies and smoothing income over the lifetime, while providing the necessary leverage for the State to guarantee the sustainability and equity of the national social protection system. In this respect, the pronounced trend in a number of

countries to scale back privatization and strengthen public schemes based on the principles of solidarity and adequate and predictable benefits advocated by the Recommendation is saluted. Austerity and fiscal consolidation measures taken to address budget deficits should always be accompanied by measures aimed at also consolidating enjoyment of basic human rights, including the right to social security, so that social protection systems are not unduly undermined, especially the basic guarantees for the most vulnerable and persons with special needs.

***Establishing effective monitoring mechanisms is both a major challenge and a prerequisite for the universal extension of social protection.*** The compilation of social security data represents an important challenge for the majority of countries. Comprehensive data collection and analysis is a crucial element for informed and evidence-based policy- and law-making, as well as effective implementation, including in the framework of regional and international cooperation and the SDGs. As a means to an end data should be used to mobilize effective follow-up measures which ensure quality and participatory outcomes. The Recommendation provides guidance on how the State needs to monitor progress in reaching universal social protection. While most countries continue using existing ILO statistical guidance for their monitoring frameworks, it could be complemented by subsequently accumulated knowledge, including in the context of the ILO's custodianship for the compilation of SDG data on the progress made towards the achievement of SDG target 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).

## The way forward

***The need to further engage in building social protection systems, including floors, is universal.*** As shown in this General Survey, important progress has been achieved in a number of countries in extending social protection and providing basic social security guarantees. All over the world, the guidance provided by the Recommendation is gradually being transformed into adequate and sustainable national social protection policies. However, important gaps and challenges to the achievement of universal social protection remain. Only 29 per cent of the world population enjoys access to comprehensive social security coverage. This shows the clear and pressing need for many countries to strengthen social protection policy and law and their effective implementation. In the context of the challenges resulting from the numerous changes in the world of work, member States need to fully assume their overall and primary responsibility to ensure that the objectives and principles of the Recommendation are given effect and that the universal human right to social security becomes a reality for everyone. Additional efforts are also needed to mobilize the necessary resources, through a variety of methods, to fulfil these objectives. For the future, this is the high road to sustainable and cohesive societies and the realization of human rights. Member States which have not yet fulfilled their constitutional obligation to submit the Recommendation to their national legislature have an opportunity to do so promptly and to develop a comprehensive strategy to address social protection deficits based on its guidance and principles.

***An essential part of universal and comprehensive social protection systems is to provide adequate benefits.*** In parallel to the priority of extending basic protection to those left unprotected, all countries should strive to provide higher levels of protection to as many people as possible, as soon as possible, pursuant to the valuable reference represented by the up-to-date ILO social security standards and notably the Social Security

(Minimum Standards) Convention, 1952 (No. 102), and standards setting higher levels of protection for the development of comprehensive national social security systems. Recognizing the added value of these standards, an increasing number of ILO constituents are engaging with the ILO either to ratify them or build on them to develop or review their social protection policies, legislation and systems, and to establish a road map and set benchmarks, guided by these Conventions.

***Effective social dialogue and participation are critically important in achieving social protection outcomes.*** Achieving substantial progress requires all available means of action to be mobilized, including financial and fiscal means. In this respect, involving all relevant stakeholders in the determination, implementation and monitoring of the social protection framework gives better results, due in part to broader public acceptance and support resulting from effective social dialogue and participation.

***The ILO's technical cooperation offers a global value added.*** A wide range of technical expertise and tools is available within the ILO to assist member States in furthering the implementation of the Recommendation, including with a view to supporting the building and maintenance of comprehensive social security systems, including social protection floors, as well as the formulation, implementation and monitoring of national social security extension strategies and policies. This includes technical advice on the social, economic, financial, fiscal, legal, actuarial and governance aspects of social security; the design, implementation and coordination of social protection policies and legislation; the carrying out of assessment-based national dialogues; the reinforcement of administrative capacities; development of social security statistics; the establishment of monitoring and evaluation mechanisms and the strengthening of the linkages between social security and other social policies, as well as with employment, public health and economic policies. Increasing demand for technical cooperation led the ILO to establish the Global Flagship Programme on Building Social Protection Floors for All and the Global Programme on Employment Injury Insurance and Protection. Member States should continue availing themselves of the policy support and technical assistance provided by the Office, as well as existing collaboration frameworks among member States and with the ILO such as South–South and triangular cooperation, including as part of the technical cooperation component of the standards strategy for social security, development cooperation projects and in the framework of the ILO's flagship programmes.

***With effective implementation, Recommendation No. 202 opens the way into the future of social protection.*** Recommendation No. 202 constitutes a new international reference for the future development of national social protection policy and legislation, as well as international cooperation. By setting out fundamental principles and a framework for the development of comprehensive, universal and adequate social protection systems, it embodies a new paradigm for social protection in the twenty-first century which calls for effective implementation. This is reminiscent of the way the Income Security Recommendation, 1944 (No. 67), and the Medical Care Recommendation, 1944 (No. 69), established in 1944 the blueprint for social security throughout the twentieth century, paving the way for the adoption of Convention No. 102 in 1952. It is hoped that this General Survey will inform the preparation of the forthcoming recurrent discussion on social protection (social security) by the International Labour Conference in 2020 which will review trends and developments in social protection and determine how the needs of member States can be addressed more efficiently by the ILO, including through standards-related action, technical cooperation and research.

# Summary

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Executive summary

Introduction

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## List of abbreviations

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ABND	assessment-based national dialogue
ALMP	active labour market policies
ASEAN	Association of Southeast Asian Nations
BIS	basic income security
BRICS	Brazil, Russian Federation, India, China, South Africa
CBHI	community-based health insurance
CCT	conditional cash transfer programme
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CEB	United Nations System Chief Executives Board for Coordination
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CESCR	United Nations Committee on Economic, Social and Cultural Rights
CRC	United Nations Committee on the Rights of the Child
CRPD	United Nations Committee on the Rights of Persons with Disabilities
DWCP	Decent Work Country Programmes
ECOSOC	United Nations Economic and Social Council
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECSS	European Code of Social Security
Eurostat	statistical office of the European Union
GDP	gross domestic product
GFS	Government Finance Statistics
GNI	gross national income

ICESCR	International Covenant on Economic, Social and Cultural Rights, 1966,
ICLS	International Conference of Labour Statisticians
ILC	International Labour Conference
ILO	International Labour Organization/Office
IMF	International Monetary Fund
IOE	International Organisation of Employers
ISPA	Inter-Agency Social Protection Assessment
ITUC	International Trade Union Confederation
LGBTQ2	lesbian, gay, bisexual, transgender, queer or questioning
NGO	non-governmental organization
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PMT	proxy means testing
PWP	public works programme
SDGs	Sustainable Development Goals
SPF	social protection floor
SRM	Standards Review Mechanism
SSI	Social Security Inquiry
TCCTP	targeted conditional cash transfer programme
UDHR	Universal Declaration of Human Rights, 1948
UNDAF	United Nations Development Agreement Frameworks
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations International Children's Emergency Fund

# Introduction

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## I.1. Background to the General Survey

1. At its 325th Session (October–November 2015), the Governing Body of the International Labour Office decided that the General Survey to be prepared by the Committee of Experts on the Application of Conventions and Recommendations (CEACR) in 2018 and submitted to the International Labour Conference (ILC) in 2019 would cover the Social Protection Floors Recommendation, 2012 (No. 202).<sup>1</sup> Following this decision, the Office was requested to prepare a draft report form for the General Survey concerning Recommendation No. 202. At its 328th Session (October–November 2016), the Governing Body adopted the report form to be used by member States for their reports under article 19 of the Constitution of the ILO for the preparation of the General Survey.<sup>2</sup>
2. The Committee notes that 114 governments provided reports on the position of national law and practice in respect of matters dealt with in the Recommendation: 26 reports from Africa, 25 from the Americas, seven from the Arab States, 13 from Asia and the Pacific and 43 from Europe and Central Asia. Full indications on the reports due and received are contained in Appendix III. According to its usual practice, the Committee has also taken into account the observations submitted by 11 employers' and 44 workers' organizations, and one national labour council representing both workers and employers, the list of which is contained in Appendix IV.
3. This General Survey is based on the reports communicated under article 19 of the Constitution by countries on the measures taken to give effect to the provisions of the Recommendation. The Committee has also taken into account available information on relevant law and practice, and its main observations on the application of ratified ILO social security Conventions, as well as the reports on the application of the European Code of Social Security (ECSS).<sup>3</sup> The present Survey builds on the information contained in

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<sup>1</sup> ILO: *Choice of Conventions and Recommendations on which reports should be requested under article 19 of the ILO Constitution in 2017*, Governing Body, 325th Session, Geneva, October–November 2015, GB.325/LILS/4 and GB.325/PV, paras 636–637.

<sup>2</sup> ILO: *Proposed form for reports to be requested under article 19 of the Constitution in 2018 on the Social Protection Floors Recommendation, 2012 (No. 202)*, Governing Body, 328th Session, Geneva, October–November 2016, GB.328/LILS/3(Rev.) and GB.328/PV, para. 606.

<sup>3</sup> These reports are submitted by the governments concerned in accordance with the arrangement made between the ILO and the Council of Europe under Art. 74(4) of the ECSS.

the previous General Survey concerning the social security instruments,<sup>4</sup> the ILO *World Social Protection Report 2017–19*,<sup>5</sup> and other relevant publications.

## I.2. Recommendation No. 202: Setting the ILO’s vision of social protection in the twenty-first century

### Social protection at the core of the ILO’s mandate

4. Social security, or social protection, is a key component of the social justice mission that is at the heart of the ILO’s constitutional mandate, and has been a major area of standard setting and action for the Organization since its foundation in 1919. The Preamble to the ILO Constitution, 1919, calls for the improvement of conditions of labour through, inter alia, “... the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury”. The Declaration of Philadelphia<sup>6</sup> of 1944 calls on the ILO: “to further among the nations of the world programmes which will achieve ... the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care” (article III(f)) and “provision for child welfare and maternity protection” (article III(h)), thereby extending the protection from *workers* to *all those in need*.<sup>7</sup>

Social security, or social protection, refers to all policies and programmes providing benefits, in cash or in kind, to secure protection from: lack of access or unaffordable access to health care; lack of work-related income, or insufficient income, caused by sickness, disability, maternity, employment injury, maintenance of children; unemployment, old age, or death of a family member; general poverty, vulnerability and social exclusion. For the purpose of this General Survey, social protection and social security are used interchangeably, reflecting ILO and United Nations practice. \*

\* For a more detailed description of social security, or social protection, see the glossary, Appendix VI.

5. In 2001, the ILC reaffirmed social security as a basic human right and its extension to all in need as a fundamental part of the ILO’s mandate and a challenge to be addressed as a high priority.<sup>8</sup> The new consensus on social security reached on that occasion gave the highest priority to “policies and initiatives which can bring social security to those who

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<sup>4</sup> ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter the “2011 General Survey”).

<sup>5</sup> ILO: *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017.

<sup>6</sup> Declaration concerning the aims and purposes of the International Labour Organisation (Declaration of Philadelphia), adopted by the International Labour Conference at its 26th Session, Philadelphia, 10 May 1944. The Declaration of Philadelphia forms part of the ILO Constitution.

<sup>7</sup> For a more detailed review of the ILO’s mandate in relation to social security and a historical perspective of ILO social security standard setting, see the 2011 General Survey, ch. 1.

<sup>8</sup> ILO: *Conclusions concerning social security*, International Labour Conference, 89th Session, Geneva, 2001, para. 1.

are not covered by existing schemes”.<sup>9</sup> As a result, the ILO launched the Global Campaign on Social Security and Coverage for All in 2003.

6. The ILO Declaration on Social Justice for a Fair Globalization, 2008 (the “Social Justice Declaration”) identifies social protection as one of the ILO’s four strategic objectives with the aim of “the extension of social security to all, including measures to provide basic income to all in need of such protection, and adapting its scope and coverage to meet the new needs and uncertainties generated by the rapidity of technological, societal, demographic and economic changes”.<sup>10</sup> The Social Justice Declaration therefore reaffirmed the tripartite commitment to extend social security to all in need of such protection within the framework of the Decent Work Agenda.

7. In April 2009, as one of the responses to the global economic crisis, the United Nations System Chief Executives Board for Coordination (CEB) launched the joint United Nations Social Protection Floor Initiative (SPF-I). As conceptualized by the CEB, the social protection floor consists of a basic set of social rights, services and facilities that every person should enjoy.<sup>11</sup> The social protection floor was subsequently included as a key element of the Global Jobs Pact adopted by the ILC in 2009. The Pact, which contains an internationally agreed set of policy measures to build an employment-oriented framework for future economic growth, calls for countries to “give consideration, as appropriate, to ... building adequate social protection for all, drawing on a basic social protection floor ...”.<sup>12</sup>

8. Starting in 2007, the ILO had organized tripartite Regional Meetings in Latin America, the Arab States, and Asia and the Pacific to discuss social security extension strategies.<sup>13</sup> Building on the outcome of these consultations, and on in-depth analytical work and research by the Office,<sup>14</sup> a generic two-dimensional extension strategy emerged combining the extension of coverage to all through nationally defined social protection floors (also referred to, in the early stages, as a “basic benefits package”) and the progressive implementation of higher levels of social security through comprehensive systems. This strategy was endorsed in the Chairperson’s summary of the Tripartite

<sup>9</sup> *ibid.*, para. 5.

<sup>10</sup> ILO Declaration on Social Justice for a Fair Globalization, International Labour Conference, 97th Session, Geneva, 2008, I. Scope and principles, (A)(ii).

<sup>11</sup> For the SPF-I, the social protection floor consists of: (1) essential services: geographical and financial access to essential services (such as water and sanitation, health, and education); and (2) social transfers: a basic set of essential social transfers, in cash and in kind, to provide minimum income security and access to essential services, including health care. See ILO and World Health Organization (WHO): *The Social Protection Floor: A joint crisis initiative of the UN Chief Executives Board for Co-ordination on the social protection floor*, Geneva, 2009.

<sup>12</sup> ILO: *Recovering from the crisis: A Global Jobs Pact*, International Labour Conference, 98th Session, Geneva, 2009, 12(1)(ii).

<sup>13</sup> See ILO: “Reunión Regional Tripartita sobre el futuro de la protección social en América Latina” (Santiago, Chile, 12–14 December 2007, Social Security Policy Briefings, Paper 4, Geneva, 2008; “Interregional Tripartite Meeting on the Future of Social Security in Arab States” (Amman, 6–8 May 2008), Social Security Policy Briefings, Paper 5, Geneva, 2008; and “Asia-Pacific Regional High-Level Meeting on Socially-Inclusive Strategies to Extend Social Security Coverage” (New Delhi, India, 19–20 May 2008), Social Security Policy Briefings, Paper 6, Geneva, 2008.

<sup>14</sup> See notably: ILO: *Extending social security to all – A guide through challenges and options* (Geneva, 2010); ILO: *Social health protection: An ILO strategy towards universal access to health care*, Social Security Policy Briefings, Paper 1 (Geneva, 2008); ILO: *Setting social security standards in a global society, An analysis of present state and practice and of future options for global social security standard setting in the ILO*, Social Security Policy Briefings, Paper 2 (Geneva, 2008); ILO: *Social security for all: Investing in social justice and economic development*, Social Security Policy Briefings, Paper 7 (Geneva, 2009); ILO: *Can low-income countries afford basic social security?*, Social Security Policy Briefings, Paper 3 (Geneva, 2008).

Meeting of Experts on Strategies for the Extension of Social Security Coverage in 2009,<sup>15</sup> and in the Yaoundé Tripartite Declaration adopted by the 2nd African Decent Work Symposium in 2010.<sup>16</sup>

9. In 2011, in its conclusions concerning the recurrent discussion on social protection (social security), the ILC set out the ILO's strategy to address the challenge of extending coverage and further developing social security systems.<sup>17</sup> Based on the premise that social security is a human right and a social and economic necessity, the Conference called for the extension of social security coverage through a two-dimensional approach, with a view to building comprehensive social security systems, noting that closing coverage gaps is of the highest priority for equitable economic growth. Effective national strategies to extend social security in line with national circumstances should aim to achieve universal protection of the population by ensuring at least minimum levels of income security and access to essential health care (the horizontal dimension) and progressively ensuring higher levels of protection guided by ILO social security standards (the vertical dimension).<sup>18</sup>

10. The Social Protection Floors Recommendation, 2012 (No. 202), adopted by the ILC in June 2012, embodies an international agreement built up over 11 years of relentless and thorough consultations with ILO constituents and provides the ILO with a guiding framework for the implementation of this two-dimensional approach. It reflects a tripartite agreement among ILO constituents on the crucial role and functions of social protection, the objective of achieving universal, comprehensive and adequate protection, and the principles and process that should be followed to achieve this objective.<sup>19</sup>

11. As the International Labour Organization celebrates its Centenary, Recommendation No. 202 is a reminder of the very reason for the Organization's existence, the recognition that "universal and lasting peace can be established only if it is based on social justice"<sup>20</sup> and a key instrument in the continuous endeavour to fulfil this aspiration.

## Social security in international law

12. The world community, united in the General Assembly of the United Nations, has recognized social security as a human right, and therefore as one of the basic rights and freedoms to which all humans are entitled.<sup>21</sup> Universal recognition of social security as a right of all persons based on the principles of equality and non-discrimination was embodied by the inclusion of the right to social security in the Universal Declaration of

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<sup>15</sup> ILO: *Report of the Director-General: Second Supplementary Report: Tripartite Meeting of Experts on Strategies for the Extension of Social Security Coverage* (Geneva, 2–4 September 2009), Governing Body, 306th Session, November 2009, GB.306/17/2.

<sup>16</sup> ILO: *Yaoundé Tripartite Declaration on the implementation of the Social Protection Floor: Building a social protection floor with the Global Jobs Pact*, 2nd African Decent Work Symposium (Yaoundé, 6–8 October 2010).

<sup>17</sup> ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, International Labour Conference, 100th Session, Geneva, 2011.

<sup>18</sup> *ibid.*, paras 8–11.

<sup>19</sup> This agreement is set out in the *Conclusions concerning the recurrent discussion on social protection (social security)*, 2011, *op. cit.*, which also contain an appendix entitled "Elements of a possible Recommendation on Social Protection Floors".

<sup>20</sup> Preamble to the ILO Constitution, 1919.

<sup>21</sup> For a detailed review of the human rights framework respecting social security, see the 2011 General Survey and ch. 1, section 1.1.2 below.

Human Rights (UDHR), 1948,<sup>22</sup> the International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966,<sup>23</sup> and numerous other international and regional and international human rights treaties, which specify the obligation of States to respect, protect and fulfil the right to social security.<sup>24</sup> In parallel, the right to social security has been defined and given substance in a consistent body of international and regional legal standards, with the ILO at the forefront of the process through the adoption of its social security Conventions and Recommendations. The body of standards produced by the ILO over the years has brought into existence international social security law, which gives a firm legal foundation to the human right to social security and has brought national social security systems under the rule of law.<sup>25</sup> The interaction between international social security law and human rights law has acted as the engine for the progressive development of social security worldwide, substantiating human rights through minimum standards of protection.<sup>26</sup>

## ILO social security standards

13. The normative framework adopted by the ILO in the field of social security since its creation consists of no fewer than 31 Conventions and 23 Recommendations, which have guided the development of social security worldwide and constitute the core international social security law.<sup>27</sup> Like other international labour standards, they are primarily tools for governments which, in consultation with employers and workers, as well as representatives of other persons concerned, seek to draft and implement laws and policies for the establishment and development of social security systems, schemes and benefits. While Recommendations contain non-binding guidelines, Conventions, where ratified, create binding obligations for member States which have to ensure their application, in law and in practice. In the field of social security, and as highlighted throughout this General Survey,<sup>28</sup> employers and workers as well as representatives of other persons concerned, also have an important role to play in the implementation of ILO standards.

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<sup>22</sup> Universal Declaration of Human Rights, 1948, Arts 22 and 25.

<sup>23</sup> International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966, Art. 9. In 2007, the United Nations Committee on Economic, Social and Cultural Rights (CESCR), the body responsible for monitoring the implementation of the ICESCR by States parties, specified the obligations of the latter to respect, protect and fulfil the right to social security in its General Comment No. 19 (The right to social security (Art. 9 of the Covenant), 4 Feb. 2008, E./C.12/GC/19, paras 43–51). In determining these obligations of States, the CESCR used as a source of international law the ILO's social security standards, which attribute to the State the general responsibility to establish and administer the social security system.

<sup>24</sup> These include, at the global level: Convention on the Elimination of All Forms of Discrimination against Women, 1979, Arts 11(1)(e), 11(2)(b) and 14(2)(c); Convention on the Rights of the Child, 1989, Arts 26 and 27(1); Convention on the Elimination of All Forms of Racial Discrimination, 1965, Art. 5(e)(iv); International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990, Arts 27 and 54; Convention on the Rights of Persons with Disabilities, 2006, Art. 28; and, at the regional level: American Declaration of the Rights and Duties of Man, 1948; Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights "Protocol of San Salvador", 1988; African Charter on Human and Peoples' Rights, 1981; African Charter on the Rights and Welfare of the Child, 1990; Convention for the Protection of Human Rights and Fundamental Freedoms (Council of Europe), 1950; and European Social Charter, 1961, as revised in 1996.

<sup>25</sup> 2011 General Survey, para. 15.

<sup>26</sup> *ibid.*, paras 158 and 159.

<sup>27</sup> *ibid.*, para. 16.

<sup>28</sup> See, for example, ch. 1, section 1.2.7, ch. 4, section 4.2.3, ch. 7, section 7.2.2, ch. 8, section 8.2.2, ch. 9, sections 9.1.2 and 9.3.2.

14. Both the Income Security Recommendation, 1944 (No. 67), and the Medical Care Recommendation, 1944 (No. 69), were adopted in conjunction with the Declaration of Philadelphia and gave effect to the principles enshrined therein through the provision of guidance on ensuring basic income for all and comprehensive medical care, thereby laying down the new doctrine of universality as the basis for the development of social security.<sup>29</sup>

15. A few years later, the Social Security (Minimum Standards) Convention, 1952 (No. 102), transformed the ideas set out in Recommendations Nos 67 and 69 into legal obligations, establishing social security as a separate branch of international law. Convention No. 102 brings together the nine “traditional” social security risks, or contingencies, in a single, comprehensive and legally binding instrument.<sup>30</sup> It also sets quantitative minimum standards of protection for the coverage of the population,<sup>31</sup> the level of benefits to be provided by social security schemes for each risk and the conditions for entitlement to those benefits,<sup>32</sup> as well as related statistical requirements to demonstrate compliance. The Convention establishes a set of core principles to be observed, irrespective of the type of social security system:

- the general responsibility of the State for the due provision of benefits and the proper administration of the institutions and services concerned in securing the provision of benefits;<sup>33</sup>
- the participation of the persons protected in the management of social security schemes;<sup>34</sup>
- the collective financing of social security schemes;<sup>35</sup>
- the adjustment of pensions in payment;<sup>36</sup> and
- the right of appeal in case of refusal of the benefit or complaint as to its quality or quantity.<sup>37</sup>

16. The Convention offers a range of options and flexibility for its application, which can be attained through a combination of contributory<sup>38</sup> and non-contributory benefits,

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<sup>29</sup> 2011 General Survey, paras 38 and 39.

<sup>30</sup> There are nine principal branches of social security: medical care, sickness, unemployment, old-age, employment injury, family, maternity, invalidity and survivors’ benefits.

<sup>31</sup> Convention No. 102, Arts 9, 15, 21, 27, 33, 41, 48, 55 and 61.

<sup>32</sup> Arts 16, 22, 28, 36, 44, 50, 56, 62, 65, 66 and 67.

<sup>33</sup> Arts 71(3) and 72(2).

<sup>34</sup> Art. 72(1).

<sup>35</sup> Art. 71(1) and (2).

<sup>36</sup> Arts 65(10) and 66(8).

<sup>37</sup> Art. 70.

<sup>38</sup> Based on the principle of solidarity, contributory schemes or benefits, including social insurance schemes, are financed by contributions which are normally shared between employers and workers, although in some cases certain benefits can be financed by either workers’ or employers’ contributions. The State may also participate in the financing in the form of a supplementary contribution or other subsidies from the general revenue. In this connection, ILO Convention No. 102 sets out in Art. 71 that “(1) The cost of the benefits provided ... and the cost of the administration of such benefits shall be borne collectively by way of insurance contributions or taxation or both in a manner which avoids hardship to persons of small means and takes into account the economic situation of the Member and of the classes of persons protected.”, and that “(2) the total of the insurance contributions borne by the employees protected shall not exceed 50 per cent of the total of the financial resources allocated to the protection of employees and their wives and children”. Contributions are usually determined as a certain percentage



general and occupational schemes, compulsory and voluntary insurance, and through different methods for the administration of benefits, all intended to secure an overall level of protection which best corresponds to the needs of the population, taking into account the historical context. The Convention is thus based on the idea that there is not a single model of social security applicable to all countries and that each society has to develop the best means of guaranteeing the protection required, on condition that it complies with the common principles.<sup>39</sup>

17. The body of up-to-date ILO social security standards now comprises eight Conventions and eight Recommendations.<sup>40</sup> The Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121), the Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128), and the Medical Care and Sickness Benefits Convention, 1969 (No. 130), and their accompanying Recommendations Nos 121, 131 and 134 set higher requirements for the various social security contingencies covered by Convention No. 102,<sup>41</sup> particularly in terms of the personal scope of coverage and the minimum levels of benefits to be provided, while following the same approach and structure. The Maintenance of Social Security Rights Convention, 1982 (No. 157), addresses the maintenance of the social security rights of migrant workers and complements the provisions of the Equality of Treatment (Social Security) Convention, 1962 (No. 118), focusing on equality of treatment and the exportability of benefits.<sup>42</sup> The Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) and the Employment Promotion and Protection against Unemployment Recommendation, 1988 (No. 176), provide for more advanced protection of unemployed persons through the provision of benefits in the form of periodical payments, while also promoting full, productive and freely chosen employment. The Maternity Protection Convention (No. 183) and the Maternity Protection Recommendation, 2000 (No. 191), ensure that all employed women, including those in atypical forms of dependent work, are entitled to a higher level of maternity benefits in the event of pregnancy, childbirth and their consequences. They also establish health protection, employment protection and non-discrimination for pregnant and breastfeeding women. And finally, Recommendation No. 202 complements the body of up-to-date standards by providing guidance on the establishment of social protection floors as a fundamental part of national social security systems, and on designing and implementing national social security policies and

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of the workers' periodical earnings, which may be capped, or as a flat rate, and the person's right to benefit is secured by her/his contribution record without any test of need or means. See also Appendix VI, glossary.

<sup>39</sup> For a detailed review of Convention No. 102, see paras 54–69 of the 2011 General Survey (and the 2011 General Survey as a whole for guidance on its application).

<sup>40</sup> In 2002, the ILO Governing Body confirmed that the following social security Conventions remained up to date: the Social Security (Minimum Standards) Convention, 1952 (No. 102), the Equality of Treatment (Social Security) Convention, 1962 (No. 118), the Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121), the Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128), the Medical Care and Sickness Benefits Convention, 1969 (No. 130), the Maintenance of Social Security Rights Convention, 1982 (No. 157), and the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168). The Governing Body also confirmed that the following social security Recommendations remained up to date: the Income Security Recommendation, 1944 (No. 67), the Employment Injury Benefits Recommendation, 1964 (No. 121), the Invalidity, Old-Age and Survivors' Benefits Recommendation, 1967 (No. 131), the Medical Care and Sickness Benefits Recommendation, 1969 (No. 134), the Maintenance of Social Security Rights Recommendation, 1983 (No. 167), and the Employment Promotion and Protection against Unemployment Recommendation, 1988 (No. 176). The body of up-to-date social security standards also includes the more recent Maternity Protection Convention, 2000 (No. 183) and the Maternity Protection Recommendation, 2000 (No. 191), and Recommendation No. 202.

<sup>41</sup> With the exception of family benefit.

<sup>42</sup> For more detail, see the 2011 General Survey, para. 26.

strategies aimed at both extending social protection coverage and providing higher levels of protection to as many people as possible, as quickly as possible, guided by the ILO's social security standards.

## The adoption of Recommendation No. 202 in response to the need for a standard to close coverage gaps and guide the extension of social security

18. The challenges faced by the ILO and its member States in extending social security prior to the adoption of Recommendation No. 202 called for a new standard that would complement, broaden and strengthen the existing body of ILO social security standards. The impact of Convention No. 102 and the higher social security standards had been significant in many high- and some middle-income countries, where high coverage rates had been achieved in most branches of social security, as concluded by the Committee in its 2011 General Survey.<sup>43</sup> However, the ability of these standards to guide the development and extension of social security further in low-income countries seemed less certain, as shown by the important gaps in coverage that persisted and had even widened in less developed parts of the world, where a majority of the population did not benefit from social protection. In this regard, the Committee recognized that, for the many industrial societies which the drafters of these standards had primarily in mind, the ILO's standards had achieved their initial objective "to relieve want and prevent destitution" for the large majority of the population.<sup>44</sup> However, they had not been so influential in "the developing world, where the impact of the surveyed instruments was limited to the formal sector representing a small part of the economy".<sup>45</sup>

19. Meanwhile, persistent and increasing levels of unemployment, underemployment and informality, flexibilization and deregulation of the labour market have resulted in increasing poverty, inequality and social exclusion in many countries.<sup>46</sup> The 2008 global financial crisis amplified the impact of these phenomena, but also showed that social protection is an effective means of cushioning incomes and supporting demand in times of major economic downturn.<sup>47</sup> This reinforced the perception that the extension and maintenance of social security should be a high priority, and highlighted the fundamental responsibility of States to ensure at least a basic standard of living for their people and the

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<sup>43</sup> In its 2011 General Survey, following a thorough examination of the impact of the standards under review, the Committee concluded that, since its adoption, Convention No. 102 had had a substantial influence on the development of comprehensive social security systems and benefit schemes at the national level, and that many developing countries, "inspired by the Convention, have embarked upon the road to social security". By establishing an internationally accepted definition of the material scope of social security and setting a socially acceptable minimum level of protection to be achieved worldwide, Convention No. 102 had become a symbol of social progress and set in motion a dynamic process of gradually raising the basic parameters of social security programmes to higher levels. The Committee further noted that "[t]ogether with other social security instruments, it helped create a level playing field of social conditions in a globalized economy and served as a model for regional social security instruments" (paras 56 and 81).

<sup>44</sup> *ibid.*, para. 623.

<sup>45</sup> *ibid.*, para. 624.

<sup>46</sup> See, for instance, ILO: *Social security for all: Investing in social justice and economic development*, 2009, op. cit. p. 28; and the 2011 General Survey, ch. 2.

<sup>47</sup> ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, 2011, op. cit., para. 5(c).

viability and adequacy of their social institutions.<sup>48</sup> At the same time, country experiences were demonstrating the effectiveness of social transfers and effective access to health care in the fight against poverty and inequality.<sup>49</sup> This led to the consideration of social protection as an indispensable means of extending social security coverage to the poor and vulnerable, and thus of ensuring at least basic income security and essential health care for all those in need.<sup>50</sup>

20. Additional guidance was also needed to help countries achieve universality. The objectives of universal and comprehensive protection, with access to at least basic income security and essential health care for all, as called for in the Declaration of Philadelphia and embodied in Recommendations Nos 67 and 69, had not been fully translated into binding provisions in the social security Conventions adopted thereafter. Convention No. 102, the most influential and widely ratified of these Conventions, sets important minimum requirements respecting the scope, extent and level of coverage, but does not require universal coverage or the provision of a complete set of social security benefits that ensure protection throughout the life cycle.<sup>51</sup> The Committee found in 2011 that Recommendations Nos 67 and 69 are still pertinent “in terms of the guiding principles they set forward for national law and practice and for ILO action on the extension of social security to all”, but no longer constitute a source of inspiration and motivation for governments in this day and age.<sup>52</sup> This led the Committee to affirm that the “persistent realities of poverty and informality call for drafting a new blueprint for the development of social security in the twenty-first century, equipping it with more effective means to alleviate poverty”, while retaining the fundamental principles and objectives embodied in Recommendations Nos 67 and 69. In the view of the Committee, the “idea of underpinning the world economy by a global social security floor has the potential of once again changing the social security paradigm, the ways and means with which social security is going to be provided in the coming future, moving away from the risk-based towards more integrated forms of social protection.”<sup>53</sup>

21. The reflection leading to the adoption of Recommendation No. 202 also included an assessment of the contribution of ILO social security standards to the human rights framework and the ability of these standards to assist countries in the realization of the right to social security. ILO standards were recognized as the main points of reference for the definition and interpretation of that right. But it was considered that additional

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<sup>48</sup> ILO: *Extending social security to all*, 2010, op. cit. p. 18.

<sup>49</sup> See, for example, ILO: *Effects of non-contributory social transfers in developing countries: A compendium*, Working Paper, Geneva, 2010.

<sup>50</sup> ILO: *Extending social security to all*, 2010, op. cit., p. 111.

<sup>51</sup> Convention No. 102 fixes a set of objectives or standards based on commonly agreed principles that constitute a socially acceptable minimum for all member States. It prescribes certain minimum requirements to be observed by ratifying States, which are obliged to comply with them in respect of a minimum of three out of the nine social security branches, and to do so in respect of a defined percentage of workers or of the population, which usually amounts to at least 50 per cent of all employees, or at least 20 per cent of the economically active population, or all residents whose means are below a prescribed level.

<sup>52</sup> 2011 General Survey, para. 53.

<sup>53</sup> *ibid.*

guidance was still needed for the realization of the core content of the right,<sup>54</sup> which was still out of reach for the majority of the world's population.<sup>55</sup>

22. At the same time, there was a strong demand from ILO constituents for further normative guidance on how to implement progressively higher and more comprehensive levels of social security as national economies develop and move progressively towards the full realization of the right to social security. Regional consultations<sup>56</sup> had shown that, while most countries have some social security components in place, the protection that they confer is not always effectively reaching those most in need and the unprotected.<sup>57</sup> Scarce resources and limited administrative capacities imply prioritizing, sequencing and planning, a process which existing ILO standards were not designed to address and inform.<sup>58</sup>

23. On the basis of an extensive review, the Committee concluded in its 2011 General Survey that the "ILO mandate in social security, as reaffirmed and updated by the Declaration on Social Justice for a Fair Globalization of 2008, has largely outgrown the standards with which it has to be implemented. The available means are no more sufficient to meet the new ends. This is particularly evident as regards the objective of extending social security coverage to all, beyond the formal economy to the masses of population living in abject poverty and insecurity, which is placed at the heart of the ILO's mandate and mission."<sup>59</sup> The Committee expressed the view that "for developing social security further in the global economy the ILO needs to complement the existing body of standards with a new high-impact instrument sensitive to the distinctive structural realities of less-developed economies, but designed so as to be accepted by virtually all ILO member States, without regard to their level of economic development".<sup>60</sup>

24. The Committee's findings were echoed by the ILC, which concluded, during its recurrent discussion on social protection (social security) in 2011, that "[i]n view of the renewed support for the provision of at least a basic level of social security through establishing social protection floors, there is a need for a Recommendation complementing the existing standards that would provide flexible but meaningful guidance to member States in building social protection floors within comprehensive social security systems tailored to national circumstances and levels of development."<sup>61</sup> It also identified elements of a possible Recommendation on social protection floors.

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<sup>54</sup> This core content, according to the CESCR, should consist of the provision of at least basic levels of income security and medical care to ensure a decent standard of living for everyone and prevent people from falling into poverty. See ch. 1 below for more detail.

<sup>55</sup> ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, 2011, op. cit., para. 6.

<sup>56</sup> See para. 8 above.

<sup>57</sup> ILO: Tripartite Meeting of Experts on Strategies for the Extension of Social Security Coverage (Geneva, 2–4 September 2009), Report on proceedings (TMESSC/2009), para. 87.

<sup>58</sup> The standards adopted by the ILO in the field of social security prior to Recommendation No. 202 set out technical standards of protection, but do not provide guidance as such on the process of extending social security.

<sup>59</sup> 2011 General Survey, para. 30.

<sup>60</sup> *ibid.*, para. 628.

<sup>61</sup> ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, 2011, op. cit., para. 31.

### I.3. Current trends, challenges and opportunities

25. In June 2012, the 101st Session of the ILC, following a single discussion, adopted the Social Protection Floors Recommendation, 2012 (No. 202), by near consensus. Six years later, its guidance resonates with as much vibrancy as it did at the time of its adoption, with countries at all levels of income and stages of development engaged in building social protection floors and extending social security, as shown by the replies of governments and the observations of the social partners in the context of the present General Survey. As the Survey shows, considerable progress has indeed been achieved since the adoption of the Recommendation. Nevertheless, despite continuous efforts, wide gaps and disparities in protection remain.<sup>62</sup> Social security systems are facing challenges of the same magnitude as ten years ago, but are also confronted with new realities which have the potential to strengthen their relevance. For all countries, these circumstances also emphasize the relevance of the recognition of social security as a human right, and may well turn into opportunities for the growth of social protection systems. For a large number of high- and middle-income countries, the establishment or re-establishment of basic social security guarantees for their population has become a question of social and political stability. For lower-income countries, eradicating poverty and promoting sustainable development through basic income security and access to essential health care has become vital. Taking into account the issues outlined below, the Committee considers that the guidance provided in Recommendation No. 202 for the design, implementation and monitoring of national social protection strategies, in a way that acknowledges current challenges, makes it a highly relevant instrument today.

#### Stagnation and decline in poverty reduction

26. Despite unprecedented levels of wealth, economic growth and advances in poverty reduction globally over the last decade, poverty is still widespread, and working poverty is only falling slowly. Inequality is on the rise, with marked and, in many cases, increasing income gaps between rich and poor in all regions of the world. Low-income households are particularly affected by these disparities. In OECD countries, for example, as much as 40 per cent of the population at the lower end of the income distribution are estimated to have seen their incomes fall in real terms or stagnate in recent decades.<sup>63</sup> Developments in emerging and developing countries are more mixed than in the developed world, with declining income inequality in some countries (e.g. Argentina, Brazil, Turkey and Mexico), but increasing inequality in others (e.g. China, India, Indonesia, Russian Federation). Overall, emerging economies with growing inequality account for over half of the world's poor.<sup>64</sup> In 2017, over 700 million workers were either living in extreme poverty (on less than US\$1.90 a day) or moderate poverty (less than US\$3.10 a day).<sup>65</sup> Working poverty increases household poverty, as the working poor often have to share earnings with dependent household members. Whether it is provided through

<sup>62</sup> See, for example, ILO: *World Social Protection Report 2017–19*, 2017, op. cit.; ILO: *Women and men in the informal economy: A statistical picture*, third edition, Geneva, 2018; C. Behrendt and Q.A. Nguyen: *Innovative approaches for ensuring universal social protection for the future of work*, Future of Work Research Paper Series, No. 1, ILO, Geneva, 2018.

<sup>63</sup> OECD: *In It Together – Why Less Inequality Benefits All*, Paris, 2015, p. 21.

<sup>64</sup> ILO, IMF, OECD, WB: *Income inequality and labour income share in G20 countries: Trends, Impacts and Causes*, prepared for the G20 Labour and Employment Ministers Meeting and Joint Meeting with the G20 Finance Ministers, Ankara, Turkey, 3–4 September 2015, pp. 2, 7.

<sup>65</sup> ILO: *World Employment and Social Outlook: Trends 2018*, Geneva, 2018, p. 8.

employment-related or tax-financed benefits and services, in cash or in kind, including health care, the significant role of redistributive social protection based on solidarity, in mitigating poverty, reducing inequality and promoting inclusive growth cannot be overlooked.<sup>66</sup>

## Gaps in global social protection coverage

27. According to ILO estimates, only 29 per cent of the world's population has access to comprehensive social security systems,<sup>67</sup> and 55 per cent of the global population is not effectively protected in any area.<sup>68</sup> Social security coverage is notably inadequate among the rapidly increasing number of workers in non-standard forms of employment<sup>69</sup> who were estimated to number 1.4 billion in 2017, with an additional 17 million estimated to be joining their ranks every year.<sup>70</sup> This is due to the fact that statutory provisions exclude many of such workers from entitlement to social security benefits, or because short tenure or low earnings or number of hours of work provide limited or no access to such entitlement.<sup>71</sup> In the same way, workers in the informal economy, who represent 2 billion of the world's employed population aged 15 and over, 61.2 per cent of global employment and over 90 per cent of employment in developing and emerging countries,<sup>72</sup> are among those with the least coverage by social security schemes. Due to the nature of their work, informal workers do not usually participate in contributory social security schemes. Nor do they have access to the various types of in-work benefits due to their exclusion from statutory coverage, weak compliance, limited contributory capacities, low and volatile earnings, and complex administrative procedures. At the same time, workers in the informal economy are often excluded from programmes explicitly targeted at poor individuals or households with a limited earning capacity.<sup>73</sup> This is also true for the growing number of workers involved in the digital, platform, or "gig", economy, who most often find themselves in non-standard forms of employment or in the informal

<sup>66</sup> See, for example, ILO: *World Social Protection Report 2017–19*, 2017, op. cit.; *Conclusions concerning the recurrent discussion on social protection (social security)*, 2011, op. cit.; *Social protection floors for social justice and a fair globalization*, Report IV(1), ILC, 101st Session, Geneva, 2012.

<sup>67</sup> Comprehensive social security systems refers here to systems that include child and family benefit, maternity benefit, sickness cash benefit, unemployment benefit, employment injury benefit, disability benefit, survivors' benefit and old-age benefit schemes, see ILO: *World Social Protection Report 2017–19*, 2017, op. cit., Appendix IV, Table B.2.

<sup>68</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 1. For more detail on rates of coverage by type of benefit and population group, see chs 6–8 below.

<sup>69</sup> Non-standard forms of employment are a grouping of different employment arrangements that deviate from standard employment. They include temporary employment, part-time work, temporary agency work and other multi-party employment relationships, contributing family workers, and disguised employment relationships and dependent self-employment. See ILO: *Conclusions of the Meeting of Experts on Non-Standard Forms of Employment*, Governing Body, 323rd Session, Geneva, March 2015, GB.323/POL/3; *Non-standard employment around the world: Understanding challenges, shaping prospects: Overview*, Geneva, 2016, p. 2. See also OECD: *The future of social protection: What works for non-standard workers?*, Policy brief on the future of work, May 2018. See also ch. 7, section 7.2.2.

<sup>70</sup> ILO: *World Employment and Social Outlook: Trends 2018*, op. cit. p. 6

<sup>71</sup> The employed population includes employees and the self-employed. See ILO: *Non-standard employment around the world*, 2016, op. cit., p. 17.

<sup>72</sup> ILO: *Women and men in the informal economy*, 2018, op. cit., pp. 13–15.

<sup>73</sup> ILO: *World Social Protection Report 2017–19*, op. cit., p. 174.

economy.<sup>74</sup> As a result, together with their families, they are among the categories of the population most likely not to have any access to or coverage by social protection. From the perspective of social protection, transitioning from the informal to the formal economy can be seen as both an objective and a means, as recognized in the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). The extension of social protection coverage to workers in the informal economy not only provides income security and access to health care in case of need, but can also contribute to facilitating the transition from the informal to the formal economy.

28. Significant coverage gaps also exist for women, due to persistent patterns of inequality, discrimination and structural disadvantages, which are often reflected and reproduced by social protection systems.<sup>75</sup> With lower labour force participation rates and higher levels of informal and non-standard forms of employment, lower earnings, and a significantly higher share of unpaid care and unpaid work than men in most countries, women face lower levels of protection throughout the life cycle and are more likely to live in poverty.<sup>76</sup>

## Coverage gaps in health protection

29. The need to close coverage gaps in health protection is particularly important in view of the impoverishing impact of the costs of health care for the population. In rural areas globally, 56 per cent of the population lack health-care coverage, meaning that the workers concerned do not benefit from any of the progress made in urban areas, for example as a result of gaps in service delivery in the absence of the necessary health-care workers and the lack of availability of necessary medicines. Millions of people are pushed into poverty, for example because they have to spend their income and assets on treatment or maternity care, or because they lose their jobs because of their health condition. The whole family of those who are sick is often affected, as well as the economy, due to reduced productivity.<sup>77</sup>

30. Despite significant investment in health protection over the past decade, including through official development assistance (ODA), global health security issues have occurred in some countries with broad health-care coverage gaps, such as Ebola in Africa, which resulted in over 10,000 deaths, particularly in Guinea, Liberia and Sierra Leone.<sup>78</sup> Enormous efforts and investment were necessary at the national, regional and global levels to halt the spread of the virus. If that investment had been made earlier, it might have prevented the disastrous outbreak.

<sup>74</sup> C. Behrendt and Q.A. Nguyen: *Innovative approaches for ensuring universal social protection for the future of work*, 2018, op. cit.; see ch. 7, section 7.2.2.

<sup>75</sup> See, for example, R. Sabates-Wheeler and N. Kabeer: *Gender Equality and the Extension of Social Protection*, ESS Working Paper No. 16, Geneva, ILO, 2003; R. Jones and N. Holmes: *Gender and Social Protection in the Developing World: Beyond mothers and safety nets*, Zed Books Ltd, 2013.

<sup>76</sup> See, for example, UNDESA: *Promoting Inclusion through Social Protection – Report on the World Situation 2018*, New York, 2018, pp. 18–19; ILO: *World Employment and Social Outlook: Trends for women 2018: Global snapshot*, Geneva, 2018; ILO: *Women, gender and work (Vol. 2): Social choices and inequalities*, Geneva, 2017. See also ch. 5, section 5.3, ch. 6, section 6.2.2, ch. 7, section 7.2.2, ch. 8, section 8.2.2.

<sup>77</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 101.

<sup>78</sup> WHO: *Ebola situation report*, 30 Mar. 2016, figure 1.

## The challenge of guaranteeing adequate social protection

31. Social security benefits and other social protection measures, such as public health and social services, play an important role in maintaining the income security of millions of people around the world and in ensuring their effective access to health care. By raising household incomes, social transfers have a considerable impact in terms of boosting domestic demand, supporting the structural transformation of national economies, promoting decent work and fostering inclusive and sustainable growth.<sup>79</sup> However, establishing and maintaining an adequate level of benefits is one of the main challenges for many national social security systems. Social protection benefits are often inadequate to guarantee income security and access to health care for all. And yet it is estimated that, for nearly 100 of 125 developing countries, spending less than 6 per cent of their GDP could be sufficient to close the gaps in their social protection floors.<sup>80</sup>

## Addressing the impact of austerity measures

32. Since the financial crisis in 2008 and thereafter, a number of countries have undertaken fiscal consolidation or austerity policies. As a result, many high-income countries have reduced the range and level of social protection benefits. Together with persistent unemployment, lower wages and higher consumption taxes, these measures have importantly contributed to the rise in poverty. In the European Union, for example, such measures now affect 86 million people, representing over 17 per cent of its population.<sup>81</sup> Many developing countries are also implementing adjustment measures, such as subsidy reductions, wage bill cuts, consumption tax increases and stricter targeting of social security benefits.<sup>82</sup> And yet, the adoption of exclusively fiscal solutions, and particularly the reduction of non-wage labour costs and basic welfare, without considering their impact on social security and other human rights, and on the maintenance of decent standards of living for all segments of society, may hamper social development and long-term growth.<sup>83</sup> In contrast, bringing economies out of crisis requires enhanced social protection measures and making social security part of the solution, through a reallocation of resources and the reprioritization of expenditure.

## Tackling demographic change

33. Contrasting demographic trends are expected in the different regions of the world. The proportion of persons over 65 is projected to increase globally from 8 per cent today to nearly 14 per cent by 2040. In 2016, 68 per cent of the world's elderly were in receipt of a pension, but only 26 per cent in Central and southern Asia and 23 per cent in sub-Saharan Africa.<sup>84</sup> As a significant proportion of the population is still not effectively

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<sup>79</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 6.

<sup>80</sup> United Nations: *Promoting inclusion through social protection: Report on the World Social Situation 2018*, New York, 2018, p. 119.

<sup>81</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 181.

<sup>82</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 182.

<sup>83</sup> See, in particular, United Nations: *Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of human rights, particularly economic, social and cultural rights*, New York, 2016, A/HRC/31/60, paras 2–3 and CEACR: *Report on the application of the European Code of Social Security*, 2011, para. 4.

<sup>84</sup> United Nations: *Report on the World Social Situation 2018*, op. cit., p. 50.



covered by social protection, the role of the social security system in an ageing society needs to be reviewed to ensure adequate coverage and benefits, while maintaining the long-term sustainability of the pension system.

34. In the developing world, it is estimated that the population will nearly double from 1 billion in 2017 to 1.9 billion in 2050.<sup>85</sup> However, the effective coverage of child and family benefits ranges from 64 per cent in Latin America and the Caribbean to only 28 per cent in Asia and the Pacific and 16 per cent in Africa.<sup>86</sup> Currently, 71 million youth are unemployed and there is a “jobs gap” of about 62 million jobs.<sup>87</sup> Understanding demographic trends is crucial for poverty eradication, as countries need to design policies that are appropriate to their specific demographic context, and to avoid focusing reforms on the reduction of social welfare.<sup>88</sup>

### Social protection in situations of fragility, conflict and disaster

35. Most of the world’s extremely poor, and approximately 30 per cent of the world’s children, live in States affected by fragility.<sup>89</sup> Social protection can play a key role during and in the aftermath of disasters and conflicts, as cash and food transfers can alleviate basic and immediate human needs. Building social protection systems, including basic income security and access to essential health care, not only helps to improve the livelihoods of poor and vulnerable households and individuals, but also strengthens the resilience of societies and reinforces their capacity to cope with future disasters.<sup>90</sup>

### Smoothing the transition to a green economy

36. It is estimated that some 1.2 billion jobs, most of which are in Africa and Asia and the Pacific, depend directly on ecosystem services. In particular, people living in poverty rely more on a stable environment for their livelihood and well-being. The transition to an environmentally sustainable economy requires a package of benefits and services, including income support measures in the case of job loss, skills retraining and support for relocation. Unemployment protection schemes can support a just transition for workers who lose their jobs in the shift to a more environmentally sustainable economy, and cash transfer programmes can compensate for the loss of income experienced by households as a consequence of structural changes resulting from the implementation of green policies.<sup>91</sup>

<sup>85</sup> The statistical data refer to the group of 47 countries designated by the United Nations as least developed countries. See United Nations: *World Population Prospects: The 2017 Revision: Key findings and advance tables*, New York, 2017, p. 5.

<sup>86</sup> *ibid.*, p. 30.

<sup>87</sup> ILO: *The future of labour supply: Demographics, migration, unpaid work*, Issue Note Series No. 2, Geneva, 2016, p. 2.

<sup>88</sup> ILO: *World Social Protection Report 2017–19*, 2017, *op. cit.*, pp. 177–179.

<sup>89</sup> *ibid.*, p. 187.

<sup>90</sup> ILO: *Employment and decent work in situations of fragility, conflict and disaster*, Geneva, 2016, pp. 115–116.

<sup>91</sup> ILO: *World Employment and Social Outlook 2018: Greening with jobs*, Geneva, 2018, pp. 7, 20 and 103.

## Responding to the challenges related to technological progress

37. The introduction of new technologies is one of the challenges in the world of work. While technological changes may have the potential of job creation, they require a more skilled workforce to take advantage of new opportunities and may displace a large number of workers or even suppress many jobs permanently, especially low-skilled jobs.<sup>92</sup> These developments require both social protection measures and employment policies that focus on skills development, support transitions between different jobs and ensure income protection in the event of unemployment.

## Recommendation No. 202 and the global development agenda: A unifying platform for coordinated action to achieve the Sustainable Development Goals

38. The broad ambit of Recommendation No. 202 makes it relevant in guiding global action to combat poverty, inequality and social exclusion, and to achieve universal rights that together ensure life in health and dignity. Recommendation No. 202 touches upon a number of policy areas that come under the mandate of various international actors, including United Nations agencies, departments and programmes, the international financial institutions and other international organizations, both governmental and non-governmental. Accordingly, it has received considerable attention from the international community since its adoption and has become a point of reference.<sup>93</sup> This requires greater coherence in the discourse and action of international actors with a mandate to implement policies that can influence the action taken to combat poverty, inequality and social exclusion, especially in the context of the austerity measures proposed by international financial institutions. In a joint statement issued in 2015, the ILO and the World Bank emphasized that “[u]niversal coverage and access to social protection are central to ending poverty and boosting shared prosperity”, and referred to Recommendation No. 202 as a unifying reference framework to guide this common endeavour.<sup>94</sup> These developments provide the opportunity for governments to take the Recommendation into account in discussions with the international financial institutions concerning the establishment of economic, financial and fiscal policies.<sup>95</sup>

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<sup>92</sup> See, for example, ILO: *Inception report for the Global Commission on the Future of Work*, Geneva, 2017, ch. 3.

<sup>93</sup> See, for example: “G20 Labour and Employment Ministers Meeting Declaration”, Beijing, 13 July 2016; “G20 Labour and Employment Ministerial Declaration: Preventing structural unemployment, creating better jobs and boosting participation” Melbourne, 11 September 2014; United Nations: “Implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly”, Resolution adopted by the General Assembly, 18 Dec. 2013, A/RES/68/135; United Nations: “The future we want”, Resolution adopted by the General Assembly on 27 July 2012, A/RES/66/288; ECOSOC: *Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals*, Report of the Secretary-General, Annual ministerial review, United Nations, New York, 2012.

<sup>94</sup> “Joint statement by World Bank Group President Jim Yong Kim and ILO Director-General Guy Ryder”, Geneva, 30 June 2015.

<sup>95</sup> For evidence on the linkages between investments in social protection and sustainable economic development, see, for example: D. Ostry et al.: *Redistribution, Inequality, and Growth*, Staff Discussion Note 14/02, IMF 2014; F. Bourguignon: “Spreading wealth”, in *Finance & Development* (Vol. 55, Issue 1, 2018); OECD: “Social protection and growth”, in *Economic Studies* No. 35, 2002/2; D. Piachaud: “Social protection, redistribution and economic growth”, in *Development Southern Africa* (Vol. 30, Issue 1, 2013); S. Dietrich et al.: *Social protection*

39. Today, social protection remains high on the global development agenda. While social protection was not specifically mentioned as a means to achieve the Millennium Development Goals,<sup>96</sup> the 2030 Agenda for Sustainable Development, adopted in September 2015 by world leaders at the United Nations General Assembly, highlights the important contribution of social protection with the ultimate aim to “end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment”.<sup>97</sup> Reflected in at least five of the 17 Sustainable Development Goals (SDGs), social protection plays a key role in accelerating progress towards the realization of the 2030 Agenda.<sup>98</sup>

#### **I.4. Structure of the General Survey**

40. This General Survey is organized in four parts. Part I reviews the role of Recommendation No. 202 in guiding countries towards the achievement of universal social protection, the right to social security and the SDGs. In this context, particular emphasis is placed on considerations put forward in the preamble on which the Recommendation is based, its scope and objectives, and the principles that it sets forth to guide policy and legal action. Part II provides guidance on the establishment of social protection floors in national social security systems, drawing on the replies to the questionnaire. The essential health-care and basic income security components of national social protection floors are examined for each population group with a view to identifying good practices in their design and implementation. Part III provides guidance and reviews comparative practice in the operationalization of social protection floors within national social security systems and the processes that support the extension of social security at the national level. Part IV focuses on the main challenges and opportunities in the implementation of the Recommendation by member States and outlines proposals for future action by the Office and member States to achieve the full potential of the Recommendation.

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*investments, human capital, and income growth: Simulating the returns to social cash transfers in Uganda*, UNU-MERIT Working Paper Series 2017-029, Maastricht University, 2017; P. Townsend (ed.): *Building Decent Societies: Rethinking the Role of Social Security in Development*, Palgrave Macmillan UK, ILO, Geneva 2009.

<sup>96</sup> The Millennium Development Goals were based on the United Nations Millennium Declaration (2000), and set eight goals to be achieved by 2015. For more information see: <http://www.un.org/millenniumgoals/>.

<sup>97</sup> United Nations: “Transforming our world: The 2030 Agenda for Sustainable Development”, Preamble, Resolution adopted by the General Assembly on 25 September 2015, New York, A/RES/70/1.

<sup>98</sup> Linkages between the SDGs and Recommendation No. 202 are presented throughout this Survey.

# Part I. The Social Protection Floors Recommendation, 2012 (No. 202): A guiding framework for the realization of the right to social security and sustainable development

## Chapter 1

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### Objectives, principles and key features

#### 1.1. Embodying the new consensus on social security in international law and the global development agenda

**Recommendation No. 202, Preamble**

Reaffirming that the right to social security is a human right, and  
Acknowledging that the right to social security is, along with promoting employment, an economic and social necessity for development and progress, and  
Recognizing that social security is an important tool to prevent and reduce poverty, inequality, social exclusion and social insecurity, to promote equal opportunity and gender and racial equality, and to support the transition from informal to formal employment, and  
Considering that social security is an investment in people that empowers them to adjust to changes in the economy and in the labour market, and that social security systems act as automatic social and economic stabilizers, help stimulate aggregate demand in times of crisis and beyond, and help support a transition to a more sustainable economy, and  
Considering that the prioritization of policies aimed at sustainable long-term growth associated with social inclusion helps overcome extreme poverty and reduces social inequalities and differences within and among regions, and  
...  
Recalling that the Declaration of Philadelphia recognizes the solemn obligation of the International Labour Organization to contribute to “achiev[ing] ... the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care”, ...

#### 1.1.1. Fostering social justice and progress through social protection

41. In 2012, with the adoption of Recommendation No. 202, the world’s governments, employers and workers gave themselves a guiding instrument to achieve universal social protection in the twenty-first century, and therefore to further the realization of the human right to social security and make progress towards the Sustainable Development Goals

(SDGs). ILO Members also better equipped themselves and the Organization to fulfil this constitutional undertaking,<sup>1</sup> based on broad recognition of the role of social protection in combating the current challenges of financial instability, insecure labour markets, widespread informality, large-scale migration flows, growing inequality and, in many parts of the world, the ageing of the population.<sup>2</sup>

42. The tripartite consensus on the significance of social protection in addressing these challenges is voiced in the Preamble to the Recommendation, which essentially recognizes that:

- (1) the right to social security is both a human right and an economic and social necessity for sustainable long-term growth with equity;
- (2) social security is an important tool to prevent and reduce poverty, inequality, social exclusion and social insecurity, and to promote equal opportunities and equality; and
- (3) social security is an investment in people that improves the labour market, stimulates aggregate demand and supports a transition to a more sustainable economy.

43. This tripartite consensus demonstrates a global commitment to social justice and solidarity and once again proves that the ILO has a key role to play in promoting and achieving social progress in a constantly changing environment, as recalled in the ILO Declaration on Social Justice for a Fair Globalization, 2008 (the “Social Justice Declaration”).<sup>3</sup>

**44. The Committee emphasizes the major role played by social protection in furthering social cohesion, equality, social peace and social justice,<sup>4</sup> and considers that Recommendation No. 202 is a key guiding instrument for the Organization in the continuous endeavour to fulfil this ambition and its constitutional mandate in social protection. The Committee believes that the success of the Recommendation in achieving its objectives largely depends on the ability of the ILO’s tripartite constituents to maintain this consensus.**

#### 1.1.2. Underpinning the human right to social security through basic social security guarantees

45. The main trend in the development of international social security law observed by the Committee since the beginning of the new century consists of the closer interaction between human rights law and ILO social security standards. This interaction led to the emergence of the new concept of social protection floors (SPFs), as defined in Recommendation No. 202. The Recommendation is therefore anchored in the human rights framework and refers in its Preamble to the main legal instruments in which the

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<sup>1</sup> ILO: Preamble of the Constitution, 1919, and Declaration of Philadelphia, 1944.

<sup>2</sup> See, for example, ILO: *Inception report for the Global Commission on the Future of Work*, Geneva, 2017; International Social Security Association (ISSA): *Ten global challenges for social security*, Geneva, 2016; ILO: *World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice*, Geneva, 2014; ILO: *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017.

<sup>3</sup> ILO: Declaration on Social Justice for a Fair Globalization, ILC, 97th Session, Geneva, 2008.

<sup>4</sup> See also ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter, the “2011 General Survey”), para. 162.

human right to social security is enshrined.<sup>5</sup> As a human right, the individual right to social security ensures the access of every member of the community to collective mechanisms of protection based on solidarity. The preparatory work leading to the adoption of the Recommendation shows the clear intention of ILO member States to develop an ILO standard to “make the right to social security a reality for everyone”, thereby complementing the guidance provided in earlier standards.<sup>6</sup> Accordingly, Recommendation No. 202 was formulated taking into account the guidance provided by the United Nations Committee on Economic, Social and Cultural Rights (CESCR).<sup>7</sup>

46. In turn, the CESCR has noted “the mutually reinforcing nature of its General Comment No. 19 on the right to social security and of ILO Recommendation No. 202”,<sup>8</sup> and has since consistently recommended in its concluding observations to States parties “the establishment of a social protection floor that guarantees legal entitlements to individuals as an initial element to be progressively developed into a universal and comprehensive social security system”,<sup>9</sup> in line with Recommendation No. 202.<sup>10</sup>

47. The Committee has noted on several occasions the fundamental contribution of the ILO’s body of social security standards to the human rights framework, particularly in providing the foundation for the human right to social security,<sup>11</sup> giving content to and providing elements for the definition of this right by setting out principles and standards of protection to be applied and implemented under the general responsibility of the State.<sup>12</sup>

48. In the view of the Committee, Recommendation No. 202 makes an additional contribution by defining the basic social security guarantees of social protection floors that everyone, as a member of society, should enjoy as a minimum for a life in health and dignity, thereby providing concrete guidance on the core content of the right to social security. In this regard, the Committee notes that the basic level of social security that should be guaranteed under social protection floors, in accordance with Recommendation No. 202, is considered by the CESCR to be the minimum core content of the human right to social security under the International Covenant on Economic, Social and Cultural

<sup>5</sup> Universal Declaration of Human Rights, 1948, Arts 22 and 25; and International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966, Arts 9, 11 and 12.

<sup>6</sup> ILO: *Social protection floors for social justice and a fair globalization*, Report IV(1), ILC, 101st Session, Geneva, 2012, paras 9 and 39.

<sup>7</sup> The CESCR is the body competent for interpreting the provisions of the ICESCR and assessing the compliance of States parties with the related obligations. See, for example, “General Comment No. 14: The right to the highest attainable standard of health (Art. 12)”, 11 Aug. 2000, E/C.12/2000/4; “General Comment No. 20: Non-discrimination in economic, social and cultural rights (Art. 2, para. 2)”, 2 July 2009, E/C.12/GC/20; and “General Comment No. 19: The right to social security (Art. 9)”, 4 Feb. 2008, E/C.12/GC/19.

<sup>8</sup> United Nations: “Statement on social protection floors: An essential element of the right to social security and of the sustainable development goals”, CESCR, E/C.12/2015/1, 2015, para. 4.

<sup>9</sup> *ibid.*, para. 2.

<sup>10</sup> See, for example, the concluding observations of the CESCR on the reports of *Colombia*, E/C.12/COL/CO/6, 19 Oct. 2017, para. 42; *Russian Federation*, E/C.12/RUS/CO/6, 16 Oct. 2017, para. 37; *Pakistan*, E/C.12/PAK/CO/1, 20 July 2017, paras 51 and 52; *Bangladesh*, E/C.12/BGD/CO/1, 18 Apr. 2018, paras 44–46; *New Zealand*, E/C.12/NZL/CO/4, 1 May 2018, paras 35 and 36; *Sri Lanka*, E/C.12/LKA/CO/5, 4 Aug. 2017, para. 36; *Uruguay*, E/C.12/URY/CO/5, 20 July 2017, paras 30 and 31.

<sup>11</sup> See the 2011 General Survey, paras 15, 34, 81 and 623.

<sup>12</sup> *ibid.*, paras 34, 156, 158 and 160; CESCR: “General Comment No. 19”, 2008, *op. cit.*

Rights (ICESCR).<sup>13</sup> This core content, in the view of the CESCR, consists of a minimum essential level of benefits, provided by social security schemes, that enables individuals and families to “acquire at least essential health care, basic shelter and housing, water and sanitation, foodstuffs, and the most basic forms of education”.<sup>14</sup>

49. The guidance that the Recommendation provides on the establishment, review and delivery of these guarantees is equally important, as is its guidance on the design and implementation of the schemes and benefits through which such guarantees are to be provided, which should apply certain principles guaranteeing that a rights-based approach is followed at all stages of the process of building and maintaining social protection floors.<sup>15</sup> The guidance provided on the formulation of national strategies for the extension of social security, with a view to increasing levels of protection, establishing comprehensive social security systems and achieving universality of protection, is also significant. While other social security Conventions and Recommendations focus on technical standards for the development of social security schemes and systems, Recommendation No. 202 focuses on the process to be followed in devising and implementing a strategy for the progressive implementation of the right to social security in its entirety.

50. Since 2012, the United Nations Committee on the Rights of the Child (CRC) has also recommended the establishment of nationally defined social protection floors in a number of cases as a means of making progress towards the realization of the *right to an adequate standard of living for children*, and more specifically to guarantee children a minimum level of access to basic services and financial security, especially in rural areas.<sup>16</sup> Similarly, the United Nations Committee on the Rights of Persons with Disabilities (CRPD) has called on a number of States to establish a social protection floor<sup>17</sup> to cover the minimum content of the *right to an adequate standard of living for persons with disabilities*.<sup>18</sup>

**51. The Committee is pleased to observe that Recommendation No. 202 has strengthened linkages between the human rights framework and the ILO body of standards, thereby reinvigorating the right to social security for everyone as a member of society.<sup>19</sup> Recalling that the interaction between international social security law and human rights law provides the engine for the progressive development of social security worldwide, the Committee fully shares the conclusions of the United Nations Special Rapporteur on extreme poverty and human rights that “the adoption of social protection floors and closely related initiatives taken within**

<sup>13</sup> United Nations: *Report of the Special Rapporteur on extreme poverty and human rights*, New York, 2016, A/69/297; CESCR: “Statement on social protection floors”, 2015, op. cit.

<sup>14</sup> CESCR: “General Comment No. 19”, 2008, op. cit., para. 59(a).

<sup>15</sup> See Part II for more specific examples and guidance on the content of basic social security guarantees and how these principles should be applied in practice.

<sup>16</sup> See, for example, the CRC’s concluding observations on the reports of: *Timor-Leste*, CRC/C/TLS/CO/2-3, 30 Oct. 2015, para. 52; *Central African Republic*, CRC/C/CAF/CO/2, 8 Mar. 2017, para. 58; and *Jamaica*, CRC/C/JAM/CO/3-4, 10 Mar. 2015.

<sup>17</sup> See the concluding observations of the CRPD on the reports of: *Gabon*, CRPD/C/GAB/CO/1, 2 Oct. 2015, paras 60 and 61; *Nepal*, CRPD/C/NPL/CO/1, 16 Apr. 2018, para. 41; and *Lithuania*, CRPD/C/LTU/CO/1, 11 May 2016, para. 55.

<sup>18</sup> United Nations: *Report of the Special Rapporteur on the rights of persons with disabilities*, General Assembly, New York, 2015, A/70/297.

<sup>19</sup> Universal Declaration of Human Rights, 1948, Art. 22.

an overall human rights-based framework, should become a central goal for all actors within the human rights and development contexts”.<sup>20</sup>

52. **Highlighting the complementary and mutually reinforcing nature of the Recommendation and human rights instruments, the Committee further observes that giving effect to Recommendation No. 202 by developing national social security policies, strategies and legislation brings member States closer to meeting their international human rights obligations by substantiating human rights through the basic social security guarantees of a nationally defined social protection floor, and guiding their progressive realization. In particular, the implementation of social protection floors, based on the guidance set out in Recommendation No. 202, may be considered as a way of giving effect to the “core obligation” of States to provide the minimum essential level of the rights embodied in the human rights treaties, including the right to social security.**<sup>21</sup> The Committee therefore recommends that efforts should be made to achieve the simultaneous application of the human rights instruments and the ILO’s social security standards through a strategic approach defining coherent policies and interventions. In this context, the Committee also wishes to recall that the right to social security is of central importance in guaranteeing human dignity for all persons when they are faced with circumstances in which they do not have the capacity to fully realize their rights, as set out in the International Covenant on Economic, Social and Cultural Rights.

### 1.1.3. A guiding framework for sustainable development

53. Recommendation No. 202 is based on the general recognition that social protection is a social and economic prerequisite for development and progress and that social security policies and systems support long-term growth and a sustainable economy.<sup>22</sup> This tripartite consensus is also reflected in the 2030 Agenda for Sustainable Development, adopted by the United Nations General Assembly in 2015,<sup>23</sup> which underlines the importance of “leaving no one behind” and in many other respects shares the same aspirations as Recommendation No. 202 and acknowledges the significant contribution of social protection to all three pillars of sustainable development. Indeed, the Committee observes that the SDGs make full use of the social protection policy toolbox to achieve their objectives in relation, in particular, to eliminating poverty, achieving gender equality, securing decent work and achieving good health and well-being.

<sup>20</sup> United Nations: *Report of the Special Rapporteur on extreme poverty and human rights*, New York, 2014, A/69/297, p. 2.

<sup>21</sup> *ibid.*, para. 38.

<sup>22</sup> Recommendation No. 202, Preamble.

<sup>23</sup> United Nations: “Transforming our world: The 2030 Agenda for Sustainable Development”, Resolution adopted by the General Assembly on 25 September 2015, New York, A/RES/70/1; ILO: *World Social Protection Report 2017–19*, 2017, op. cit., section 1.1.



54. In particular, SDG target 1.3 contains the commitment to “[i]mplement nationally appropriate social protection systems for all, including floors” to reduce and prevent poverty. Social protection is also relevant to the achievement of SDG targets 3.8, 5.4, 8.5 and 10.4 (see box below).

No poverty	<b>Target 1.3</b> – Implement nationally appropriate <b>social protection systems and measures for all</b> , including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.	<b>Indicator 1.3.1</b> – Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable
Good health and well-being	<b>Target 3.8</b> – Achieve <b>universal health coverage</b> , including <b>financial risk protection</b> , access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	<b>Indicator 3.8.1</b> – Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population)  <b>Indicator 3.8.2</b> – Proportion of population with large household expenditures on health as a share of total household expenditure or income
Gender equality	<b>Target 5.4</b> – <b>Recognize and value unpaid care and domestic work</b> through the provision of public services, infrastructure and <b>social protection policies</b> and the promotion of shared responsibility within the household and the family as nationally appropriate.	<b>Indicator 5.4.1</b> – Proportion of time spent on unpaid domestic and care work, by sex, age and location
Decent work and economic growth	<b>Target 8.5</b> – By 2030, <b>achieve full and productive employment and decent work for all women and men</b> , including for young people and persons with disabilities, and equal pay for work of equal value.	<b>Indicator 8.5.1</b> – Average hourly earnings of female and male employees, by occupation, age and persons with disabilities  <b>Indicator 8.5.2</b> – Unemployment rate, by sex, age and persons with disabilities
Reduced inequalities	<b>Target 10.4</b> – <b>Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.</b>  (emphasis added)	<b>Indicator 10.4.1</b> – Labour share of GDP, comprising wages and <b>social protection transfers</b> (emphasis added)

55. A number of countries have reported action to give effect to the SDGs through social protection strategies, policies and other measures. For example, an Accelerated Growth and Sustainable Development Strategy has been adopted in *Comoros* which envisages the strengthening of social protection to promote better employment opportunities, a more

cohesive society and inclusive growth, as prescribed by the 2030 Agenda for Sustainable Development. In *Azerbaijan*, various social programmes have been adopted to promote the socio-economic welfare of the population with the aim of protecting the most vulnerable groups of the population and ensuring their access to services.<sup>24</sup> A coordinating council of representatives, composed of the heads of the relevant state bodies and of employers and trade union confederations, has also been set up with a view to achieving the SDGs. In *Switzerland*, measures have been taken as part of the national sustainable development vision to adapt social security to changing societal conditions and create more inclusive instruments to facilitate reintegration into socio-economic activities. The Government refers in particular to the National Programme to Prevent and Combat Poverty 2014–18, which focuses on four areas of action: equality of opportunity and opportunities for the training of socially disadvantaged individuals; social and occupational integration; living conditions of families and socially disadvantaged individuals; and the development of poverty monitoring. National strategic plans featuring a nexus between social protection and sustainability are also reported in *Burkina Faso*,<sup>25</sup> *Cambodia*, *Morocco*,<sup>26</sup> *Thailand* and *Trinidad and Tobago*.<sup>27</sup>

56. The *International Trade Union Confederation (ITUC)* observes that the extension of social protection is a precondition for sustainable macroeconomic growth and development, and is essential to achieve SDG 1 on poverty reduction, SDG 8 on decent work and SDG 10 on reducing inequality.

57. The *International Organisation of Employers (IOE)* notes that the discussion of the General Survey on Recommendation No. 202 is very timely in contributing to the achievement of SDG 1, which directly refers to social protection floors, and affirms that the employers are highly committed in supporting the achievement of this goal.

**58. The Committee welcomes the inclusion of social protection systems as an integral part of the broader framework of socio-economic and human development, as envisaged by Recommendation No. 202, and the emphasis placed on social protection in global development strategies. It is encouraging that some member States are using national social protection policies and strategies as tools to achieve broader social and economic development, and are promoting social protection as part of their national social and economic development strategies. The Committee hopes that this global recognition will be translated into national action in an increasing number of countries in the years to come.**

**59. The Committee believes that the SDGs can only be achieved by investing in the development and maintenance of comprehensive social protection systems, as prerequisites for social and economic development. In this regard, the Committee considers that giving effect to Recommendation No. 202 will be instrumental in achieving SDG target 1.3 and will contribute to the achievement of SDG targets 3.8, 5.4, 8.5 and 10.4. Due consideration should therefore be given to the guidance contained in the Recommendation when taking action for the implementation of the 2030 Sustainable Development Agenda.**

<sup>24</sup> For example, “Azerbaijan 2020: Looking into future”, the state programme for regional socio-economic development 2014–18, the strategic road map for the national economy, the strategic road map for the development of vocational education and training, the strategic road map for the provision of reasonably priced housing, the Unemployment Insurance Act and the Presidential Order on supplementary measures to promote self-employment.

<sup>25</sup> National Social and Economic Development Plan (PNDES).

<sup>26</sup> National Human Development Initiative.

<sup>27</sup> The vision of the Ministry of Social Development and Family Services.

60. Thirty-nine governments report the positive effects of investment in social security on economic growth and stability.<sup>28</sup> The Government of *Belgium* indicates that investment in social protection was used at the time of economic crisis as a means of stabilizing the economy.<sup>29</sup> In *Iceland*, social protection expenditure was increased to mitigate the shocks resulting from the crash of the banking system.<sup>30</sup> Similarly, the Government of *South Africa* refers to the utility of social assistance and social insurance in preventing a sharp decline in consumption rates during recessions. In the view of the Government of the *Republic of Korea*, “[s]trengthening social policies contributes to increasing household income, which in turn contributes to boosting domestic demand and job creation, as well as social integration”. The Governments of both the *Republic of Korea* and *South Africa* expect long-term economic benefits from investment in social security. The Government of the *Republic of Korea* indicates that it intends “to guarantee basic living for all citizens” by creating a welfare system that can contribute to income-led growth.

61. The Governments of *China*, *Tajikistan* and *Thailand* report linkages between increased levels of social protection and economic performance. In particular, the Government of *Thailand* highlights that the extension of social security coverage, follows the increase of GDP and indicates that the investment of the Social Security Fund and the Workmen’s Compensation Fund in domestic markets have a positive effect on the growth of GDP.<sup>31</sup> It considers that the reduction of income insecurity and vulnerability is an integral part of sustainable development and aims to extend social insurance coverage to informal workers. Many other countries share this vision and have therefore included the objective of improving social protection coverage in national development targets and programmes. For example, in *Japan*, the idea of achieving a robust economy through the enhancement of social security is reflected in the national plan “For the Dynamic Engagement of All Citizens” adopted in 2016. In the *Republic of Korea*, this idea underpins one of the 20 national strategies. In *Pakistan*, draft policies in both Punjab and Khyber Pakhtunkhwa (KP) seek expansion in the long term, with the KP strategy explicitly calling for universal social protection as its long-term vision. Moreover, “Vision 2025”, the Punjab Growth Strategy and the Integrated Development Strategy, as well as the development priorities of Sindh and Balochistan, all emphasize skills development.

62. The *IOE* considers it vital that member States implement social protection systems and measures in a manner that is feasible, affordable, and conducive to economic growth. It favours a holistic approach, considering a combination of preventative, promotional and active measures, benefits and services that promote a productive economy. *The Korea Employers’ Federation (KEF)* emphasizes that sustainable social protection is required to revitalize the labour market, promote the effectiveness of welfare and alleviate the cost burden.

<sup>28</sup> *Australia, Austria, Belarus, Belgium, Bulgaria, Burundi, Canada, Central African Republic, China, Democratic Republic of the Congo, Côte d’Ivoire, Estonia, Finland, Germany, Guinea, Hungary, Indonesia, Islamic Republic of Iran, Japan, Republic of Korea, Malta, Mexico, Myanmar, Netherlands, Nigeria, Oman, Peru, Romania, Saint Kitts and Nevis, Saudi Arabia, Seychelles, Tajikistan, Thailand, Togo, Turkey, Turkmenistan, United Kingdom, Ukraine and Uruguay.*

<sup>29</sup> <http://www.emploi.belgique.be/defaultTab.aspx?id=23784>.

<sup>30</sup> See United Nations: *Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights*, 20 Mar. 2015, New York, A/HRC/28/59/Add.1.

<sup>31</sup> For more information on the linkages between social protection and growth, see Introduction, section I.3, and footnote 95.

63. According to the *ITUC*, in a view shared by the *German Confederation of Trade Unions (DGB)*, some countries continue to look at social protection as being merely a cost, and many governments have cut back benefits and services and tightened eligibility requirements. According to the *Confederation of Workers of Argentina (CTA Workers)*, possible cuts in social programmes can be due to concerns about their cost and the erroneous opinion that they pose an obstacle to competitiveness. In this regard, the *ITUC* highlights the role of social services in improving “human capital” development and considers that adequate comprehensive social protection systems have been shown to provide strong economic benefits by fostering skills development and employability, acting as crucial automatic stabilizers and reducing participation in the informal economy. For instance, in *Costa Rica*, as highlighted by the *Confederation of Workers Rerum Novarum (CTRN)*, social promotion programmes, such as “Educación sí”, the housing bonus and other social allowances, are examples of investments which can boost long-term growth. The *General Confederation of Enterprises (CGECI)* reports that the development of “human capital” and social welfare have been added to the National Development Plan 2016–20 as a second strategic axis in *Côte d’Ivoire*. Nevertheless, the *ITUC* emphasizes that the cutbacks in benefits and services and the tightening of eligibility requirements by many governments are worrying developments that will harm sustainable and inclusive economic growth.

64. The *IOE* emphasizes that a social protection floor sets out, at the national level, basic social security guarantees that provide social protection for the purposes of preventing or reducing poverty, as well as protecting those who are vulnerable and socially excluded, and affirms its strong commitment to working with its members in participating in the national implementation of the Recommendation.

**65. The Committee welcomes the fact that investment in social protection is yielding returns in many countries by stimulating economic growth and stability and improving the performance of national economies, resulting in more equitable and cohesive societies. However, it notes that, notwithstanding the broad international consensus on the correlation between investment in social protection and long-term inclusive growth, some governments are reducing social expenditure and public investment in skills development. The Committee observes that the short-term competitive gains that may result from such measures may be detrimental to long-term sustainable economic and social growth, and may also compromise the ability of the countries concerned to improve the quality of their workforce, particularly in the context of the higher skills requirements of a more globalized economy and technological progress.**

#### 1.1.4. An instrument for the reduction and prevention of poverty and inequality

66. Recommendation No. 202 is based on the recognition that “social security is an important tool to prevent and reduce poverty, inequality, social exclusion and social insecurity”.<sup>32</sup> It addresses these circumstances as priority contingencies, against which protection should be guaranteed with the clear objective of reducing poverty as rapidly as possible. Over recent decades, country experiences have shown that economic growth alone does not automatically lead to a reduction in poverty.<sup>33</sup> Investment in health care and income security through financial solidarity is indispensable to reduce poverty and exclusion and prevent people from falling into poverty. The United Nations Independent

<sup>32</sup> Recommendation No. 202, Preamble.

<sup>33</sup> ILO: *World Employment and Social Outlook 2016: Transforming jobs to end poverty*, Geneva, 2016, p. 109.

Expert on Human Rights and International Solidarity has recently reported that “[t]he expansion of social protection has proved to be important in reducing inequality and poverty in a range of national contexts in both developing and developed countries”.<sup>34</sup> Drawing on the experience of countries that have made progress in establishing national social protection floors, she observed that “social security schemes are a vital and flexible policy tool to counteract and soften the social and economic consequences of financial shocks”.<sup>35</sup>

67. The Committee is pleased to observe that approximately 80 per cent of governments report that social protection policies, schemes and benefits are used to combat poverty and inequality. For example, in *Austria*, social benefits play a very effective role in the redistribution of resources and in reducing poverty. The Government of *Austria* refers to Eurostat data, which indicate that in 2016, in the absence of social protection, 45 per cent of the Austrian population would have been at risk of poverty while, as a result of guaranteed social security benefits, including pensions, this figure has fallen to 14 per cent. A similar effect is reported in *Belgium*, where the available estimates show that in 2014 social transfers helped to reduce the number of persons at risk of financial poverty from over 43 per cent to around 15 per cent. In *Paraguay*, *Argentina* and *Honduras*, where poverty reduction has been identified as a priority goal, social protection measures are also reported to be used for preventing impoverishment. For example, in *Paraguay*, quality social services, social security and employment policies aim at poverty reduction and inclusive economic growth, while in *Argentina* cash transfers such as the Universal Child Benefit, the Universal Old-age Pension and Disability Pension, are essential tools for combating poverty and ensuring a minimum income for the most vulnerable.

68. The implementation of social protection schemes (including benefits, allowances, subsidies and related fiscal measures) to reduce income risks and lift people out of poverty are reported in many other countries, including *Czech Republic*, *Egypt*, *Indonesia*, *Islamic Republic of Iran*, *Kazakhstan*, *Republic of Korea*, *Seychelles*, *South Africa*, *Tajikistan*, *Thailand* and *Trinidad and Tobago*. More specifically, in *Trinidad and Tobago* the Targeted Conditional Cash Transfer Programme (TCCTP) includes a developmental component entitled STEP-UP, which adopts a holistic approach to poverty alleviation, taking into consideration the conditions that impede the efforts of families to move out of poverty, and provides families in extreme poverty with access to critical services.

69. The *ITUC* observes that there is an enormous body of cross-national evidence showing the different ways in which social protection can help to prevent and reduce poverty. For example, it emphasizes that, without social protection in old age, 24.2 per cent of elderly persons in Latin America would be living in extreme poverty but that, as a result of contributory and non-contributory pensions, the actual figure is 4.3 per cent.<sup>36</sup> The same comment is also made, among others, by the *Central Organization of Finnish Trade Unions (SAK)* and the *Confederation of Labour of Niger (CNT)*. According to the *Social Insurance Bank (BPS)*, *Chamber of Industries (CIU)* and *National Chamber of Commerce and Services (CNCS)*, there has been a significant reduction in poverty in *Uruguay* over the past 15 years as a result of improvements in the labour market resulting from job creation and the greater coverage of social benefits.

<sup>34</sup> United Nations: *Report of the Independent Expert on Human Rights and International Solidarity*, 29th Session of the Human Rights Council, 2017, A/HRC/29/35, paras 30–33.

<sup>35</sup> United Nations: *Report of the Independent Expert on Human Rights and International Solidarity*, 2017, op. cit.

<sup>36</sup> Economic Commission for Latin America and the Caribbean (ECLAC): *Social Panorama of Latin America 2017*, Santiago, 2018.

70. The Committee welcomes the evidence provided on the essential role of social protection systems in reducing and preventing poverty, inequality, social exclusion and social insecurity. While social security transfers are usually targeted at specific risks and contingencies, their combined impact on poverty reduction among the respective groups of the population should be better acknowledged and measured. Taken together, social security benefits, both under contributory and non-contributory schemes, constitute an important income flow at the national level directed towards vulnerable categories of the population – the poor, elderly, children, those incapable of earning their living due to ill health, maternity, disability or unemployment. The crucial importance of redistribution through social security in combating and preventing poverty became particularly evident during the global economic and financial crisis of 2008, which was a determining factor in the global endorsement of the concept of social protection floors and the adoption of Recommendation No. 202.

71. The Committee recognizes that the emphasis placed by Recommendation No. 202 on a comprehensive and integrated approach that encourages the implementation of social protection floors, as an indispensable part of wider national social protection systems that combine transfers to poor and vulnerable segments of the population with the simultaneous provision of the necessary social services, health care, active labour market measures, skills development and other policies, offers a very effective approach to reducing and preventing poverty and social exclusion, as it addresses the multiple dimensions of poverty and social exclusion, including their root causes. Noting the key role of social protection in preventing and reducing poverty, the Committee recommends that member States consider, in line with the approach set forth in the Recommendation, the development of coherent national social protection policies and strategies in coordination with other public policies, and the systematic inclusion of such policies in broader national poverty reduction strategies.<sup>37</sup>

## 1.2. Overview of objectives and key features of the Recommendation

### Relevant provisions of Recommendation No. 202

1. This Recommendation provides guidance to Members to:

- (a) establish and maintain, as applicable, social protection floors as a fundamental element of their national social security systems; and
- (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.

...

13. (1) Members should formulate and implement national social security extension strategies, based on national consultations through effective social dialogue and social participation. National strategies should:

- (a) prioritize the implementation of social protection floors as a starting point for countries that do not have a minimum level of social security guarantees, and as a fundamental element of their national social security systems; and
- (b) seek to provide higher levels of protection to as many people as possible, reflecting economic and fiscal capacities of Members, and as soon as possible.

<sup>37</sup> See chs 9 and 11 for an analysis of the relevant provisions of the Recommendation.

(2) For this purpose, Members should progressively build and maintain comprehensive and adequate social security systems coherent with national policy objectives and seek to coordinate social security policies with other public policies.

...

17. When building comprehensive social security systems reflecting national objectives, priorities and economic and fiscal capacities, Members should aim to achieve the range and levels of benefits set out in the Social Security (Minimum Standards) Convention, 1952 (No. 102), or in other ILO social security Conventions and Recommendations setting out more advanced standards.

### 1.2.1. A guiding framework for the development of comprehensive national social security systems

72. In accordance with Paragraph 1, the purpose of the Recommendation is to provide guidance to Members with the dual objective to:

- (a) establish and maintain, as applicable, social protection floors as a *fundamental element* of their national social security systems; and
- (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. (emphasis added)

73. As a process-oriented standard, the objective of the Recommendation is dynamic: it is aimed at the progressive strengthening of social security systems, from establishing floors to their implementation, from basic social protection floors to higher levels of protection, from a basic scope of application to full coverage of as many people as possible, from a fundamental element of the system to an overall extension strategy. The extension of social protection should be sought simultaneously along these various axes, in accordance with national circumstances and priorities, to the maximum extent possible within the available resources.

74. This reflects the prevailing practice in many countries, and provides evidence-based guidance on the most effective and realistic way of extending social protection. In their replies, a considerable number of governments report that their objectives include both extending the coverage of social security schemes and increasing the levels and/or scope of benefits. For example, in *Burundi, Cambodia, China, Costa Rica, Côte d'Ivoire, Indonesia, Iraq, Mali, Mexico, Poland, Senegal, Sri Lanka, Suriname, Syrian Arab Republic, Togo* and *Bolivarian Republic of Venezuela*, national social protection objectives and priorities include the extension of coverage to workers in the informal economy and their families, alongside an increase in the existing levels of certain guarantees. Other countries such as *Honduras* and *Pakistan* are aiming to establish new social security guarantees that provide additional protection, while also seeking to make contributory schemes available for all persons with contributory capacity.

### 1.2.2. Recommendation No. 202 within the body of ILO social security standards

75. The complementarity between Recommendation No. 202 and the ILO's other social security standards is made explicit from the outset. Paragraph 1 indicates that the Recommendation provides guidance on how to establish, maintain and implement social protection floors as part of national social security systems and on their implementation within strategies for the extension of social security that seek to ensure progressively higher levels of social security,<sup>38</sup> which should be guided by ILO social security standards

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<sup>38</sup> Recommendation No. 202, Para. 1.

at all stages of the process.<sup>39</sup> Thus, when building social protection floors as a fundamental element of their system, and developing strategies aimed at higher levels of protection, Members are invited to follow the design of comprehensive social security systems guided by the ILO's social security standards, as indicated in Paragraphs 13 and 17 of the Recommendation. **From a legal and practical perspective, this means that, when implementing their national social protection floors and developing strategies for the extension of social security, Members are advised to consider the broader perspective offered by international social security law as a whole,<sup>40</sup> on which the Recommendation builds.**

76. One innovation in Recommendation No. 202 is that it formulates an outcome-oriented approach, which places strong emphasis on guiding Members through the process of identifying and formulating core parameters, as appropriate in the national context. For this purpose, Recommendation No. 202 identifies a series of steps, policies and guiding principles that should be applied when developing social security systems, including social protection floors. **Recommendation No. 202 is therefore a flexible standard, which encourages Members to define their basic social security guarantees in accordance with national needs and circumstances.**

### 1.2.3. Social protection floors as fundamental parts of comprehensive social security systems

77. Recommendation No. 202 introduces social protection floors as a new legal concept in international law, which are embodied for the first time in a legal standard. This concept has since been reflected in two more recent Recommendations adopted by the ILO, the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204),<sup>41</sup> and the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205). Beyond the ILO, the concept is now being used by other international legal bodies, including the CESCR, CRC and CRPD,<sup>42</sup> the United Nations General Assembly and the United Nations Economic and Social Council (ECOSOC), in relation to the right to social security and the right to an adequate standard of living, as well as by legal practitioners, special rapporteurs and independent experts mandated to examine the implementation of these rights.<sup>43</sup> **The Committee is pleased to note that the concept of social protection floors, as crystallized in Recommendation No. 202, is now part and parcel of international social security law and is broadly endorsed by the international legal community.**

78. Social protection floors are defined in Paragraph 2 of the Recommendation in the following terms: "For the purpose of this Recommendation, social protection floors are nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion." Part II of the

<sup>39</sup> In particular, the Social Security (Minimum Standards) Convention, 1952 (No. 102).

<sup>40</sup> See ch. 1, section 1.1.2, on the role of international human rights law in the interpretation and application of the Recommendation.

<sup>41</sup> The relevant provisions of Recommendation No. 204 and their linkages with Recommendation No. 202 are examined in ch. 9, section 9.3.1.

<sup>42</sup> See ch. 1, section 1.1.2, for more detail.

<sup>43</sup> See, for example, United Nations: *Report of the Special Rapporteur on extreme poverty and human rights*, New York, 2015, A/70/274; *Report of the Special Rapporteur on the human right to safe drinking water and sanitation*, New York, 2015, A/HRC/30/39; *Report of the Special Rapporteur on the rights of persons with disabilities*, New York, 2015, A/70/297; *Report of the Independent Expert on the question of human rights and extreme poverty*, on the draft guiding principles on extreme poverty and human rights, New York, 2010, A/HRC/15/41.



Recommendation, “National social protection floors”, goes further in defining the “basic social security guarantees” of which social protection floors should at least be composed, namely:

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- (d) basic income security, at least at a nationally defined minimum level, for older persons. (Paragraph 5).

79. In this regard, it should be noted that the definition is provided “for the purpose of this Recommendation”. The Recommendation does not therefore call for the concept of social protection floors to be incorporated into national legislation. A Member may, in practice, establish a set of basic social security guarantees that give effect de facto to the Recommendation by securing the outcomes of income security throughout the life cycle and access to essential health care, without necessarily referring to them as national social protection floors. Secondly, the words “nationally defined” mean that Members are encouraged to substantiate their social protection floors in the light of their national contexts, including through the most effective and efficient combination of schemes and benefits with a view to progressively ensuring that the basic social security guarantees are provided to all in need. Social protection floors do not in general constitute a new, separate or stand-alone set of policies, schemes and benefits, but are an integral part of national social security systems, consisting of existing measures, which may be supplemented by new measures, and which are closely linked to, and aligned with, other social policies.

80. The set of measures, benefits and schemes representing national social protection floors should, within the meaning of the Recommendation, provide “basic social security guarantees”, which should comply with the parameters established by the Recommendation as to their content (Paragraph 5), form (Paragraph 7), level (Paragraph 8(a) and (b)) and approaches (Paragraph 9), as well as the procedural aspects of their definition and regular review (Paragraph 8(c) and (d)). Compliance with these parameters transforms each of these measures into a set of basic social security guarantees, “which together secure effective access to goods and services defined as necessary at the national level” (Paragraph 4). **The Committee wishes to point out that reviewing the parameters of existing policies, benefits and schemes and adjusting them to fit into national social protection floors may be a complex exercise, but that it marks the difference between a mechanical aggregation of benefits and schemes, which often leads to a fragmented and ineffective social security system, and their integration into “the most effective and efficient combination” in the national context, as advocated by the Recommendation (Paragraph 9(1)).** For this reason, the guidance provided in the Recommendation is essential in ensuring the effectiveness of national social security systems which provide adequate benefits to all in need and ensure universal social protection in a sustainable manner, in line with the principles of good governance.

81. **In this regard, the Committee considers that an additional quality emerges from a set or combination of basic social security guarantees and that social protection floors, as envisaged in Recommendation No. 202, are more than the simple sum of the basic social security guarantees that they comprise.** A set of basic social security guarantees conceived according to the logic set out in Part II of Recommendation No. 202

is capable of achieving what each guarantee alone, or even the mechanical sum of such guarantees cannot. In traditional social security systems, it is usual for each individual benefit to be confined structurally to a corresponding branch of social security, which provides protection for certain categories of the population against loss of income and poverty arising out of a particular social risk or contingency, or a condition requiring medical care. Under a national social protection floor, a full set of guarantees, integrated across all branches of the social security system to cover all residents and all children against all major social risks, has the strength to confront the much bigger challenge facing all modern societies of the spread of general poverty, vulnerability and social exclusion, which no social security scheme alone can address. **The Committee considers that, by developing the concept and methodology of integrating guarantees into national social protection floors, the Recommendation offers a powerful approach to addressing these risks in a comprehensive manner.**

#### 1.2.4. Overall and primary responsibility of the State

82. Recommendation No. 202 places the “overall and primary” responsibility for the implementation of its provisions in the national context on the State (Paragraph 3). This responsibility includes the pursuit of all three of the main objectives formulated by the Recommendation: the establishment and implementation of national social protection floors, the development and implementation of a national social security extension strategy, and the monitoring of progress, with the tripartite participation of representatives of workers and employers, and in consultation with other relevant and representative organizations of persons concerned (Paragraph 3(r)).

83. This formula, which reinforces the provisions contained in the Social Security (Minimum Standards) Convention, 1952 (No. 102), and other ILO social security standards, marks a clear willingness by ILO constituents to reaffirm the need for the State to exercise a prominent role in building, maintaining and further developing comprehensive and adequate social security systems. The need to explicitly recognize and reinforce the role of the State as the main actor in the area of social protection emerged in the aftermath of the global financial crisis, as noted by the Committee in its 2011 General Survey.<sup>44</sup> Where earlier up-to-date social security standards require Members to accept “general responsibility” for the provision of defined benefits and the administration of the social security institutions and services concerned, Recommendation No. 202 recognizes the “overall and primary responsibility of the State” in giving effect to all the provisions of the instrument. The State is placed at the forefront of the development, implementation and maintenance of social security, a responsibility which the Recommendation further enlarges by entrusting it with the application of the fundamental guiding principles at each stage of the process, as set out in Paragraph 3. This means that the legislative framework and institutional composition of social security systems, and the means and mechanisms for their implementation, irrespective of the approach chosen, should be in accordance with those principles, and that the State is responsible for their oversight.

84. Nearly 80 per cent of the reports provided by governments indicate that the State is responsible for social security matters at the national level. This responsibility is often reflected in national constitutions, which frequently contain provisions setting out the general or specific obligations of the State in this area. Indeed, the majority of the reports make reference to the provisions of the founding texts in relation to the role of the State in establishing and maintaining social security systems. For example, article 34 of the Constitution of *Ecuador* establishes the right of all persons to social security and provides

<sup>44</sup> 2011 General Survey, para. 493.

that “the State shall bear the prime duty and responsibility for this right”.<sup>45</sup> In the *Russian Federation*, article 39 of the Constitution indicates that “[e]veryone shall be guaranteed social security at the expense of the State in old age, in case of illness, disability, loss of the breadwinner, for the upbringing of children and in other cases established by law”, while article 38 lays out the general obligation of the State to protect maternity, childhood and the family.<sup>46</sup> Similarly, in *Spain*, in accordance with article 41 of the Constitution, “the public authorities shall maintain a public social security system for all citizens guaranteeing adequate social assistance and benefits in situations of hardship, especially in the event of unemployment”.<sup>47</sup> In *Peru*, as indicated by the *Autonomous Workers’ Confederation of Peru (CATP)*, the State must be a manager and administrator of social security systems, financed through the implementation of a public contribution pillar based on progressive taxes (with the tripartite contribution of the State, employers and workers), and a basic non-contributory public pillar which ensures the financing of a floor of minimum benefits that covers all those in need irrespective of their employment or work situation.<sup>48</sup>

85. Acknowledging that the governments of member States bear the primary responsibility for the implementation of Recommendation No. 202, the *IOE* emphasizes the important role of enterprises as they are often the major source of funding for the social protection schemes. Accordingly, the *IOE* encourages employers to actively engage in the realization of SPFs at the national level, in line with national needs and priorities.

86. The *ITUC* emphasized the extremely significant role played by the private sector in the delivery of social protection in many countries, for example in the pension markets of a number of Latin American countries, although several of these countries are now returning to public pension systems. **In this regard, the Committee wishes to point out that, while the Recommendation recognizes that social protection may be delivered and implemented using a diversity of methods and approaches (Paragraph 3(i)), the State should remain responsible for the oversight of the system.**

87. **Considering the primary and overall responsibility of the State for the achievement of the objectives of the Recommendation, which include effective social protection coverage for everyone, the Committee recommends that member States to take all necessary measures to ensure that their policy, legal and institutional frameworks provide for such responsibility to be assumed fully, irrespective of the method of financing or administration adopted. The effective enforcement of legislative frameworks and oversight mechanisms is of the utmost importance in ensuring that benefits and services are provided by social protection systems in accordance with Recommendation No. 202, especially where they are not provided directly by public institutions.**

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<sup>45</sup> Constitution of *Ecuador*, 2008, art. 34.

<sup>46</sup> Constitution of the *Russian Federation*, 1993, arts 38 and 39.

<sup>47</sup> Constitution of *Spain*, 1978, art. 41.

<sup>48</sup> According to the *CATP*, it is essential to modify private social security systems, which have completely failed, and to revert to financially sustainable public systems in order to counteract the campaigns in favour of the privatization of social security.

### 1.2.5. Guiding principles for the development of comprehensive social security systems

#### Relevant provisions of Recommendation No. 202

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

- (a) universality of protection, based on social solidarity;
- (b) entitlement to benefits prescribed by national law;
- (c) adequacy and predictability of benefits;
- (d) non-discrimination, gender equality and responsiveness to special needs;
- (e) social inclusion, including of persons in the informal economy;
- (f) respect for the rights and dignity of people covered by the social security guarantees;
- (g) progressive realization, including by setting targets and time frames;
- (h) solidarity in financing while seeking to achieve an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes;
- (i) consideration of diversity of methods and approaches, including of financing mechanisms and delivery systems;
- (j) transparent, accountable and sound financial management and administration;
- (k) financial, fiscal and economic sustainability with due regard to social justice and equity;
- (l) coherence with social, economic and employment policies;
- (m) coherence across institutions responsible for delivery of social protection;
- (n) high-quality public services that enhance the delivery of social security systems;
- (o) efficiency and accessibility of complaint and appeal procedures;
- (p) regular monitoring of implementation, and periodic evaluation;
- (q) full respect for collective bargaining and freedom of association for all workers; and
- (r) tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

88. Paragraph 3 of the Recommendation contains a list of overarching principles that should be applied in the development of social security systems, including social protection floors, under the overall and primary responsibility of the State. These principles are relevant at all stages of the definition, setting and implementation of social protection floors, as well as for the establishment and maintenance of higher levels of protection, the formulation and implementation of national social security extension strategies and the monitoring of progress in achieving the objectives of the Recommendation. More specifically, some of the principles are intended to guide the design of social security systems and their components, the definition of entitlements and personal coverage and the establishment of legal frameworks (Paragraph 3(a)–(g)), while others apply to the delivery, financing, management, coordination and monitoring of social security schemes and systems (Paragraph 3(h)–(n)).

89. The Recommendation is unique in this regard as it translates into a normative standard what the international community considers inherent to social protection: core ILO and human rights values and principles, as laid down in key international documents and instruments.<sup>49</sup> In particular, it builds on the principles established in earlier ILO social security standards, such as Convention No. 102, and expands on their guidance. It also draws on good practice in the governance, financing and delivery of social security

<sup>49</sup> For example, ILO Constitution, Annex (“Declaration of Philadelphia”) 1944, and Convention No. 102; Universal Declaration of Human Rights; International Social Security Association (ISSA): “Guidelines on good governance”, Geneva, 2013; CESCR: “General Comment No. 19”, 2008, *op. cit.*

systems.<sup>50</sup> In view of the flexibility offered by the Recommendation concerning the means, methods and approaches for its implementation, the existence of a set of principles to safeguard and promote the intrinsic values of social security and respect for human rights is essential. This set of principles can serve both as a policy tool and an assessment framework for the creation, maintenance and supervision of the various schemes that form part of national social security systems.

### 1.2.6. National social security extension strategies<sup>51</sup>

90. Part III of Recommendation No. 202 responds to the need expressed by ILO constituents for a standard that provides guidance on the formulation and implementation of strategies for the extension of social security, as indicated in the main objectives of the Recommendation set out in Paragraph 1(b). It does so by identifying the objectives and main steps (Paragraph 14) that should be followed in extension processes, as well as the principles that should be applied throughout the process (Paragraphs 15 and 16). This emphasis on process is another innovation in the body of ILO social security standards.

91. Paragraph 13, in its chapeau, calls on Members to formulate and implement national social security extension strategies “based on national consultations through effective social dialogue and social participation”. The Committee draws attention to the important role of such participatory mechanisms, in light of the guiding principles contained in Paragraph 3(q) and (r), as further elaborated below and in chapter 9.

92. The dual objective of these strategies, as set out in Paragraph 13(1), is aligned with the main objectives of the Recommendation. Paragraph 13(1)(a) defines the objectives of national social security extension strategies with respect to the implementation of social protection floors in “countries that do not have a minimum level of social security guarantees”. It is in these countries that social protection floors should be prioritized and conceived “as a starting point ... and as a fundamental element of their national social security systems”. The Committee wishes to point out that this provision concerns countries at all income levels and all stages of development, including high-income countries with comprehensive and well-established social security systems.

### 1.2.7. The important role of broad, inclusive and effective social dialogue and social participation

<b>Relevant provisions of Recommendation No. 202</b>	
3.	...
(r)	tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.
	...
8.	When defining the basic social security guarantees, Members should give due consideration to the following:
	...
(d)	in regard to the establishment and review of the levels of these guarantees, tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured.

<sup>50</sup> See, for example, ISSA: “Guidelines on good governance”, op. cit.; International Actuarial Association (IAA): “International Standards of Actuarial Practice” (ISAPs).

<sup>51</sup> See ch. 9 for a more detailed analysis of the relevant provisions of the Recommendation.

...

13. (1) Members should formulate and implement national social security extension strategies, based on national consultations through effective social dialogue and social participation. National strategies should:

- (a) prioritize the implementation of social protection floors as a starting point for countries that do not have a minimum level of social security guarantees, and as a fundamental element of their national social security systems; and
- (b) seek to provide higher levels of protection to as many people as possible, reflecting economic and fiscal capacities of Members, and as soon as possible.

...

19. Members should monitor progress in implementing social protection floors and achieving other objectives of national social security extension strategies through appropriate nationally defined mechanisms, including tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

93. Recommendation No. 202 highlights the indispensable role of broad and effective social dialogue and social participation in the development of comprehensive social security systems, including social protection floors. Paragraph 3(r) recommends member States to apply the principle of “tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned”. This recommendation is reaffirmed in relation to: the establishment and review of the levels of the basic social security guarantees (Paragraph 8(d)) that form part of social protection floors; the formulation and implementation of national social security extension strategies (Paragraph 13(1)); and the assessment of progress (Paragraph 19).<sup>52</sup>

94. The need for representatives of persons protected to participate in the governance and administration of social security schemes or to be associated therewith in a consultative capacity (whenever the administration is not entrusted to an institution regulated by public authorities or to a government department responsible to a legislature) is specified in Convention No. 102 and other ILO social security standards,<sup>53</sup> and was examined at length by the Committee in its 2011 General Survey.<sup>54</sup> Recommendation No. 202 builds on the same idea by calling, in addition to the usual participation of the social partners, for broader consultations with representatives of persons concerned who are neither workers nor employers, such as children or older persons, and with those who may not be fully represented by established social dialogue mechanisms. In so doing, the Recommendation recognizes that broad and inclusive social dialogue and social participation are necessary to ensure that those without protection, whose needs should be addressed as a priority, but who are generally not represented by trade unions, have a voice and that their needs are taken into account in decision-making processes, for example in relation to the level and content of the basic social security guarantees that form part of national social protection floors. Tripartite participation and consultations are also necessary to identify and address gaps in and barriers to social protection, ensure robust

<sup>52</sup> See chs 4, 9 and 12 for more specific analysis of the role of employers’ and workers’ organizations and of other relevant and representative organizations of persons concerned.

<sup>53</sup> For example, see Convention No. 102, Art. 72(1); the Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121), Art. 24(1); the Invalidity, Old-Age and Survivors’ Benefits Convention, 1967 (No. 128), Art. 36; the Medical Care and Sickness Benefits Convention, 1969 (No. 130), Art. 31; and the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), Art. 29.

<sup>54</sup> 2011 General Survey, paras 550–558.

and easily accessible grievance mechanisms, and protect the rights and dignity of all persons concerned.<sup>55</sup>

95. Implementing these provisions entails the establishment of a broad and inclusive consultation process that includes not only the tripartite social partners, but also other representative and relevant organizations of persons concerned. The Recommendation does not identify specific groups which should be involved, but envisages the establishment of institutional structures which make participation mechanisms more effective than ad hoc consultations. One of the main institutional vehicles for social dialogue and social protection are national social dialogue institutions, such as economic and social councils and similar institutions (ESCs). In several countries,<sup>56</sup> these institutions serve as a general forum for governments and workers' and employers' organizations to deliberate widely on national economic and social policies. In most cases, the role of such bodies is consultative and advisory in nature. Some ESCs also seek the views of non-members on social protection issues, in line with Paragraph 3(r) of the Recommendation, and are in a privileged position to engage in consultations with a broader range of partners and concerned sectors of society during the process of building social protection floors and integrating social protection systems.

96. Over 40 per cent of the government reports received refer, among national objectives and priorities in the area of social protection, to the need to undertake national consultations on social security matters through effective social dialogue and social participation. The involvement of the social partners in mechanisms that ensure the regular monitoring of the establishment and implementation of social protection floors is reported, among other countries, in *Azerbaijan*, *Ecuador* and *Poland*. In *Poland*, the Social Dialogue Council plays an important role in the procedure of updating income criteria for the purposes of social assistance. In *Ecuador*, in order to ensure participation and better consultation in the examination of policies aimed at the broader horizontal and vertical extension of social security, the Board of the National Social Security Institute (IESS) consists of three representatives: one of insured persons, one of employers and one of the executive branch. Similarly, in *Azerbaijan*, social protection issues, including minimum levels of social protection, are discussed by the social partners. As recalled by the *National Labour Council*, social dialogue has been at the origin of measures to adapt welfare benefits in recent years in *Belgium*.

97. The *IOE* stresses the central importance of the involvement of social partners in the implementation of Recommendation No. 202, as well as the financial support from employers and employees in funding these recommended measures. Since the implementation of the Recommendation requires sound macroeconomic policies to generate wealth and employment, effective labour market policies, the necessary fiscal space and sustainability, the *IOE* stresses that it is important for Governments to encourage businesses to actively engage, at an early stage, in national debates on this topic and the implementation process.

98. In relation to health policies, in *Montenegro*, the Ministry of Health works to improve the health care of insured persons through its cooperation with representative trade unions and the *Montenegrin Federation of Employers* based on permanent dialogue with representative organizations of employers and workers, as well as consultations with

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<sup>55</sup> See also United Nations: *Promoting inclusion through social protection: Report on the World Social Situation 2018*, New York, 2018, p. 118.

<sup>56</sup> According to the United Nations Department of Economic and Social Affairs (UNDESA) [Database on Economic and Social Councils and Similar Institutions](#), there are currently 43 countries with ESCs in place in Africa, Asia, Europe and North America, and Latin America and the Caribbean.

other relevant representative organizations. In *Bulgaria*, a fundamental principle of the compulsory health insurance system is the participation of the State, insured persons and employers in its management. In *Morocco*, the board of the National Social Security Fund (CNSS), which is composed of representatives of the State, employers and salaried workers, deals with all matters relating to the management of the basic compulsory health insurance scheme. Other countries in which social dialogue is carried out in relation to the health sector include: *Cambodia, Canada, Czech Republic, Denmark, Egypt, Estonia, Islamic Republic of Iran, Japan, Republic of Korea, Lithuania, Mali, Malta, Portugal, San Marino, Suriname, Thailand and Ukraine*.

99. However, in certain countries, obstacles are reported to the effective functioning of social dialogue and social participation. For example, in *Gabon*, according to the *Trade Union Confederation of Gabon (COSYGA)*, the social partners are closely involved in the reform process, but their participation is jeopardized by difficulties in determining the legal representatives of the workers. A similar lack of effectiveness is reported by the social partners in *Senegal* where, according to the *National Federation of Independent Trade Unions of Senegal (UNSAS)*, national consultations are organized solemnly, but without comprehensive assessments to measure progress. A similar challenge is reported in *Peru* by the *CATP*. In *Poland*, where the Social Dialogue Council plays an important role, according to the *Independent and Self-Governing Trade Union "Solidarność"*, the Government does not always take into consideration the opinion of the social partners, for example in 2009 regarding the criteria for social assistance and in 2012 concerning the threshold for family benefits. Similarly, in *Spain*, although there is a tripartite social dialogue body on social security, known as the "Toledo Pact", according to the *Trade Union Confederation of Workers' Commissions (CCOO)*, the latest reforms in 2013 were adopted without going through this social dialogue forum.

**100. The Committee emphasizes the importance of broad, inclusive and effective social dialogue, as well as social participation involving all stakeholders, namely the State and the social partners, in addition to representative and relevant organizations of persons concerned, for the development of comprehensive social security systems, including social protection floors. Those concerned should have a voice in the decision-making process. Their participation and consultation, through relevant and representative organizations, should be an integral part of any social security policy, programme or strategy. The Committee therefore stresses the importance of an enabling legal and institutional environment to promote effective social dialogue and social participation in relation to social protection at the national level.**



## Chapter 2

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### A landmark instrument to achieve universal social protection

101. The objective of universality of protection is at the core of Recommendation No. 202, reflecting the commitment of ILO member States to ensure that everyone, over the course of their life, has access to essential health care and enjoys basic income security, at a minimum, and ultimately, higher levels of health and income protection.<sup>1</sup> The guidance set out in the Recommendation is therefore fully in line with the efforts made by member States to give effect to the human right to social security.<sup>2</sup> Universal social protection is also integral to the Sustainable Development Goals (SDGs), under which States have undertaken to implement nationally appropriate social protection systems and measures for all, including social protection floors, and to achieve by 2030 substantial coverage of the poor and the vulnerable (target 1.3), as well as universal health coverage, including financial risk protection and access to quality essential health-care services (target 3.8).

#### 2.1. Universality, solidarity and the protection of rights, dignity and non-discrimination

102. Recommendation No. 202, in Paragraph 3(a), sets out the principle of universality of protection, based on social solidarity, as one of its central pillars. This principle should be applied by Members “for the purpose of giving effect to this Recommendation” (Paragraph 3, chapeau), and should therefore be sought by the State: (1) when establishing and maintaining social protection floors as part of national social security systems; (2) when progressing towards higher levels of protection; and (3) in the formulation and implementation of national social security extension strategies aimed at (1) and (2).

103. Universality of protection, in its multiple dimensions, is reflected in the call made in Paragraph 1 of the Recommendation for member States to establish, as a priority, social protection floors *for all*, and to ensure progressively higher levels of social security to “*as many people as possible, as soon as possible*”. It is further developed in Paragraphs 4 and 13 in relation to social protection floors and higher levels of protection, respectively. **Universality of protection in Recommendation No. 202 thus comprises all aspects of the protection which should be guaranteed at the level of social protection floors, and**

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<sup>1</sup> ILO: *Social protection floors for social justice and a fair globalization*, Report IV(1), ILC, 101st Session, Geneva, 2012, para. 44; and *Conclusions concerning the recurrent discussion on social protection (social security)*, appendix, “Elements of a possible Recommendation on Social Protection Floors”, para. A5, International Labour Conference, 100th Session, Geneva, 2011.

<sup>2</sup> Committee on Economic, Social and Cultural Rights (CESCR): “Statement on social protection floors: An essential element of the right to social security and of the sustainable development goals”, E/C.12/2015/1, 2015, para. 14.

**at higher levels of social security, in terms of the persons and the risks or circumstances covered, coverage during the life cycle, and the adequacy of the benefits guaranteed.**<sup>3</sup>

### 2.1.1. Universality of protection based on social solidarity

#### **Relevant provisions of Recommendation No. 202**

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

(a) *universality of protection*, based on *social solidarity*;

...

(h) *solidarity in financing* while seeking to achieve an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes;

...

104. Universality of protection requires *social solidarity*, as specified in Paragraph 3(a) of the Recommendation, which is closely linked to the principle of solidarity in financing set out in Paragraph 3(h). Solidarity lies at the heart of social security, as emphasized in earlier up-to-date ILO social security standards,<sup>4</sup> which envisage the provision of health and income protection through mechanisms based on risk-pooling and collective financing, and recognize the need to avoid hardship for persons of small means.<sup>5</sup> Recommendation No. 202 builds on this by explicitly calling for the application of this principle by States when giving effect to the Recommendation, which means that the mechanisms to be considered for the development of social security systems, including social protection floors, should be based on solidarity. As indicated in Paragraph 9(3) of the Recommendation, these may include universal benefit schemes, social insurance schemes, social assistance schemes, progressive taxation and negative income tax schemes, as well as public employment and employment support schemes. The benefits in cash or in kind provided under these schemes<sup>6</sup> comprise a transfer of income, goods or services between different population groups, including active and non-active members of society, men and women, the healthy and the sick, rich and poor, urban and rural populations, as well as between generations, embodying the very principle of social solidarity.<sup>7</sup> Schemes and benefits that are based on this principle promote peaceful and inclusive societies and shared development, and contribute to the achievement of SDG 16.

105. In light of Paragraph 3(h) of the Recommendation, the Committee emphasizes that only means and methods of protection based on social solidarity may be considered for the purpose of building comprehensive social security systems, including social protection floors, in accordance with Recommendation No. 202. This therefore excludes schemes that are neither collectively financed nor based on redistribution, such as direct employers' liability schemes, private individual savings schemes, defined contribution schemes based

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<sup>3</sup> The life cycle and adequacy dimensions of universality are examined in greater detail in Part II.

<sup>4</sup> These standards are presented in paras 14–18 of the Introduction.

<sup>5</sup> ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter the "2011 General Survey"), paras 34 and 443–453 on the principle of collective financing.

<sup>6</sup> See Para. 9(2) for a non-exhaustive list of such benefits.

<sup>7</sup> 2011 General Survey, paras 33–34.

on individual savings or notional accounts and life and accident insurance schemes.<sup>8</sup> The Committee is of the view that, while such mechanisms may be used to provide additional or supplementary protection, they are not part of the combination of measures that constitute the basic social security guarantees to be provided pursuant to the Recommendation. In many countries, community-based initiatives and private arrangements, involving family members or members of the community, play an important role in delivering care and support to persons in need and represent an expression of social solidarity. While, in the absence of public services or programmes, such initiatives may provide some level of protection and contribute to social cohesion, they cannot be considered as a substitute for social protection mechanisms under the overall and primary responsibility of the State.

106. Over 75 per cent of government responses to the questionnaire report some policies and regulations aimed at operationalizing the principles of social solidarity and solidarity in financing. For example, in *Burkina Faso*, the Government reports that national policies reaffirm and implement the principles of social solidarity. These policies and programmes focus, among other objectives, on promoting the access of the poorest population categories to basic social services and social protection, such as health services, nutrition programmes, measures to combat HIV and AIDS, and access to water and sanitation. In *Croatia*, pension, health and social services must maintain the principle of solidarity and their protective function while, in relation to social welfare (under the competence of the Ministry of Demography, Family, Youth and Social Policy), solidarity and the mitigation of inequalities in society are considered to be key principles for the realization of social justice. In *Ireland*, earnings-related social insurance (PRSI) contributions paid by insured persons are not actuarially linked to benefits, but are redistributed to support more vulnerable contributors as an expression of solidarity between earnings groups and generations. In *Egypt*, the Government is developing plans to lift people out of poverty and social exclusion by launching conditional cash support programmes and a solidarity and dignity programme for families that are unable to meet their needs. In *Honduras*, a solidarity and social protection fund has recently been created to reduce poverty and is broadly financed by the state solidarity contribution.<sup>9</sup> In *Indonesia*, the cost of social security is borne by all participants in proportions that vary according to their salary, wage or income level, so that members of society with higher earnings are called upon to support the vulnerable.<sup>10</sup> In the *United States*, the formula for the calculation of the retirement, survivors' and disability benefits paid under the Federal Insurance Contributions Act is redistributive, so that lower wage earners receive a higher percentage of benefit than higher wage earners.

107. The *Confederation of Workers Rerum Novarum (CTRN)* reports that in *Costa Rica* workers, employers and the State contribute to social security, and that the insurance scheme is based on solidarity, as everyone has the right to the same assistance and medical services irrespective of the absolute level of their contribution. As reported by the *Trade Union Confederation of Gabon (COSYGA)*, the special solidarity contribution (CSS) is a solidarity tax paid by all economic agents in *Gabon* (individuals and legal entities, including local authorities and public institutions), the proceeds of which are intended to finance the Fund for the Economically Weak in Gabon (GEF). In *Senegal*, the *National Federation of Independent Trade Unions of Senegal (UNSAS)* observes that the "one city

<sup>8</sup> See chs 4, 9 and 10, section 10.2, for a more detailed discussion of the policy approaches, means and methods, benefits and schemes, that may be considered to give effect to the Recommendation.

<sup>9</sup> Decree No. 56-2015 of 2015, and the Framework Act on the Social Protection System, section 10.

<sup>10</sup> Law No. 40 of 2004 on the National Social Security System, art. 4(a).

– one health insurance” approach is contributing to broadening the basis of solidarity and to the pooling of risks in health coverage. In *Romania*, as reported by the *Block of National Trade Unions (BNS)*, according to the jurisprudence of the Romanian Constitutional Court, the social State includes the idea of social solidarity,<sup>11</sup> which takes the form of retaining social contributions from earnings and redistributing them as social insurance benefits, including minimum benefits for those with the lowest earnings.<sup>12</sup> In *Turkey*, according to the *Confederation of Turkish Trade Unions (TÜRK-IS)*, solidarity is operationalized through the social insurance system, under which those in a household with an income of less than one third of the minimum wage are exempt from contributions, while others are subject to a monthly contribution of 53 Turkish lira to access health and other social protection services.

108. However, the *International Trade Union Confederation (ITUC)* notes that the principles of social solidarity and solidarity in financing are given effect to varying degrees in different countries. While some countries have made significant progress in recent years in introducing or extending solidarity mechanisms within the social protection system, others have taken measures that have resulted in a reduction in the level of redistribution and solidarity, such as the introduction of individual accounts and defined contributions into pension schemes and other parts of the social security system. For example, in *Peru*, according to the *Autonomous Workers’ Confederation of Peru (CATP)*, the current private individual accounts pension system, and the strong emphasis placed on the private provision of social protection over public provision is in violation of the principle of solidarity in financing.

109. **The Committee observes that social solidarity is put into practice in most countries, although to a varying extent, and that significant progress has been achieved in this regard. The Committee once again recalls that social solidarity, including its financial aspects, strengthens social cohesion and social peace, and that it is a powerful weapon against poverty and inequality, and an effective instrument for making societies more equal and just.**<sup>13</sup> It also considers that effective and equitable redistribution mechanisms based on solidarity are crucial for achieving universal social protection, in line with Recommendation No. 202, and more specifically for developing comprehensive social security systems which extend social protection to all members of society. The Committee trusts that member States, when building comprehensive social security systems, including social protection floors, will favour policies, means and approaches based on social solidarity, in line with the Recommendation, and will pay particular attention to the importance of this principle when engaging in reforms.

2.1.2. Universal social protection based on social inclusion, non-discrimination, gender equality, responsiveness to special needs and respect for the dignity of persons protected

**Relevant provisions of Recommendation No. 202**

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

<sup>11</sup> Decision No. 25/2003 of the Constitutional Court.

<sup>12</sup> Decisions Nos 149/2001 and 847/2011 of the Constitutional Court.

<sup>13</sup> 2011 General Survey, para. 452.

...

- (d) *non-discrimination, gender equality and responsiveness to special needs;*
- (e) *social inclusion, including of persons in the informal economy;*
- (f) *respect for the rights and dignity of people covered by the social security guarantees;*

...

110. Universality is closely intertwined with the principles of social inclusion, non-discrimination, gender equality, responsiveness to special needs and respect for the rights and dignity of persons protected, which should be applied by Members in giving effect to Recommendation No. 202 (Paragraph 3(d), (e) and (f)), and therefore at all stages of developing and implementing comprehensive social protection systems, including social protection floors. Social inclusion, which aims to enable the social and economic participation of all members of society, including persons in the informal economy, as recalled in Paragraph 3(e), is also one of the outcomes sought by social protection floors (Paragraph 1(b), a contrario), based on the recognition of the role of social protection in preventing social exclusion, as reaffirmed in the Preamble to the Recommendation. National social security extension strategies should also adopt an inclusive approach and should “apply to persons both in the formal and informal economy”, as specified in Paragraph 15.<sup>14</sup>

111. In international law, non-discrimination and equality, including gender equality, are considered to be human rights and fundamental principles and rights at work,<sup>15</sup> which the Committee considers to be of great significance for the achievement of universal social protection. The Committee recalls that discrimination includes both direct and indirect discrimination. Indirect discrimination refers to apparently neutral situations, regulations or practices which in practice result in unequal treatment of women or others with certain characteristics, whether or not it is intended. It occurs when the same condition, treatment or criterion is applied to everyone, but results in a disproportionately adverse impact on some, for example, women. States are also required to address structural forms of discrimination, which may mean that persons who are in a different situation should be treated differently, and that time-bound special measures are appropriate. The prohibition of discrimination in social security matters, including on grounds of gender, is set out in a number of international instruments,<sup>16</sup> and has been examined by the Committee in its

<sup>14</sup> See Part III for a more detailed analysis of policy options for the implementation of Paras 3 and 15.

<sup>15</sup> See, for example, the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111); the International Covenant on Economic, Social and Cultural Rights, 1966, Art. 2(2); the Convention on the Elimination of All Forms of Discrimination against Women, 1979; the International Convention on the Elimination of All Forms of Racial Discrimination, 1965; the Convention on the Rights of Persons with Disabilities, 2006, Art. 5; the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990, Art. 7.

<sup>16</sup> The Convention on the Elimination of All Forms of Discrimination against Women, 1979, Art. 11; the International Convention on the Elimination of All Forms of Racial Discrimination, 1965, Art. 5(e)(iv); the Convention on the Rights of Persons with Disabilities, 2006, Art. 28; the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990, Art. 27; Convention No. 111, Art. 1(1)(a), and Convention No. 100, Art. 1(a), in relation to social security contributions and benefits paid by the employer, and particularly entitlement to family allowances; the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), Art. 6; the Indigenous and Tribal Peoples Convention, 1989 (No. 169), Art. 20(2)(c); the Part-Time Work Convention, 1994 (No. 175), Arts 4, 6 and 7; the Home Work Convention, 1996 (No. 177), Art. 4; the Private Employment Agencies Convention, 1997 (No. 181), Art. 5; the Safety and Health in Agriculture Convention, 2001 (No. 184), Arts 17 and 21; the Domestic Workers Convention, 2011 (No. 189), Art. 14; and the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), Paras 18 and 19.

2011 and 2012 General Surveys.<sup>17</sup> The Committee wishes to recall that, in accordance with the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), any discriminatory treatment regarding benefits or conditions of entitlement to social security, the application of social insurance or occupational schemes, whether voluntary or compulsory and the calculation of benefits, should be eliminated.<sup>18</sup> This principle has also been reaffirmed by the United Nations Committee on Economic, Social and Cultural Rights (CESCR).<sup>19</sup>

112. Taking into account the body of international law on equality and non-discrimination in relation to social security, the Committee considers that giving effect to these principles in the context of Recommendation No. 202 entails, in the first place, that all persons should be covered by social security systems, without discrimination,<sup>20</sup> and that States are bound to refrain from direct and indirect discrimination in law and practice, and to eliminate discriminatory provisions or practices that prevent access to social security.<sup>21</sup> It also involves the promotion of gender equality and equal opportunities, and action to combat the gender inequalities which hinder the coverage of women and their effective access to social security.<sup>22</sup> Tackling such inequalities in the labour market and employment, as well as in relation to family responsibilities and the provision of care, which fall disproportionately on women,<sup>23</sup> calls for a comprehensive and integrated approach, with policy responses embedded in a broader social protection framework that consists of a combination of measures, benefits and services,<sup>24</sup> which would help to accelerate progress towards attaining SDG target 5.4.<sup>25</sup>

113. The achievement of equality of treatment and non-discrimination also requires special needs to be recognized and addressed, and to be reflected in the design, formulation and implementation of social protection policies and legislation.<sup>26</sup> This is reflected in the connection between these principles and “responsiveness to special needs” in

<sup>17</sup> 2011 General Survey, paras 208–223; and ILO: *Giving globalization a human face, General Survey on the fundamental Conventions concerning rights at work in light of the ILO Declaration on Social Justice for a Fair Globalization, 2008*, Report III (Part 1B), International Labour Conference, 101st Session, Geneva, 2012 (hereinafter, the “2012 General Survey”), paras 218, 691–693, 760 and 796.

<sup>18</sup> 2012 General Survey, paras 692 and 760, which refer to ILO: *Equality in employment and occupation, Special Survey on equality in employment and occupation in respect of Convention No. 111*, Report III (Part 4B), International Labour Conference, 83rd Session, Geneva, 1996, para. 113.

<sup>19</sup> CESCR: “General Comment No. 19: The right to social security (Art. 9)”, 4 Feb. 2008, E/C.12/GC/19., paras 23, 29–30.

<sup>20</sup> As explained below, this does not mean that the conditions for entitlement to the benefits and services of the national social security system should be the same for everyone, nor that the mechanisms, benefits and schemes through which social protection is provided should be identical and uniform for the whole of the population.

<sup>21</sup> CESCR: “General Comment No. 19”, 2008, op. cit.

<sup>22</sup> C. Behrendt, E. Saint-Pierre Guilbault, M. Stern-Plaza, V. Umuhire and V. Wodsak: “Implementing the principles of Social Protection Floors Recommendation, 2012 (No. 202)”, in T. Dijkhoff and G. Letlhokwa Mpedi (eds), *Recommendation on social protection floors: Basic principles for innovative solutions*, Netherlands, Wolters Kluwer, 2017, p. 55; see also the 2011 General Survey for an analysis of the specific problems faced by women in respect of equality and coverage by social security, paras 208–223.

<sup>23</sup> ILO: *Care work and care jobs for the future of decent work*, Geneva, 2018, pp. 53–57; *Women at work: Trends 2016*, Geneva, 2016, pp. 67–70.

<sup>24</sup> ILO: *Women at work: Trends 2016*, 2016, op. cit., pp. 78–93; *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017, pp. 36–39. See also ch. 11.

<sup>25</sup> The wording of SDG target 5.4 is: “Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate”.

<sup>26</sup> ILO: *Social protection floors for social justice and a fair globalization*, 2012, op. cit., para. 77.

Paragraph 3(d) of the Recommendation. Responsiveness to special needs is indeed fundamental to equalizing the outcome of social protection measures among all persons protected, promoting the social inclusion of disadvantaged and marginalized groups, taking into account their circumstances,<sup>27</sup> and thereby achieving the objectives of the Recommendation in terms of universality. It is also essential to ensure respect for the dignity of the persons covered by social security guarantees, as emphasized in Paragraph 3(f), by ensuring that the benefits and services provided by social protection systems are adequate to meet their special needs and are conducive to living in health and dignity, and that the conditions of entitlement, delivery mechanisms and processes ensure effective access to benefits and services, taking into account their specific circumstances.<sup>28</sup>

114. Recommendation No. 202 does not list specific groups or persons, but adopts an open formulation calling for action by member States to give effect to Paragraph 3(d), while Paragraph 16 places this principle in the context of national social security extension strategies, which “should ensure support for disadvantaged groups and people with special needs”.<sup>29</sup> In this connection, the Committee notes that specific guidance has been developed under the human rights framework and ILO standards<sup>30</sup> to address the special social protection needs of some of these persons and groups through responsive means and approaches, integrated into a broader policy framework.<sup>31</sup>

115. The Committee observes that the vast majority of the reports received confirm the existence of laws, policies or mechanisms intended to ensure equality of treatment and protection against discrimination in the provision of social security guarantees. Many countries have specific legislation to ensure equality of treatment, including *Lithuania*,<sup>32</sup> where the Law on Equal Opportunities for Women and Men guarantees that there is no discrimination based on gender in the areas of social security, education and work. In *Malta*, the legislation ensures equal treatment on the grounds of race and ethnic origin in access to and the supply of goods and services, also in relation to “social protection, including social security and health care”.<sup>33</sup> In *Montenegro*,<sup>34</sup> the Law on Social and Child Protection prohibits discrimination of beneficiaries on the basis of race, gender, age, nationality, social origin, sexual orientation, religion, political, trade union or other association, language, disability, the nature of social exclusion, affiliation to a particular social group or other personal characteristics. In *Slovakia*,<sup>35</sup> the Anti-discrimination Act establishes the principle of non-discrimination in social security and health-care provision on grounds that include gender, faith, race, nationality, ethnicity, health condition, sexual

<sup>27</sup> For additional information, see United Nations: *Promoting inclusion through social protection: Report on the World Social Situation 2018*, New York, 2018.

<sup>28</sup> See chs 4 and 9 for a more detailed analysis of this principle.

<sup>29</sup> See ch. 9 for more detailed guidance on the implementation of this provision and relevant comparative practice.

<sup>30</sup> CESCR: “General Comment No. 5: Persons with disabilities”, New York, 1994, E/1995/22; United Nations: *Report of the Special Rapporteur on the rights of persons with disabilities*, New York, 2015, A/70/297; UNICEF, ILO et al.: *Joint statement on advancing child-sensitive social protection*, New York, 2009; ILO: *Social protection for indigenous peoples*, Social Protection for All Issue Brief, Geneva, 2018; ILO: *Guide on extending social protection to migrant workers, refugees and their families*, Geneva, 2018.

<sup>31</sup> These are examined in greater detail in Parts II and III.

<sup>32</sup> Law on Equal Opportunities for Women and Men, 1998.

<sup>33</sup> The Equal Treatment of Persons Order, 2007, art. 4(1)(a).

<sup>34</sup> Law on Social and Child Protection, 2013, art. 7.

<sup>35</sup> Anti-discrimination Act No. 365/2004, arts 5 and 2(1).

orientation, family status, political or other opinion, and social background. In *Romania*, the law clearly defines and sets out the principle of non-discrimination,<sup>36</sup> thereby ensuring that vulnerable persons are able to benefit from social protection without any restrictions on the basis, among other grounds, of race, nationality, religion, social status, opinion, gender or sexual orientation, disability and chronic illness. In the *United States*, various Federal Acts, including the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Age Discrimination Act of 1975 and the Affordable Care Act of 2010, prohibit discrimination on the basis of race, colour, national origin, disability, age or sex. In addition, the Supreme Court has found unconstitutional certain types of differential treatment of non-marital children,<sup>37</sup> social security gender distinctions,<sup>38</sup> and recognized same-sex marriages for the purpose of determining social security entitlements.<sup>39</sup> In *Ukraine*, all national legislation in the area of social protection prohibits discrimination by reason of race, skin colour, personal convictions and membership of trade unions, among other grounds. The Government of *Togo* indicates that similar legislative instruments are currently being developed at the national level. Policies to ensure non-discrimination for persons with disabilities in relation to social protection are also reported in *Ecuador*, *Indonesia*, *Jamaica*,<sup>40</sup> *Iceland*,<sup>41</sup> *New Zealand*,<sup>42</sup> *Turkey*,<sup>43</sup> *Thailand*<sup>44</sup> and *Switzerland*.<sup>45</sup>

116. In some member States, the prohibition of discrimination is supplemented by specific programmes for vulnerable or disadvantaged groups. For instance, support is provided in *Canada*<sup>46</sup> for those facing particular barriers, such as people living in poverty and under-represented groups, including indigenous peoples, persons with disabilities, children, youth, single-parent households, persons with a diverse sexual orientation, gender identity, gender expression and sex characteristics, new immigrants and older persons.<sup>47</sup> In the *United States*, the Administration for Children and Families (ACF) pays particular attention to vulnerable population categories, such as children in low-income families, refugees, Native Americans, runaway and homeless youth, and victims of domestic and dating violence, and trafficking.

117. The *ITUC* also advocates inclusive social protection systems that are universally available to all, as well as the principles of equal treatment in access to social protection. However, it observes that at the national and subnational levels, social protection is

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<sup>36</sup> Social Assistance Law No. 292/2011, art. 5(i).

<sup>37</sup> *Jimenez v. Weinberger*, 417 U.S. 628 (1974).

<sup>38</sup> *Califano v. Goldfarb*, 430 U.S. 199 (1977); *Weinberger v. Wiesenfeld*, 420 U.S. 636 (1975).

<sup>39</sup> *U.S. v. Windsor*, 570 U.S. 744 (2013).

<sup>40</sup> Disabilities Act, No. 13, 2014.

<sup>41</sup> Act on the Protection of the Rights of Disabled Persons, No. 88/2011, and Act on the Affairs of Disabled People, No. 59/1992.

<sup>42</sup> The Code of Health and Disability Services Consumers' Rights, 1996, adopted under the Health and Disability Commissioner Act, 1994.

<sup>43</sup> Turkish Disability Act, No. 5378 of 2005.

<sup>44</sup> Empowerment of Persons with Disabilities Act, B.E. 2550 of 2007.

<sup>45</sup> Federal Act on the elimination of inequalities for people with disabilities, No. 151.3 of 2002.

<sup>46</sup> Pursuant to the Canadian Charter of Rights and Freedoms, section 15.

<sup>47</sup> Aboriginal Skills and Employment Training Strategy (ASETS), First Nations and Inuit Child Care Initiative (FNICCI), Opportunities Fund for Persons with Disabilities and the various labour market agreements for persons with disabilities, and the LGBTQ2 Secretariat.



unfortunately not always included in the scope or protected grounds of non-discrimination legislation. For example, as also indicated by the *New Zealand Council of Trade Unions (NZCTU)*, ethnic disparities in health status and access to health care are major issues in *New Zealand*, especially for Māori and Pacific peoples, with higher mortality rates also being due to social and economic factors.

118. According to the *Netherlands Trade Union Confederation (FNV)*, the *National Federation of Christian Trade Unions (CNV)* and the *Trade Union Federation for Professionals (VCP)*, social protection is often organized by municipalities for target groups in the *Netherlands*, which can result in differences in spending for persons in similar situations. According to the *CATP*, public policies in *Peru* are extensively based on formal male employment, and therefore discriminate by default against women workers and workers in the informal economy, persons with disabilities, rural workers, domestic workers and migrant workers, among others.

119. The *International Organisation of Employers (IOE)* points out several challenges relating to technology and innovation and to the changing nature of work that can contribute to income inequality by further widening the gap between individuals with lower education and traditional labour skills; and those with higher education and new technological skills. It stresses that efforts should be taken to adapt social protection schemes and institutions so that they are able to effectively respond to the current realities and to serve all individuals and society.

**120. The Committee considers that social protection systems, including social protection floors, are important tools to work towards social inclusion and equality, including gender equality, and to address inequalities and discrimination. Social security benefits, including health care, play an important role in promoting social inclusion and preventing social exclusion. Universality can only be achieved through inclusive social protection systems that meet the needs of a diverse population, and which are designed and implemented to mitigate and overcome marginalization, disadvantages and inequalities in a manner that ensures respect for the rights and dignity of the persons protected.**

**121. The Committee is of the view that, in order to give effect to these principles, particular care needs to be taken by member States when formulating and implementing strategies for the development of their social security systems to identify the circumstances and needs of these people and groups, in consultation with their representatives.<sup>48</sup> The Committee trusts that member States will consider the integration of the policy and legislative measures adopted in response to these needs within a broader social protection framework that ensures comprehensive protection through a combination of benefits and services.<sup>49</sup>**

### 2.1.3. Legal protection and effective access

122. The achievement of universality of protection in the context of Recommendation No. 202 requires protection to be based on legal guarantees and entitlements, as set out in Paragraphs 3(b) and 7, accompanied by appropriate enforcement mechanisms and a legal

<sup>48</sup> See ch. 1, section 1.2.7, on the importance of social dialogue and social participation.

<sup>49</sup> See chs 9 and 11 on the development of an integrated approach to social protection and maximizing the outcomes of the social security system in line with the Recommendation.

framework that ensures respect for the rights and dignity of the persons protected by social security guarantees, in accordance with Paragraph 3(f).<sup>50</sup>

123. An equally important indicator of the effectiveness of the legislative and policy measures adopted to give effect to the Recommendation, and particularly Part II concerning social protection floors, is whether they secure *effective access* to the benefits, care, goods and services defined as necessary at the national level (Paragraph 4). This is reinforced by Paragraph 5(a), which calls for “access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of ... accessibility ...”. Paragraph 5(b), with reference to the guarantee of basic income security for children, adds that it should provide “access to nutrition, education, care and any other necessary goods and services”.<sup>51</sup>

124. While the achievement of universal statutory coverage of social protection is a challenge in many countries,<sup>52</sup> ensuring effective coverage is even more elusive due, inter alia, to non-compliance, weak enforcement, procedural obstacles, and discriminatory practices in the delivery of benefits.<sup>53</sup> There are also important differences between statutory coverage and actual access to health care due, inter alia, to exclusions based on lack of financial protection, the lack of infrastructure and human resources and deficiencies in delivery structures in rural areas.<sup>54</sup> **In light of the above, the Committee draws the attention of member States to the importance of ensuring both statutory and effective coverage with a view to making universality of protection a reality, and it calls upon countries to strengthen their efforts to close gaps in protection in both respects.**

## 2.2. Scope of personal coverage – floors of protection to all in need, at least to all residents and children, and higher levels of protection to as many as possible as soon as possible

125. The objective of the Recommendation with regard to the scope of personal coverage is set out in Paragraph 1, which calls on member States to establish, as a priority, social protection floors *for all* in need, and to progressively ensure higher levels of social security *to as many people as possible*, as soon as possible. This dual objective should be pursued through national social security extension strategies, which “should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality ...” (Paragraph 15).<sup>55</sup>

126. Part II of the Recommendation further specifies who should be covered by the basic social security guarantees that form part of social protection floors, while guidance on the personal scope of coverage of “higher levels of protection” are set out in Part III of the

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<sup>50</sup> See also ch. 3, section 3.1.

<sup>51</sup> See Part II.

<sup>52</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 4; see also Part II for an overview of national situations.

<sup>53</sup> ILO: *World Social Protection Report 2014/15, Building economic recovery, inclusive development and social justice*, Geneva, 2014, p. 4.

<sup>54</sup> X. Scheil-Adlung, F. Bonnet, T. Wiechers, et al.: *New approaches to measuring deficits in social health protection coverage in vulnerable countries*, WHO Health Report 2010, Background Paper 56, Geneva, 2010.

<sup>55</sup> See ch. 9, section 9.3.1, for a more detailed analysis. See Recommendation No. 204, Paras 18–20.

Recommendation in relation to the formulation and implementation of national social security extension strategies.

### 2.2.1. Basic social security guarantees for all residents and children

#### Relevant provisions of Recommendation No. 202

4. Members should, in accordance with national circumstances, establish as quickly as possible and maintain their social protection floors comprising basic social security guarantees. The guarantees should ensure at a minimum that, over the life cycle, *all in need have access to essential health care and to basic income security* which together secure effective access to goods and services defined as necessary at the national level.

...

6. Subject to their existing international obligations, Members should provide the basic social security guarantees referred to in this Recommendation *to at least all residents and children*, as defined in national laws and regulations.

127. The Recommendation defines the basic social security guarantees of the social protection floors that everyone, as a member of society, should enjoy at a minimum, as highlighted in chapter 1. In line with the principle of “universality of protection” (Paragraph 3(a)), States should provide the basic social security guarantees to “at least all residents and children, as defined in national laws and regulations” and subject to existing international obligations (Paragraph 6). In accordance with Paragraph 4 of the Recommendation, the basic social security guarantees that constitute social protection floors should ensure at a minimum that *all persons in need* “have access to essential health care and to basic income security”.

128. The Recommendation envisages the provision of the basic social security guarantees through different approaches, including schemes providing uniform benefits to all persons belonging to a population group, or a combination of different schemes and benefits, with a view to achieving universality of protection, so that at least all residents and children are protected whenever they are in need of such protection, as set out in Paragraph 4. In this connection, the Committee notes that entitlement to the benefits that give effect to the basic social security guarantees in the national context which form part of social protection floors can be made conditional upon the fulfilment of other conditions or eligibility criteria, which should be specified by law, as set out in Paragraph 7.<sup>56</sup> The variety of means and approaches, schemes and benefits through which basic social security guarantees are provided,<sup>57</sup> are usually linked to certain conditions, such as the completion of a qualifying period, the duration of residence or payment of contributions, or other eligibility criteria, such as age, income level or wealth. The Committee emphasizes that such conditions, and the procedures to verify compliance, should be designed and implemented in a manner that fully respects the rights and dignity of the persons protected (Paragraph 3(f)), and all the other relevant principles set out in Paragraph 3.<sup>58</sup> Part II of this Survey provides an overview of the various types of schemes and benefits established at the national level to cover the various groups of the population.

129. Paragraph 6 specifies that the basic social security guarantees that form part of national social protection floors should be provided to at least *all residents and children*,

<sup>56</sup> See also ch. 3 for a more detailed explanation of this provision.

<sup>57</sup> Para. 9(1) and (2).

<sup>58</sup> See ch. 3, section 3.1.

as defined in national laws and regulations. This means that children do not need to be “residents”, as nationally defined, to be covered by national social protection floors, nor is their coverage dependent on their parents being residents under national law. Children should however be living in the territory of the Member, subject to its international obligations to provide benefits to children resident abroad.<sup>59</sup>

130. The Recommendation, by specifying “all” in respect of residents, acknowledges that member States may define various categories of residents or residence status under national law, such as nationals and non-nationals, temporary and permanent residents, but that they should all be covered by the basic social security guarantees.

131. The Committee draws attention to the guidance provided in other ILO social security standards in this regard. Convention No. 102 and other social security instruments define *residence* as “ordinary residence in the territory of the Member” and *resident* as “a person ordinarily resident in the territory of the Member”,<sup>60</sup> irrespective of whether or not they are nationals of the State. These standards, and particularly Convention No. 102 and the Equality of Treatment (Social Security) Convention, 1962 (No. 118), also establish the principle of equality of treatment,<sup>61</sup> under which non-national residents have the same social security rights as national residents, with a possible derogation in the case of benefits payable wholly or partially out of public funds,<sup>62</sup> and which may be subject to reciprocity in the case of contributory social security schemes.<sup>63</sup> Furthermore, if a State is a party to Convention No. 118, equality of treatment must be granted to refugees and stateless persons without condition of reciprocity.<sup>64</sup>

132. The Migration for Employment Convention (Revised), 1949 (No. 97), and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), make provision for the equal treatment of migrant workers and their families in social security matters in the country of employment,<sup>65</sup> a principle which applies to all migrant workers lawfully in the country and their families, whether they have permanent or temporary residence status or any other legal status allowing them to lawfully remain in the country.<sup>66</sup> It also applies to benefits payable out of public funds, or those paid to persons who do not fulfil the conditions for a normal pension under non-contributory schemes,

<sup>59</sup> See ch. 6 for a more detailed analysis of the provisions of Recommendation No. 202 relating to the protection of children under national social protection floors and comparative practice in the provision of basic social security guarantees for children.

<sup>60</sup> See, for example, Convention No. 102, Art. 1(b); Convention No. 128, Art. 1(d); Convention No. 130, Art. 1(d); and Convention No. 157, Art. 1(i). Convention No. 157 also defines temporary residence (Art. 1(j)) and periods of residence (Art. 1(m)).

<sup>61</sup> This principle, as formulated in ILO standards and United Nations human rights instruments, and as further developed by the respective supervisory bodies, is interconnected with that of non-discrimination, as set out in Para. 3(d) of Recommendation No. 202.

<sup>62</sup> Convention No. 102, Art. 68(1), and Convention No. 118, Art. 2(6)(a).

<sup>63</sup> Convention No. 102, Art. 68(2), and Convention No. 118, Art. 4(1).

<sup>64</sup> Convention No. 118, Art. 10(1).

<sup>65</sup> Convention No. 97, Art. 6(1)(b), and Convention No. 143, Art. 10. See ILO: *Promoting fair migration, General Survey concerning the migrant workers instruments*, Report III (Part 1B), International Labour Conference, 105th Session, Geneva, 2016 (hereinafter the “2016 General Survey”), paras 389–393, for a more detailed explanation of these provisions. See also Art. 27 of the Convention on the Protection of the Rights of all Migrant Workers and Members of Their Families, 1990, which provides that: “With respect to social security, migrant workers and members of their families shall enjoy in the State of employment the same treatment granted to nationals ...”.

<sup>66</sup> Convention No. 97, Art. 6(1)(b).

regarding which special arrangements may be made.<sup>67</sup> In this connection, the Committee recalls that such arrangements cannot be interpreted as providing a legal basis permitting the automatic exclusion of certain categories of migrant workers from qualifying for social security benefits.<sup>68</sup> Furthermore, the imposition of minimum requirements with regard to the duration of residency or employment for entitlement to benefits payable solely from public funds or non-contributory pensions would not necessarily be contrary to Convention No. 97, if those conditions also apply to nationals of the country of employment.<sup>69</sup>

133. The Committee observes from the replies to the questionnaire that the definition of resident varies between countries and may be conditioned, among other factors, on the duration of the stay of the person concerned in the territory of the State, as in the case of *Lithuania*, *Nigeria* and *South Africa*. In other countries, such as the *United Kingdom*, residency status is granted based on a multi-factor analysis, which also takes into account the personal circumstances of the applicant.<sup>70</sup> In *Tajikistan*, as indicated by the Government, the term “resident” covers citizens, foreign nationals, stateless persons and refugees.

134. Certain countries, such as *Iraq*, *Namibia*, *New Zealand* and *Zimbabwe*, indicate that in general social security coverage is conditional on residence or regular immigration status, while others, such as *Côte d’Ivoire* and the *Seychelles*,<sup>71</sup> report that coverage depends on the duration of the stay of the person concerned in the territory. However, in *Qatar*,<sup>72</sup> coverage under the Social Security Act No. 38 (article 2) is conditional upon citizenship and permanent residence. In the *United States*, to qualify for full benefits under the Medicaid Insurance Program and the Children’s Health Insurance Program (CHIP), individuals must have an immigration status considered as a “qualified alien”<sup>73</sup> and also be eligible for Medicaid or CHIP in the State, including meeting state residency requirements. Non-citizens must also complete a five-year waiting period.<sup>74</sup>

135. Workers’ representatives have provided further information on the coverage of non-nationals by national social security systems, and the restrictions that may apply. According to the *German Confederation of Trade Unions (DGB)*, citizens of the European Union who are not actively seeking work do not have comprehensive access to social protection benefits in *Germany*. In *Argentina*, as indicated by the *Confederation of Workers of Argentina (CTA Workers)*, to be covered by non-contributory invalidity pensions, it is necessary to be a citizen of Argentina who is resident in the country, or naturalized citizen with continuous residence in the country for at least five years. Foreign

<sup>67</sup> Convention No. 97, Art. 6(1)(b)(ii), and Convention No. 143, Art. 10.

<sup>68</sup> ILO: *Migrant workers, General Survey on the reports on the Migration for Employment Convention (Revised), 1949 (No. 97), and Recommendation (Revised) (No. 86), 1949, and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), and Recommendation (No. 151), 1975*, Report III (Part IB), International Labour Conference, 87th Session, Geneva 1999, para. 431; and 2016 General Survey, para. 391.

<sup>69</sup> 2016 General Survey, para. 391.

<sup>70</sup> According to the Government’s report, the term “habitual residence” is not defined in legislation. Key factors in deciding whether people are habitually resident include establishing where they spend most of their time, whether they have a “settled intention” to remain and whether they have actually been resident in the United Kingdom for an “appreciable period of time”.

<sup>71</sup> Under section 42 of the Social Security Benefit Act, 2010, a resident is defined as a person who has remained in the Seychelles for at least five years in any 15-year assessment period.

<sup>72</sup> Act No. 38, 1995, ch. 2, art. 2.

<sup>73</sup> 8 U.S.C. para. 1641.

<sup>74</sup> *ibid.*, para. 1613.

nationals have to demonstrate a minimum continuous period of residence of 40 years, which in practice results in the exclusion of immigrants from this benefit.<sup>75</sup> However, the Government reports that the entitlement period for access to the recently created universal old-age pension is 20 years of residence in the country for foreign nationals.<sup>76</sup> In *Lebanon*, the National Social Security Fund (CNSS) and the *General Confederation of Lebanese Workers (CGTL)* report that, under the Social Security Act, foreign nationals have access to social security subject to certain conditions, and most importantly that they hold a work permit, are nationals of a country that has signed a reciprocal agreement with Lebanon and are resident in Lebanon.

136. Other governments indicate more specifically the categories of persons resident in their territories who are entitled to social security benefits under the various schemes that give effect to the basic social security guarantees. In *Poland*,<sup>77</sup> the right to social assistance benefits is granted to Polish citizens resident in Poland, foreign nationals residing and staying in the national territory on the basis of a permanent residence permit, a residence permit for a long-term European Union resident, a temporary residence permit or in relation to refugee status or subsidiary protection in the country.<sup>78</sup> In the *Russian Federation*, Russian nationals, foreign nationals and stateless persons residing permanently in the country are entitled to benefits under the mandatory pension insurance scheme in the form of an old-age, disability or survivors' insurance pension. Refugees, persons recognized as refugees and family members residing with them are entitled to social protection, including social security benefits, on the same footing as Russian citizens, except in the cases specified by national law and international agreements to which the Russian Federation is a party.<sup>79</sup> In the *South Africa*, citizens, permanent residents and anyone else who is ordinarily legally resident in the country are entitled to income and family support benefits and a funeral benefit. In the *United Kingdom*, defined vulnerable groups, such as refugees, homeless persons and persons granted humanitarian protection have access to specialist support and may also be eligible to claim social security benefits. Persons who have been granted discretionary leave, or temporary or indefinite leave to enter or remain in the country, have access to benefits and services. In the *Republic of Korea*, all citizens are entitled to the basic living security scheme, which aims to maintain a minimum level of a healthy and decent life.<sup>80</sup> In *Australia*, a non-contributory safety net covers all residents, subject to eligibility, income and asset tests.<sup>81</sup>

137. With regard to migrant workers and their families, the principle of universality of protection, as envisaged in the Recommendation, also requires States to establish mechanisms for the maintenance of acquired rights and the provision of benefits abroad, without condition as to the place of residence, in accordance with other ILO standards, and in particular Convention No. 143 and the Maintenance of Social Security Rights Convention, 1982 (No. 157) and Recommendation (No. 167), 1982.<sup>82</sup> Recommendation

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<sup>75</sup> Decree No. 582/2003, section 1(d).

<sup>76</sup> Act No. 27260 of 2016, section 13.

<sup>77</sup> Act on Social Assistance, 2004, as amended, section 5.

<sup>78</sup> Act on Foreigners, as amended, section 159(1)(1)(c) or (d), or section 186(1)(3).

<sup>79</sup> Refugees Act, No. 4528-1, 1993.

<sup>80</sup> National Basic Livelihood Security Act, 1999, section 4.

<sup>81</sup> Social Security Act No. 46, 1991, section 7.

<sup>82</sup> See C. van Panhuys, S. Kazi-Aoul and G. Binette: *Migrant access to social protection under Bilateral Labour Agreements: A review of 120 countries and nine bilateral arrangements*, Working Paper No. 57, Geneva, ILO, 2017.

No. 202 does not refer to such mechanisms, but reminds Members of their existing international obligations in this regard (Paragraph 6).

138. The application of the “other international obligations” referred to in Paragraph 6 may also, in some cases, require the definition of the scope of personal coverage of the basic social security guarantees to include persons living on the territory of the member State who are not “residents”, as defined by national law, with the exception of children, who should be covered irrespective of their residence status or that of their parents. The Committee wishes to draw attention in this regard to Convention No. 143, which provides that migrant workers in an irregular situation shall enjoy equality of treatment for themselves and their family in respect of rights arising out of past employment as regards remuneration, social security and other benefits.<sup>83</sup> The Migrant Workers Recommendation, 1975 (No. 151), is also relevant in this respect and provides that all migrant workers, irrespective of their legal status, whether irregular or regular, should be entitled to the benefits due in respect of any employment injury suffered.<sup>84</sup>

139. The human rights legal framework provides additional guidance on the social security coverage of persons in an irregular situation. In particular, the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families establishes the right of migrant workers and the members of their families “to receive any medical care that is urgently required for the preservation of their life or the avoidance of irreparable harm to their health on the basis of equality of treatment with nationals of the State concerned. Such emergency medical care shall not be refused them by reason of any irregularity with regard to stay or employment” (Article 28). It is also important to take into account the view of the CESCR in its interpretation of Article 9 of the International Covenant on Economic, Social and Cultural Rights (ICESCR),<sup>85</sup> in which it considers that the implementation of the right to social security requires that all persons, “irrespective of their nationality, residency or immigration status, are entitled to primary and emergency medical care”.<sup>86</sup> The Committee further notes that the Committee on the Rights of the Child has observed on several occasions that Article 26 of the Convention on the Rights of the Child, 1990,<sup>87</sup> requires that children in an irregular situation or children whose parents lack a regular migration status enjoy equal access to social protection, including health services, psychological care and disability care.<sup>88</sup>

140. In this connection, the majority of governments that address this issue in their reports (35) indicate that emergency medical care is available for persons other than residents, irrespective of their immigration status. For example, in the *Czech Republic*, people who do not qualify as residents have access to “extraordinary immediate assistance”, especially

<sup>83</sup> Convention No. 143, Art. 9. See also the 2016 General Survey, paras 307–314.

<sup>84</sup> Recommendation No. 151, Para. 34(1)(b). See also 2016 General Survey, paras 307–314. It should also be noted that Art. 27 of Convention No. 121 requires each ratifying State to “assure non-nationals equality with its own nationals as regards employment injury benefits”, without any condition as to the residence status of the non-nationals.

<sup>85</sup> Ratified by 167 States.

<sup>86</sup> CESCR: “General Comment No. 19”, 2008, op. cit., para. 37.

<sup>87</sup> Art. 26(1) of the Convention on the Rights of the Child: “States Parties shall recognize for every child the right to benefit from social security, including social insurance, and shall take the necessary measures to achieve the full realization of this right in accordance with their national law.”; and 26(2): “The benefits should, where appropriate, be granted, taking into account the resources and the circumstances of the child and persons having responsibility for the maintenance of the child, as well as any other consideration relevant to an application for benefits made by or on behalf of the child”.

<sup>88</sup> Committee on the Rights of the Child, Concluding observations: *Netherlands Antilles*, 2002; *Greece*, 2002; and *Republic of Korea*, 2003.

in the case of the risk of serious damage to health. State-financed care or special programmes and funds are used in countries such as *Denmark* and *New Zealand* to provide urgent medical care to irregular residents and other people in an irregular administrative situation. In *South Africa*, everyone, regardless of residency status, is entitled to medical benefits in a medical emergency. In *Finland*, under the Health Care Act, urgent medical care shall always be provided for patients, regardless of whether they are resident in the municipality or are entitled to health services on other grounds. By a local decision, municipalities may also grant more extensive services to those residing illegally in the country. The Committee welcomes the fact that some countries provide migrants in an irregular situation with access to emergency or urgent medical care, in accordance with the objective of universality laid down in the Recommendation.

141. The Committee also notes the indication by a number of countries that access is provided to health-care benefits, social benefits or public assistance for persons in their territory other than residents. For example, in *Poland*, persons authorized to stay for humanitarian reasons or on a temporary stay permit, as well as foreign nationals in specific situations, such as victims of human trafficking,<sup>89</sup> benefit from emergency interventions, shelter, meals, necessary clothing and designated benefits. In *Canada*, newcomers are helped through pre-arrival services in over 40 countries, while refugees are assisted through income support, transitional services, language training and employment services, among others. In *Israel*, refugees are entitled to emergency care and women and young children can access clinics for preventive services free of charge. In other countries, such as *Estonia*, material support is provided, including access to social protection for foreign nationals with recognized refugee status, and limited social and health services for asylum seekers before such recognition. In *Montenegro*, every person in need of social protection due to special circumstances and social risks is entitled to a one-time financial benefit and to temporary accommodation. In *Belgium*, where employers are required to take out insurance against accidents at work, including for non-documented workers, irregular migrants benefit from the right to compensation in the event of an accident. In the *United Kingdom*, asylum seekers have access to specialist support, such as temporary housing and financial support, while their application is under consideration. In *Spain*, foreign nationals have the right to basic social services, irrespective of their administrative situation. In *Germany*, temporary residents, including asylum seekers, failed asylum seekers and persons in an undocumented situation and their children, receive social benefits. In the *United States*, persons considered to be humanitarian immigrants, such as refugees, people granted asylum or “withholding of removal”, and survivors of trafficking, are exempt from the five-year waiting period to qualify for certain public benefits.

**142. The Committee considers that the extension of social security coverage, in law and practice, to the whole of the population is a prerequisite for achieving universality of protection, in accordance with the Recommendation. Equal treatment in coverage and access to social security should be guaranteed for all members of society, who should stand together, non-nationals and nationals, to provide this protection as an expression of solidarity. The Committee reiterates that non-discrimination is a key principle on which the right to social security is premised.<sup>90</sup> It pertains to all persons, irrespective of status and origin. In this regard, the Committee endorses the call made by the International Labour Conference for member States to facilitate access to social protection for migrant workers and their**

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<sup>89</sup> Art. 170 of the Act on Foreigners, or on the basis of the permit referred to in art. 176 of the same Act.

<sup>90</sup> 2011 General Survey, para. 260.



families, in accordance with national laws and regulations and international obligations, in order to ensure the fulfilment of their right to social security.<sup>91</sup>

143. The Committee also once again recognizes that extending access to social security, including the right to medical care, for non-nationals is a key challenge<sup>92</sup> in many societies today. It calls on member States to establish the principle of equality of treatment to ensure that non-national residents, irrespective of their immigration status, have the same social security rights as nationals. The principle of universality of protection, as envisaged in Recommendation No. 202, also requires States to establish mechanisms for the maintenance of acquired rights and the provision of benefits abroad, irrespective of place of residence, in accordance with other ILO standards, including Conventions Nos 143 and 157 and Recommendation No. 167. The Committee also hopes that member States will make efforts to provide non-nationals, even those in an irregular status, including workers in an irregular situation, with access to basic benefits, and particularly to any medical care that is urgently required.<sup>93</sup>

### 2.2.2. Higher levels of protection for as many people as possible

#### Relevant provisions of Recommendation No. 202

13. (1) Members should formulate and implement national social security extension strategies, based on national consultations through effective social dialogue and social participation. National strategies should:

...

(b) seek to provide higher levels of protection to *as many people as possible*, reflecting economic and fiscal capacities of Members, and as soon as possible.

...

15. Social security extension strategies should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality, and should be consistent with, and conducive to, the implementation of the social, economic and environmental development plans of Members.

144. Recommendation No. 202 encourages member States to seek to provide levels of protection that are higher than those of basic social security guarantees for as many people as possible as soon as possible, as one of the objectives of national social security extension strategies (Paragraph 13(1)(b)). Such strategies should apply to persons in both the formal and informal economy (Paragraph 15). There is no further specific guidance in the Recommendation on the scope of the personal coverage to be aimed at in terms of “higher levels of protection”, but there is a reference in Paragraph 18 to Convention No. 102 and to other ILO social security Conventions and Recommendations that set out more advanced standards, which Members are invited to ratify and give effect to, as

<sup>91</sup> ILO: *Conclusions concerning fair and effective labour migration governance*, International Labour Conference, 106th Session, Geneva, 2017, para. 10.

<sup>92</sup> This challenge is due to various factors which depend on the country context and may include: the qualifying conditions for entitlement to benefits, which may be dependent on the completion of a number of years of residence or contributions; the rules governing the provision of benefits, which may be suspended when the person is absent from the territory of the State; and the administrative arrangements necessary to ensure the maintenance of rights in the course of acquisition and acquired rights and the payment of benefits abroad when workers and their families move across borders.

<sup>93</sup> 2011 General Survey, para. 260.

applicable. In the spirit of the Recommendation, it is expected that ultimately, under the combined effect of social protection floors, formalization and other policies, an increasing number of people will progressively be guaranteed higher levels of protection.

**145. The Committee therefore invites member States to develop, adopt and implement comprehensive social protection policies and strategies aimed at facilitating the effective transition of as many people as possible towards higher levels of protection, through contributory mechanisms for those with a contributory capacity. As suggested by the Recommendation, the ratification of Convention No. 102 and other more advanced standards, which provide various options concerning the categories to which protection is to be provided, such as employees, economically active persons and dependent family members, is instrumental in guiding the extension of coverage and represents an international legal commitment with respect to both the minimum range and the level of benefits to be complied with by all member States that are parties to these instruments.**<sup>94</sup>

### 2.3. Scope of material coverage: Comprehensive social security systems composed of social protection floors and higher levels of protection

#### **Relevant provisions of Recommendation No. 202**

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- (d) basic income security, at least at a nationally defined minimum level, for older persons.

...

8. When defining the basic social security guarantees, Members should give due consideration to the following:

- (a) persons in need of health care should not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care. Free prenatal and postnatal medical care for the most vulnerable should also be considered;
- (b) basic income security should allow life in dignity. Nationally defined minimum levels of income may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice, and may take into account regional differences;

...

17. When building comprehensive social security systems reflecting national objectives, priorities and economic and fiscal capacities, Members should aim to achieve the range and levels of benefits set out in the Social Security (Minimum Standards) Convention, 1952 (No. 102), or in other ILO social security Conventions and Recommendations setting out more advanced standards.

<sup>94</sup> ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, appendix, “Elements of a possible Recommendation on Social Protection Floors”, op. cit., paras A7 and A8, 2011.

146. The achievement of universal social protection requires guarantees of adequate income and health protection against all the social risks or contingencies that may arise in a lifetime. These are defined in ILO social security standards in relation to the life cycle. In this regard, the Recommendation, in Paragraph 17, encourages Members, when building comprehensive social security systems, to “aim to achieve the range and levels of benefits set out in” Convention No. 102 “or in other ILO social security Conventions and Recommendations setting out more advanced standards”.

147. Convention No. 102, which is considered by the Committee to embody the very definition of social security,<sup>95</sup> identifies nine categories of benefits<sup>96</sup> to protect against the health-related and financial consequences of these risks. The level of benefits that is to be provided in this respect, in accordance with the Convention, may either represent a certain minimum percentage of the previous earnings of beneficiaries, be set at a flat rate, which should not be less than a certain amount (determined with reference to the level of earnings in the country) or, in the case of social assistance, supplement the other means of subsistence of the beneficiaries so as to secure life in health and decency.<sup>97</sup> The Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121), the Invalidity, Old-Age and Survivors’ Benefits Convention, 1967 (No. 128), the Medical Care and Sickness Benefits Convention, 1969 (No. 130), the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), and the Maternity Protection Convention, 2000 (No. 183), follow a similar approach, but require the provision of more comprehensive and higher levels of benefits. Conventions Nos 168 and 183 do so through an integrated policy approach aimed at broadening the protection provided by the State beyond social security, and thereby comprising a range of measures which, taken together, are considered to be optimal to address the social risks concerned.<sup>98</sup>

148. This “life cycle” approach is reflected in Recommendation No. 202, which is the first ILO standard to expressly use the term. In Paragraph 4, the Recommendation specifies that the basic social security guarantees that comprise national social protection floors should ensure, at a minimum that, over the life cycle, 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”. Paragraph 4 further defines the minimum scope of the material coverage of social protection floors, focusing on the outcomes that the basic social security guarantees should achieve, which are to be guaranteed at all stages of life. The four basic social security guarantees are also defined with reference to some of the risks or contingencies that are most likely to occur at each stage of life, guiding the definition of the material scope of coverage of social protection floors at the national level.<sup>99</sup>

149. First, any condition requiring essential health care, including maternity, prenatal and postnatal care, should be covered (Paragraph 5(a) in conjunction with Paragraph 8(a)). The “benefit” that should be provided over the life cycle should consist of “access to a nationally defined set of goods and services, constituting essential health, including

<sup>95</sup> 2011 General Survey, para. 56.

<sup>96</sup> Medical care and sickness, unemployment, old-age, employment injury, family, maternity, invalidity and survivors’ benefits.

<sup>97</sup> Convention No. 102, Arts 65, 66 and 67, respectively.

<sup>98</sup> See ch. 7, section 7.3, for a more detailed overview of the protection measures set out in Conventions Nos 168 and 183.

<sup>99</sup> Examples of such definitions are provided in Part II, which reviews the implementation of the basic social security guarantees that form part of social protection floors in member States.

maternity care, that meets the criteria of availability, accessibility, acceptability and quality”.<sup>100</sup> Paragraph 5(b)–(d) specifies the contingencies for which protection should be ensured to provide at least minimum income security at all the various stages of life. Paragraph 5(b) addresses responsibility for the maintenance of children, or family responsibilities, which should give rise to benefits sufficient to provide “access to nutrition, education, care and any other necessary goods and services” for children. Paragraph 5(c) aims to ensure income protection for persons of working age in the event of the inability to earn sufficient income, particularly due to sickness, unemployment, maternity and disability. Finally, Paragraph 5(d) refers to income security in old age.<sup>101</sup>

150. The level of benefits to be provided in giving effect to Paragraph 5(b)–(d) should be nationally defined, bearing in mind that “basic income security should allow life in dignity”, in accordance with Paragraph 8(b).<sup>102</sup> Recommendation No. 202 leaves it to member States to select the benefits and schemes for the provision of the basic social security guarantees (Paragraph 9(2) and (3)) with a view to implementing the most effective and efficient combination of benefits and schemes to cover all in need (Paragraph 9(1)), taking into account the contributory capacities of different population groups (Paragraph 11(1)).<sup>103</sup>

151. The Committee welcomes the indication by some governments that the range of benefits provided by the social security system has been extended in their country. For example, in *Canada*, the protection of workers has been improved by expanding the range of contingencies that trigger the provision of temporary income support through the national Employment Insurance (EI) programme. In particular, the programme’s budget for 2017 included additional funds to create a new caregiving benefit payable to workers over a 15-week period. In *Germany*, measures have been taken to increase the number of guarantees available to self-employed workers. For example, a special artists’ insurance has been introduced to allow artists and writers access to health, old-age and long-term care benefits. The insurance is subsidized by the Government, and is financed in part by institutions that rely on the services of artists and writers.

152. To give effect to the Recommendation, States should also seek to increase the level of benefits, or the level of overall protection, including the quality of the care and services provided by social security systems and schemes. Such increases have been reported in a number of countries, including *Azerbaijan*, *Denmark*, *Japan*, *Tajikistan* and *Zimbabwe*. This is discussed in Part II below, which examines measurements and benchmarks to assess adequate protection in respect of each of the four basic social security guarantees, and the relation between the level of such guarantees and higher levels of protection, as guided by more advanced ILO standards.

**153. The Committee calls on member States to bear in mind the objective of universality when developing and maintaining their social security systems, with a view to implementing the range of schemes and benefits that are most likely, in combination, to achieve the universal coverage of the population and comprehensive coverage of social risks or contingencies. The Committee further observes that social security systems cannot be considered either comprehensive or adequate if they do not seek to address new social risks that may arise in the future, and it reminds member States of their responsibility to ensure that the population is guaranteed**

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<sup>100</sup> See chs 4 and 5 for a detailed analysis of these provisions.

<sup>101</sup> See chs 6, 7 and 8 for a more detailed analysis of these provisions.

<sup>102</sup> See ch. 4 for a detailed analysis of the criteria specified in para. 8 to determine the adequacy of benefits.

<sup>103</sup> See ch. 9 for a detailed analysis of these provisions.

**adequate health and income protection in respect of all social risks throughout the life cycle.**

**2.4. Progressive realization in Recommendation No. 202:  
Higher levels of protection for as many people  
as possible, as soon as possible**

**Relevant provisions of Recommendation No. 202**

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(g) *progressive realization*, including by setting targets and time frames;

...

13. (1) Members should formulate and implement national social security extension strategies, based on national consultations through effective social dialogue and social participation. National strategies should:

(a) prioritize the implementation of social protection floors as a starting point for countries that do not have a minimum level of social security guarantees, and as a fundamental element of their national social security systems; and

(b) seek to provide higher levels of protection to as many people as possible, reflecting economic and fiscal capacities of Members, and as soon as possible.

(2) For this purpose, Members should *progressively build and maintain* comprehensive and adequate social security systems coherent with national policy objectives and seek to coordinate social security policies with other public policies.

14. When formulating and implementing national social security extension strategies, Members should:

...

(e) specify financial requirements and resources as well as the time frame and sequencing for the *progressive achievement of the objectives*;

...

17. When building comprehensive social security systems reflecting national objectives, priorities and economic and fiscal capacities, Members should aim to achieve the range and levels of benefits set out in the Social Security (Minimum Standards) Convention, 1952 (No. 102), or in other ILO social security Conventions and Recommendations setting out more advanced standards.

154. The Committee recognizes that the achievement of universality of protection through comprehensive social security systems requires time, effort, political will and financial resources. It acknowledges that States at different levels of economic and social development may progress at a different pace in meeting this objective. Taking into account such differences in national capacities and resources, the Recommendation sets out the principle of progressive realization (Paragraph 3(g)). With a view to achieving universality as soon as national circumstances allow, Recommendation No. 202 calls for progressive realization to be guided by targets and time frames (Paragraph 3(g)), against which progress can be monitored (Paragraph 14(e)). However, Paragraph 13(1)(a) gives clear priority to the establishment of social protection floors in countries that do not yet have a minimum level of social security guarantees.

155. At the same time, higher levels of protection should be provided for as many people as possible, reflecting the country's economic and fiscal capacities, as soon as possible.<sup>104</sup> In this regard, Paragraph 17 refers to the role of other ILO social security standards, and particularly Convention No. 102, in guiding the development of “comprehensive social security systems reflecting national objectives, priorities and economic and fiscal capacities”, and calls on Members to aim to achieve the range and levels of benefits set out therein. The Committee considers that this approach is compatible with that developed under the human rights legal framework. The ICESCR requires States parties to take steps to ensure the progressive realization of the right to social security to the maximum of their available resources, starting with the core content,<sup>105</sup> and to take whatever steps are necessary to ensure that everyone enjoys the full right to social security as soon as possible.<sup>106</sup>

156. The Committee recalls that progressive realization, in the context of Recommendation No. 202, therefore means that States should strive to move ahead in implementing the Recommendation and extend levels of protection on a continuing basis, without delay. It further recalls that States should not take any deliberate retrogressive measures, which could lead to a reduction of protection.<sup>107</sup> In Recommendation No. 202, the responsibility of the State in this regard is reflected in the use of the term “maintain” in relation to social protection floors in Paragraphs 1(a) and 4, and in relation to “comprehensive and adequate social security systems” in Paragraph 13(2). To give effect to these Paragraphs, Members should take all the measures<sup>108</sup> required to ensure that, once established, the basic social security guarantees provided under their social protection floors maintain their level of protection against poverty, vulnerability and social exclusion, and continue to ensure at a minimum a life in health and decency for all. Benefits and schemes that provide higher levels of protection should also be maintained to preserve the living standards of those covered.<sup>109</sup> **As previously noted by the Committee, this means that the reduction in levels of protection, notably in times of crisis or in the context of austerity measures and fiscal consolidation, should only be considered as a last resort option, when all other means have been exhausted. Retrogressive measures should not go beyond what is strictly necessary to preserve the financial and fiscal sustainability of the system and should not result in a breach of solidarity with those segments of the population which are the most in need of protection. Furthermore, such measures should not be maintained for a longer period than that which is strictly necessary. Most importantly, fiscal consolidation should always be**

<sup>104</sup> See ch. 4 for detailed information and guidance on combining different benefits and approaches and ch. 10 on diversity in financing.

<sup>105</sup> See ch. 1 for a definition of this concept.

<sup>106</sup> Art. 2, in conjunction with Art. 9, of the ICESCR; see also the interpretation of this principle by the CESCR in relation to Art. 9 of the ICESCR in its “General Comment No. 19”, 2008, op. cit., paras 61, 62 and 68, in which it specifies that, with a view to monitoring progress, States are to put in place a plan of action which should include goals and benchmarks (concrete standards of achievement) that are tied to specific time frames.

<sup>107</sup> This issue is dealt with more extensively in chs 4 and 10 in the context of fiscal consolidation measures and the need to preserve the adequacy of the social security system and its ability to ensure life in health and dignity in times of crisis; see CEACR: Report on the application of the European Code of Social Security, 2010, paras 5–8 and 2011, paras 3–5. See also para. 64 of “General Comment No. 19” (supra); United Nations, Office of the High Commissioner for Human Rights: *Report on austerity measures and economic and social rights*, Geneva, 2018; and United Nations: *Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of human rights, particularly economic, social and cultural rights*, New York, 2016, A/HRC/31/60, para. 66.

<sup>108</sup> These measures are discussed in ch. 4.

<sup>109</sup> See ch. 10 for further guidance on the maintenance of social security systems.

**accompanied by a social impact assessment with a view to introducing measures to mitigate adverse effects on the most vulnerable.** <sup>110</sup>

157. The Committee is pleased to observe that over 80 per cent of governments indicate in their reports the existence of policies to extend social protection to as many people as possible, as soon as possible. For example, strategic documents or plans setting out, among other goals, the improvement of the coverage and effectiveness of national social protection systems are reported in *Burundi, Cabo Verde, Cambodia, Democratic Republic of the Congo, Jamaica, Republic of Korea, Madagascar, Mali, Mexico, Paraguay, Romania, Suriname, Thailand* and *Uzbekistan*. In *Honduras*, the Framework Act on the Social Protection System has been adopted with the objective of gradually achieving decent coverage and individual and collective welfare. <sup>111</sup> In *El Salvador*, the Development and Social Protection Act envisages the gradual implementation of programmes and action for the establishment of the national social protection subsystem (SPS). <sup>112</sup> In *Indonesia*, the Government has launched the National Social Protection Programme <sup>113</sup> with the aim of covering as many people as possible. The Government of *Guatemala* reports that an extension of coverage was achieved from 2.8 million to 3.1 million persons between 2011 and 2015.

158. The Committee also welcomes the adoption in a number of countries of laws and policies aimed at extending protection and support to categories of the population who were previously excluded, including in *Burundi*, <sup>114</sup> *Belarus, Cambodia, Canada, Comoros, Dominican Republic, Indonesia*, <sup>115</sup> *Islamic Republic of Iran, Jamaica, Madagascar*, <sup>116</sup> *Mexico*, <sup>117</sup> *Morocco* <sup>118</sup> and *Namibia*. <sup>119</sup> In the *United States*, amendments to the Social Security Act of 1935 have expanded the original scope of coverage to include most workers in agriculture, domestic service, casual labour, work on vessels, federal and state government employment, and work for non-profit organizations. <sup>120</sup> As a result, in 2018, around 94 per cent of workers in paid employment and self-employment are covered by the Act.

159. However, the Committee notes the observations of workers' representatives indicating that, in many countries, certain categories of the population are still excluded from social security coverage. In *Germany*, as indicated by the *DGB*, even if social security aims to include each and every citizen, those with "mini-jobs" with minimum

<sup>110</sup> *ibid.*, note 107.

<sup>111</sup> Decree No. 56 of 2015, Framework Act on the Social Protection System, section 1.

<sup>112</sup> Development and Social Protection Act, 2005, section 29.

<sup>113</sup> Law No. 40 of 2004 on the National Social Security System, art. 2.

<sup>114</sup> National Social Security Policy, 2011, and Social Security Code, section 1.

<sup>115</sup> Law No. 8 on People with Disabilities provides for their right to social security.

<sup>116</sup> Bill on the National Social Protection Strategy (PNPS), adopted by the National Assembly and Senate on 8 December 2017.

<sup>117</sup> National Development Plan 2013–18, National Objective "Inclusive Mexico", Objective 2.4 "Broaden access to social security", Strategy 2.4.2 "Promote universal coverage of social security services in the population" (*Plan Nacional de Desarrollo 2013–2018, Meta Nacional "México Incluyente", Objetivo 2.4 "Ampliar el acceso a la seguridad social", Estrategia 2.4.2 "Promover la cobertura universal de servicios de seguridad social en la población"*).

<sup>118</sup> Recently adopted Pension Benefits Act No. 99.15 and Act No. 98.15 on the compulsory health insurance system for the self-employed.

<sup>119</sup> The Harambee Prosperity Plan and the National Development Plans, in the framework of Namibia Vision 2030.

<sup>120</sup> See 42 U.S.C. para. 410.

income levels are not covered in respect of all the benefits provided by the social security system. In contrast, health insurance contributions will be lowered for self-employed workers with low incomes in 2019 to minimize the risk of poverty. In the *Netherlands*, the *FNV*, *CNV* and *VCP* consider that social protection for self-employed workers is only at a very minimal level. In *Morocco*, according to the *Democratic Confederation of Labour (CDT)*, some categories do not have access to social security and applications for unemployment benefit fail because, as indicated by the Government, they are rejected in half of all cases. In response to these observations, the Government indicates that social security will be extended to new categories, and first of all to the self-employed and to professionals. Workers in the informal economy are often excluded, for example in *Niger*, as reported by the *Confederation of Labour of Niger (CNT)*, as well as in *Togo*, where the *National Union of Independent Trade Unions of Togo (UNSIT)* reports that, although important innovations have been introduced with a view to extending social security to “self-employed workers” and “workers in the informal economy”, practical arrangements for their operationalization have not yet been adopted by the National Social Security Fund.

160. The Committee further notes the deep concern expressed by the *ITUC* in relation to retrenchments in social protection, and its indication that many countries have taken measures and made parametric adjustments to tighten eligibility criteria for benefits and services, lower benefit levels, increase contribution requirements to excessive levels and/or reduce the duration of benefits.

**161. With a view to realizing the objective of the Recommendation to prevent and alleviate poverty, vulnerability and social exclusion, the Committee calls on member States, as part of their national social security extension strategies, to develop and pursue policies and action plans, which include clear targets and time frames based on transparent and equitable budgeting, to extend their social security systems to cover those who are not yet protected as a priority, and to cover contingencies that are not yet addressed, in accordance with national circumstances, so as to attain the highest possible scope and level of social protection possible, guided by Convention No. 102, Recommendation No. 202 and the other ILO social security standards.**



## Chapter 3

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### Implementing rights-based social security by anchoring social protection floors in law

#### 3.1. Anchoring social security rights in national legal frameworks

##### Relevant provisions of Recommendation No. 202

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(b) entitlement to benefits prescribed by national law;

...

(f) respect for the rights and dignity of people covered by the social security guarantees;

...

(o) efficiency and accessibility of complaint and appeal procedures;

...

7. Basic social security guarantees should be established by law. National laws and regulations should specify the range, qualifying conditions and levels of the benefits giving effect to these guarantees. Impartial, transparent, effective, simple, rapid, accessible and inexpensive complaint and appeal procedures should also be specified. Access to complaint and appeal procedures should be free of charge to the applicant. Systems should be in place that enhance compliance with national legal frameworks.

162. Rights-based social security in the context of Recommendation No. 202 means, in broad terms, the guarantee of benefits as rights,<sup>1</sup> in accordance with the guiding principles set forth in Paragraph 3 of the Recommendation and anchored in the human right to social security recognized by international law, as recalled in the Preamble.<sup>2</sup> At the national level, the right to social security or social protection is primarily laid down in general terms, and sometimes more specifically, in national constitutions, which usually provide the highest guarantee of the protection of this right by the State. Constitutional provisions also play an important role in securing “respect for the rights and dignity of people covered by the social security guarantees”, a principle that is placed under the responsibility of the State in giving effect to the Recommendation (Paragraph 3(f)).

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<sup>1</sup> See ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, International Labour Conference, 100th Session, Geneva, 2011, para. 5(a); *Social protection floors for social justice and a fair globalization*, ILC, Report IV(1), 101st Session, Geneva, 2012, ch. 2, section 2.4, and more specifically, para. 75.

<sup>2</sup> See ch. 1, sections 1.1.2. and 1.2.5.

163. The Committee is pleased to note that most countries have constitutional provisions that safeguard the right to social security or social protection,<sup>3</sup> and that in some countries the constitution establishes a link between this right and the right to dignity. For example, in *Finland*, a direct connection is made between the right to live life in dignity and the right to receive indispensable subsistence and care,<sup>4</sup> while in *Switzerland* the level of subsistence has to be compatible with a decent standard of living.<sup>5</sup> In *Indonesia*, the Constitution explicitly provides that every person has the right to social security to develop “wholly as a dignified human being”.<sup>6</sup> In *Germany*, the right to afford a level of subsistence that is compatible with human dignity is provided for in article 1(1), in connection with article 20(1) of the Constitution. In *Poland*,<sup>7</sup> the dignity of the person is recognized by the Constitution as an overarching principle to be respected and protected in the realization of all constitutional rights, including the right to social security and health care. In some countries, the interrelation between social security or social protection and the notions of “human dignity” and “standard of living” is specified in the legislation. In *South Africa*, various legislative texts on social security contribute to restoring and elevating human dignity.<sup>8</sup> In the *Republic of Korea*, the Framework Act on Social Security provides that the “basic ideology of social security is to realize social integration and a happy welfare society in order to allow all citizens to lead a happy life worthy of human dignity without various social risks”. In *Japan*, various legislative texts<sup>9</sup> ensure the right to social security and social assistance in order to maintain sufficient standards of “wholesome and cultured living”. The Government of the *United States* reports that, in accordance with federal law, under the Medicare programme, recipients have the right to be treated with dignity and respect at all times. Federal regulations also require Medicaid home and community-based settings to ensure the individual’s right to dignity.

**164. The Committee considers that constitutional provisions play a fundamental role in introducing the principles of the Recommendation into legislation and in fostering their implementation in practice.<sup>10</sup> They provide the most sustainable basis for the protection of social security and social protection rights, and the right to dignity,**

<sup>3</sup> For example, art. 34 of the Constitution of *Ecuador* provides that: “The State shall guarantee and ensure the full and effective exercise of the right to social security ...”. Similar provisions are to be found in the Constitutions of *Chile* (art. 19), *Bahrain* (art. 5) and *Saudi Arabia* (art. 34). Another approach to embodying the right to social security is used in the Constitutions of *Azerbaijan* (art. 38), *Bulgaria* (art. 51), *Italy* (art. 38), *Slovenia* (art. 50) and *Turkmenistan* (art. 37), which affirm social security as an individual right. Certain constitutions do not establish a right to social security as such, but refer to this right as an objective of state policy. For example, the Constitution of *Namibia* contains provisions on social security in the chapter on the “Principles of state policy”, and art. 18 of the Constitution of *Burkina Faso* recognizes social security as a social right which has to be promoted. For a more detailed analysis of the role of national constitutions in guaranteeing the right to social security and comparative practice in this regard, see the 2011 General Survey, paras 234–293.

<sup>4</sup> Section 19 of the Constitution: “Those who cannot obtain the means necessary for a life of dignity have the right to receive indispensable subsistence and care.”

<sup>5</sup> Art. 12 of the Federal Constitution provides that: “Persons in need and unable to provide for themselves have the right to assistance and care, and to the financial means required for a decent standard of living”.

<sup>6</sup> Art. 28H(3) of the Constitution.

<sup>7</sup> Art. 30 of the Constitution.

<sup>8</sup> Social Assistance Act, 2004, and Social Assistance Amendment Act, 2010.

<sup>9</sup> Public Assistance Act No. 144 of 1950, art. 8(1).

<sup>10</sup> ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter the “2011 General Survey”), para. 235.

**through institutional, legal and judicial mechanisms, and primarily through constitutional and supreme courts.**<sup>11</sup>

165. The implementation of constitutional rights necessitates legislation that specifies how such rights arise, how they materialize and how they can be enforced. Consequently, Recommendation No. 202 specifies that entitlements to benefits should be prescribed by national law (Paragraph 3(b)), as part of the principles put forward for its application under the overall and primary responsibility of the State. This principle is spelt out in greater detail in Paragraph 7 with regard to the basic social security guarantees that form part of social protection floors which, once defined, should be established by law.

166. The Committee observes, on the basis of the government reports received, that while most countries have a legal framework governing the provision of contributory benefits under social insurance schemes, non-contributory benefits are not established in law so frequently. While a number of high-income countries report the existence of social assistance schemes, in many middle-income and most low-income countries universal or other tax-financed benefit schemes, non-contributory schemes, programmes and benefits often lack a formal statutory basis.<sup>12</sup>

167. Nearly all governments report the existence of national laws that regulate the provision of social insurance and employment-related benefits. In addition to such contributory schemes, a number of governments also provide information on specific laws that make provision for social assistance or other non-contributory benefits for those not covered by social insurance or employment-related schemes. In *Romania*, article 5 of Law No. 292/2011 guarantees to all persons the right to social assistance. In *Portugal*, a non-contributory social unemployment allowance is provided under Act No. 220 of 2006. In *El Salvador*, Act No. 717 of 2002 on comprehensive care for the elderly provides for entitlement to special services for senior citizens in need. In *Malta*, the Social Security Act establishes a supplementary allowance for the elderly. In *South Africa*, Social Assistance Act No. 13 of 2004 and its accompanying regulations set out the main parameters for child support, care dependency and foster care grants.

168. For persons whose income remains below the nationally defined minimum income even after receiving other statutory benefits, several high-income countries report the adoption of laws establishing non-contributory guaranteed minimum income schemes that

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<sup>11</sup> For example, the Constitutional Court of *Peru* has confirmed the right to social security in a number of rulings, including judgments EXP. No. 04977-2007-PA/TC and EXP No. 00540-2007-PA/TC; see also 2011 General Survey, Part II, ch. 3(C), paras 273–293.

<sup>12</sup> See Part II for a more detailed analysis of the statutory basis of the benefits and schemes that give effect to the basic social security guarantees of social protection floors.

provide supplementary financial resources. These include *Austria*,<sup>13</sup> *Canada*,<sup>14</sup> *France*,<sup>15</sup> *Greece*,<sup>16</sup> *Iceland*,<sup>17</sup> *Italy*<sup>18</sup> and *Portugal*.<sup>19</sup>

169. A number of countries provide by law for tax rebates or other fiscal reductions for persons of small means. For example, in *Australia*, the Income Tax Assessment Act of 1936, as amended, provides for a range of fiscal benefits, including the low income tax offset and the senior and pensioners tax offset for the elderly. In the *Russian Federation*, pensioners and certain categories of persons with disabilities are exempt (fully or partially) from a range of property taxes, while families with children can benefit from tax deductions.<sup>20</sup> In *Bosnia and Herzegovina*, the Law on Income Tax entitles unemployed persons to fiscal benefits, including tax exemptions. In *Turkey*, article 31 of Income Tax Law No. 193 provides for disability tax allowances to support employees with a limited working capacity.

170. However, the Committee also notes that programmes in many other countries, which are reported to contribute to the establishment of national social protection floors, are not anchored in national legislation. For example, in *Mexico*, the Mexico without Hunger National Programme, which is aimed at providing food aid to over 7 million Mexicans suffering from malnutrition and hunger, does not have a corresponding legislative basis. In *Tunisia*, the National Aid Programme for Families in Need (PNAFN), which is the largest such programme in terms of population coverage too, also lacks codification. In *Cambodia*, the School Feeding Programme, which is reported to support around 300,000 children in nine provinces does not have a basis in law. The situation is similar in the case of unconditional cash transfers in *Burkina Faso*, which are targeted at extremely poor households in the Sahel and the *Centre-Nord*. In *Antigua and Barbuda*, the Senior Citizens Utility Subsidy Programme (SCUSP), which supports people over 80 years of age, does not rely on a legislative basis. The report for *Suriname* does not refer to any law instituting government subsidies for infant nutrition and school transport, which are listed as measures guaranteeing basic income security for children.

171. The Committee notes with interest from the replies of some governments that work is being carried out to strengthen their legal and institutional frameworks. For example, in *Sri Lanka*, the National Minimum Wages Act and the Budgetary Relief Allowance of Workers Act, both adopted in 2016, are intended to guarantee a minimum income level for workers. In *Honduras*, the Framework Social Protection Act was adopted recently with a view to strengthening the national social security system. In *Tajikistan*, a national dialogue was launched in 2017 on the expansion of minimum levels of social protection,

<sup>13</sup> The federal Government concluded a framework agreement with the federal provinces in 2010 setting out common minimum standards for social assistance income support. In accordance with the Treaty under art. 15(a) of the Austrian Constitution, each of the nine federal provinces has adopted legislation establishing a guaranteed minimum income scheme (*Bedarfsorientierte Mindestsicherung*). For example, the Vienna Guaranteed Minimum Income Act (WMG) was adopted in 2010.

<sup>14</sup> Part II of the Old Age Security Act, 1985.

<sup>15</sup> Act No. 88-1088 of 1988 introduced a universal means-tested scheme (minimum subsistence income) for people of working age who are unable to find work. It was later replaced by Act No. 2008-1249 of 2008, establishing the active solidarity income (RSA).

<sup>16</sup> Law No. 4389 of 2016 and Decision No. *Γ.Α.5/οικ.2961-10* instituted the social solidarity income. See also, “The national roll-out of the ‘Social Solidarity Income’ scheme in Greece”, ESPN Flash Report 2017/68.

<sup>17</sup> Social Security Act No. 100/2007, section III.

<sup>18</sup> A conditional universal inclusion income was introduced by Legislative Decree No. 147 of 2017.

<sup>19</sup> Legislative Decree No. 196/1997 permanently established the minimum guaranteed income.

<sup>20</sup> Tax Code of the Russian Federation (Part II) No. 117-FZ of 2000, as amended, sections 218 and 407.

and plans have also been announced to draw up several social security bills, including the bill on the state programme for the provision of targeted social assistance to low-income families and citizens. The *International Trade Union Confederation (ITUC)* reports that *Kenya* has introduced legislation to provide a universal pension to everyone over 70 years of age, and *Indonesia* implemented a universal health insurance system in 2013.

172. Although the Recommendation is flexible on the manner in which countries develop their legal framework and its components, the Committee draws the attention of member States to the fact that, in accordance with Paragraphs 3 and 7, the schemes and benefits through which such guarantees are given effect should have a legal basis. It therefore follows that policies, programmes, safety nets, initiatives and other projects that are not established by law do not therefore offer sufficient guarantees to be considered as forming part of national social protection floors within the meaning of the Recommendation. The Committee nevertheless considers that these arrangements offer a certain value by providing some form of protection to the population, albeit limited and variable in scope, and that they can constitute a first step towards more permanent rights-based schemes. Once pilot-tested, these programmes should be scaled-up as statutory provisions, which would secure their financing.

**173. The Committee emphasizes that a clear legal framework allows for more effective supervision by the State, based on a long-term strategy, as it generally requires public monitoring of the financial sustainability of schemes and, in the case of non-contributory benefits, the allocation of the necessary resources from the state budget. A legislative basis therefore ensures the continuity of rights and entitlements over time, contributes to the predictability and sustainability of the social security system and the accountability of the institutions responsible for its governance, and acts as a safeguard against arbitrary governance. A clear and coherent legal framework also facilitates the progressive formulation of overarching aims and objectives for the social security system and the development of linkages between its various components (including contributory and non-contributory schemes, and benefits in cash and in kind). The effective implementation of the law in practice is equally important for the achievement of these objectives.**

### 3.2. What should be in the legislation <sup>21</sup>

174. In accordance with Paragraph 7 of the Recommendation, national laws and regulations should specify: <sup>22</sup>

- **The material scope of coverage:** the risk or contingency covered, or the circumstances under which a person can obtain a benefit.
- **The personal scope of coverage:** who is covered, in respect of which benefits. In some cases, the scope of coverage is defined broadly, but entitlements are restricted to those who meet certain conditions; in other cases, the scope of coverage is defined by specifying the personal attributes of those who are intended to qualify for coverage.

<sup>21</sup> The parameters of the various schemes and benefits that give effect to the basic guarantees of social protection floors at the national level are examined in detail in Part II, especially chs 5, 6, 7 and 8. This section is therefore confined to providing a few illustrations of national practice that give effect to Para. 7 of the Recommendation.

<sup>22</sup> In the same way, the requirements and provisions of the ILO social security Conventions and Recommendations adopted prior to Recommendation No. 202 respecting the scope of personal coverage, benefit levels, qualifying conditions and other parameters and principles, have to be set out in law.

- **The type and nature, or range, and duration of the benefits** available to the persons covered in the event of a contingency, risk or situation covered by the law and for which protection is afforded. Such benefits, in accordance with Paragraph 9(2) of the Recommendation, “may include child and family benefits, sickness and health-care benefits, maternity benefits, disability benefits, old-age benefits, survivors’ benefits, unemployment benefits and employment guarantees, and employment injury benefits as well as any other social benefits in cash or in kind.”
- **The level or amount of the benefits to be provided:** what will a person receive, in cash or in kind, if they are entitled to a benefit.
- **The qualifying conditions**, also referred to as conditions of entitlement or eligibility criteria, that have to be met to qualify for a benefit, which should be formulated clearly, with the necessary definitions.

175. **The Committee emphasizes that the only way of effectively guaranteeing social security rights is to specify clearly in law the role, responsibilities and rights of all the parties concerned – the persons protected, government, administration, employers and other stakeholders, as the case may be. Laws and regulations that are clear and specific constitute a framework against which persons protected can obtain redress. In this regard, the Committee wishes to emphasize that for implementation to be effective and rights to be materialized, a well-functioning administration is required.**

176. **The Committee observes that while most countries recognize the right to social security or social protection in their constitutions, the specific legal provisions that are necessary to establish predictable and enforceable rights to benefits are often lacking, especially regarding non-contributory benefits. The Committee therefore calls upon the countries concerned to strengthen or develop, as the case may be, their legal framework for the provision of basic social security guarantees and higher levels of social security through the formulation of legislation that clearly specifies the personal and material coverage of the various schemes, the type, level and duration of benefits, and the conditions of entitlement, as indicated above. The Committee also emphasizes the importance of the effective implementation of social security laws and regulations to ensure that rights are enjoyed in practice.**

### 3.3. Enforcement of rights through complaints and appeals procedures

177. Under Paragraph 7 of the Recommendation, the law should also make provision for complaint and appeal procedures. The right of complaint and appeal in social security matters is a fundamental principle set out in most ILO social security standards,<sup>23</sup> which was examined by the Committee in its 2011 General Survey.<sup>24</sup>

178. **The Committee recalls that effective complaint and appeal procedures are crucial to safeguard the rights of protected persons and to ensure due process, and are therefore intrinsic to the rule of law.**<sup>25</sup> Indeed, as indicated by the *National*

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<sup>23</sup> See, for example, Recommendation No. 69, Paras 63 and 112–114; Recommendation No. 67, Annex, Para. 27(8) and (9); Convention No. 102, Art. 70; Convention No. 121, Art. 23; Convention No. 128, Art. 34; Convention No. 130, Art. 29; and Convention No. 168, Art. 27.

<sup>24</sup> 2011 General Survey, paras 403–438.

<sup>25</sup> *ibid.*, paras 403 and 434.

*Federation of Independent Trade Unions of Senegal (UNSA)*, in the absence of a statutory basis for benefit schemes covering basic needs, beneficiaries in *Senegal* do not dispose of adequate legal means to go to court and seek compensation in the event of the violation of their rights, abuse or discrimination. **In the view of the Committee, it is equally important for such procedures to be specified in law, as indicated in the Recommendation, so that rights are enforceable and predictable, and so that the State can be held accountable for the due provision of benefits in application of the law. The effective exercise of the right to complaint and appeal requires the law to be specific on a number of substantive and procedural aspects, including: the type of remedies available to persons protected, the grounds giving rise to the right of complaint or appeal, as well as the time limits within which claimants must exercise this right, and the formalities to be completed by the claimant.**

179. As envisaged in Recommendation No. 202, as in the earlier social security standards, the exercise of the right of complaint and appeal constitutes two successive complementary stages in the treatment of claims. The first stage involves the administrative authority which has made the initial determination of the entitlement (for example, the nature, amount and duration of the benefit),<sup>26</sup> albeit at a higher level, while the second concerns an appeal to a court or specialized tribunal against the decision rendered by that administrative authority.<sup>27</sup> In this regard, the Committee wishes to recall that the concept of appeal “implies the settlement of the dispute by an authority that is independent of the administration that reviewed the initial complaint”.<sup>28</sup>

180. The Committee notes that over 75 per cent of government reports indicate that national legal frameworks establish complaint and appeal procedures for decisions related to social security matters. A considerable number of countries report that such procedures are regulated by the same legal instruments that establish social security benefits. For example, in *Slovakia*, the Act on Social Insurance contains provisions that regulate appeal procedures against decisions related to insurance schemes.<sup>29</sup> In *Mauritius*, the National Pensions Act establishes the right of claimants to challenge the decisions of a national pensions officer, medical officer or medical board concerning the payment of benefits.<sup>30</sup> In *Namibia*, any person aggrieved by a decision of the Social Security Commission may appeal to the Labour Court.<sup>31</sup> In some other countries, separate laws exist regulating complaint and appeal procedures. For instance, in *Poland*, these procedures are set out in the Code of Administrative Procedure,<sup>32</sup> while in *Saint Vincent and the Grenadines* they are established by the National Insurance (Determination of Questions) Regulation of 1995.<sup>33</sup>

181. Many countries also establish by law specialized bodies and/or institutions to settle disputes. For example, in *Ecuador*, the Social Security Act establishes provincial commissions to offer a first instance resolution mechanism for claims and complaints filed

<sup>26</sup> Art. 70(1) of Convention No. 102 refers to complaints as to the “quality and quantity” of the benefit.

<sup>27</sup> See the 2011 General Survey, paras 405–408, for additional information and guidance on the distinction between complaint and appeal procedures in the context of ILO social security standards.

<sup>28</sup> *ibid.*, para. 406.

<sup>29</sup> Act No. 461 of 2003 on Social Insurance, sections 214–218.

<sup>30</sup> National Pensions Act No. 44 of 1976, as amended, sections 34(A) and 36.

<sup>31</sup> Social Security Act No. 34 of 1994, as amended, section 45(1).

<sup>32</sup> Act issuing the Code of Administrative Procedure of 1960, as amended (for example, sections 15 and 63).

<sup>33</sup> National Insurance (Determination of Questions) Regulations, 1995, Part III.

by insured persons.<sup>34</sup> In the *United Kingdom*, the Social Security and Child Support Tribunal was created to settle disputes between social benefit claimants and the Department of Work and Pensions, in accordance with the Tribunal Procedure (First-tier Tribunal) (Social Entitlement Chamber) Rules, 2008. In *Iceland*, welfare appeals committees perform similar functions under section XVII of Act No. 40 of 1991.<sup>35</sup> In *Greece*, Laws Nos 2676 of 1999 and 3518 of 2006 establish local administrative committees composed of representatives of the Government, insured persons and employers' organizations, which are responsible for the "settlement of disputes relating to insurance matters". In *Australia*, the Administrative Appeals Tribunal reviews decisions made by Australian ministries, departments and agencies, as prescribed by Act No. 91 of 1975.<sup>36</sup>

### Criteria applicable to complaint and appeal procedures

182. Recommendation No. 202, in the same way as other ILO social security standards, leaves it to member States to determine the form to be taken by complaint and appeal procedures.<sup>37</sup> However, it innovates and supplements earlier standards by specifying the principles that should apply to such procedures, namely that they should be impartial, transparent, effective, simple, rapid, accessible, inexpensive and free of charge to the applicant (Paragraph 7). The Committee draws attention to the fact that, although these criteria are not explicitly specified in earlier standards, it considers them to be prerequisites for the full realization of the right of complaint and appeal in social security matters as part of due process, as required by those standards,<sup>38</sup> and therefore welcomes their inclusion in Recommendation No. 202.

183. Respect for the rights and dignity of persons covered, including beneficiaries, should also be guaranteed through judicial and non-judicial procedures, in accordance with Paragraph 3(f) of the Recommendation. The application of this criterion requires the dignity of applicants to be upheld at all stages of the process and appropriate safeguards to be in place to prevent them or their families being subject to requirements which may undermine their physical or mental integrity, result in stigmatization, or involve the need to divulge private information unnecessarily, which may be prejudicial or demeaning to their dignity. It also requires delays in rendering decisions to be kept to a minimum to prevent the persons concerned from falling into poverty or being deprived of the medical care and related services that they may require due to their condition.

184. Noting the recognition in international law of the right of every person to a fair and public hearing by an independent and impartial court or tribunal within a reasonable time,<sup>39</sup> the Committee emphasizes the significance of this right in guaranteeing protection against the unlawful or arbitrary deprivation of rights and the effective functioning of the administration of justice. In this regard, the Committee wishes to recall that it considers that the right for a complaint to be duly examined falls under the general responsibility of

<sup>34</sup> Social Security Act No. 465, 2001, section 43.

<sup>35</sup> Municipalities' Social Services Act No. 40/1991, as amended, Section XVII, art. 63.

<sup>36</sup> Administrative Appeals Tribunal Act, 1975.

<sup>37</sup> See, for example, Convention No. 102, Art. 70; Convention No. 121, Art. 23; Convention No. 128, Art. 34; Convention No. 130, Art. 29; and Convention No. 168, Art. 27.

<sup>38</sup> 2011 General Survey, Part III, ch. 3, paras 403–438.

<sup>39</sup> See, for example, the Universal Declaration of Human Rights, 1948, Arts 8 and 10; International Covenant on Civil and Political Rights, 1966, Art. 14; European Convention on Human Rights, 1950, Art. 6; and Committee on Economic, Social and Cultural Rights (CESCR): "General Comment No. 9: The domestic application of the Covenant", 1998, E/C.12/1998/24, paras 9–11.



the State to guarantee the proper administration of social security institutions and services,<sup>40</sup> as set out in the most up-to-date ILO social security standards, including Recommendation No. 202.

**185. The Committee emphasizes in this respect that simple procedures are crucial to ensure access to justice. Decisions taken by the relevant judicial and administrative bodies should be clearly explained to individual claimants in writing and the language and terminology used should be readily understandable by any individual, irrespective of their background, education and related circumstances.<sup>41</sup> Claims should be dealt with rapidly and in an efficient and effective manner. Efficiency also requires legal procedures to be sufficiently resourced. In this regard, the Committee recalls that the prompt rendition of justice is crucial in social security matters, as claimants often rely on benefits for survival,<sup>42</sup> particularly in the case of basic social security guarantees.**

**186. The Committee observes that effective access to justice, which is also included in SDG target 16.3,<sup>43</sup> is further facilitated by provisions guaranteeing that complaint and appeal procedures are free of charge for claimants.** Mindful of the cost for the State associated with such procedures being made available free of charge to insured persons, the Committee recalls its earlier guidance concerning the application of Articles 70(1) and 71 of Convention No. 102 that, where appeal procedures for beneficiaries are not free of charge, the cost of appeals should be kept as low as possible to ensure the effective exercise of this right, including by persons of small means.<sup>44</sup> The Committee has also noted that fairness in procedural matters requires that both parties are “guaranteed the right to engage a lawyer or other qualified representative of their choice”.<sup>45</sup> In this regard, effective access to justice and financial protection require legal aid to be made available to claimants who cannot afford the cost of legal assistance.<sup>46</sup> This form of additional protection is required to ensure the full application of Paragraph 7 of Recommendation No. 202 in terms of access to complaint and appeal procedures.

187. The information provided in government reports shows that these criteria are applied to a varying extent. Around 40 per cent of the reports indicate that access to complaint and appeal procedures is free of charge. For example, in the *Russian Federation*, appeals to the pension fund can be filed in written or electronic format free of charge, in accordance with Act No. 59 of 2006. In the *Dominican Republic*, there is a special Directorate of Information and Protection of Insured Persons (DIDA) in the social security system that is responsible for providing “information, protection and defence to insured persons free

<sup>40</sup> 2011 General Survey, para. 433; see, for example, CEACR – Convention No. 102, observation, *Peru*, 2009.

<sup>41</sup> 2011 General Survey, para. 429; Recommendation No. 67 recognizes “that the law and regulations relating to social insurance should be drafted in such a way that beneficiaries and contributors can easily understand their rights and duties. In devising procedures to be followed by beneficiaries and contributors, simplicity should be a primary consideration (Annex, Paragraphs 27(3) and (4)). Convention No. 168 gives expression to this idea by providing that the available complaint and appeal procedures shall be simple and rapid (Article 27, paragraph 1)”.

<sup>42</sup> 2011 General Survey, para. 428.

<sup>43</sup> Under SDG 16, UN member States have committed to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels” and of particular relevance, under target 16.3, to “promote the rule of law at the national and international levels and ensure equal access to justice for all”.

<sup>44</sup> 2011 General Survey, para. 436.

<sup>45</sup> *ibid.*

<sup>46</sup> *ibid.*, paras 425 and 426, which contain an analysis of the right to receive legal aid and the relevant provisions of other ILO social security standards in this respect.

of charge".<sup>47</sup> In the *United Kingdom*, appeals to the First-tier Tribunal are reported to be free of charge, and any person required to attend a hearing on social security and child support cases may receive travelling and other allowances.<sup>48</sup> In *New Zealand*, the Social Security Act sets out the legal right of appeal,<sup>49</sup> and the Ministry of Social Development covers the travelling and accommodation expenses of a person who is required to appear before the Social Security Dispute Authority. However, the *New Zealand Council of Trade Unions (NZCTU)* notes that not all channels of recourse in relation to social welfare are free in *New Zealand*. For example, although the Ministry of Social Development is required to pay the travelling and accommodation costs incurred by appellants, they still have to cover the costs of their legal representation, which may be prohibitive (as access to legal aid is underdeveloped and underutilized). Some countries, including *Thailand*, report the establishment of communication channels to facilitate the appeal process and the necessary information gathering.

188. In addition, several countries, including *Austria, Belgium, Burkina Faso, Croatia, Jordan, Latvia, Lithuania, Nigeria* and *San Marino*, report that social security complaint and appeal procedures are impartial, transparent, effective, simple and rapid. In this respect, the *Netherlands Trade Union Confederation (FNV), National Federation of Christian Trade Unions (CNV)* and *Trade Union Federation for Professionals (VCP)* observe that, although the cost of legal procedures relating to disputes concerning social security rights are fairly low in the *Netherlands*, a substantive discussion may be complex and require more expensive legal assistance. They also note long waiting times, especially for the highest institutions (Central Appeal Board). For example, a complete judicial process (complaint and appeal) against a disability assessment can take up to three or four years, while the initial decision remains intact and there is no suspensory effect.

**189. The Committee considers that the criteria applicable to complaint and appeal procedures, as formulated in Recommendation No. 202, are of the utmost importance to guarantee social security rights, especially as in many cases the set of schemes and benefits that make up national social protection floors lack a proper statutory basis, and that claimants and beneficiaries of basic social security guarantees are those most in need of protection and are not usually best placed to assert their rights through litigation. It recalls that social security claimants and beneficiaries around the world too often face related challenges in terms of poverty, literacy and living in remote areas in their struggle to gain access to critical income support and medical care.<sup>50</sup> In this regard, it is crucial to safeguard the fundamental right to social security and to guarantee dignity in access to and throughout administrative and judicial procedures that are impartial, transparent, effective, simple, rapid, accessible, inexpensive and free of charge. This includes legal aid and assistance for those who cannot afford the cost of legal representation. The Committee strongly emphasizes that, in the context of a rights-based approach to social security and social protection, it is essential for the State to guarantee access to effective complaint and appeal mechanisms, particularly in the context of social protection floors, as they are vital to the enforcement of social security rights.**

<sup>47</sup> The Directorate of Information and Protection of Insured Persons was established and is regulated by Act No. 87-01 on the Dominican Social Security System, 2001.

<sup>48</sup> Tribunal Procedure (First-tier Tribunal) (Social Entitlements Chamber) Rules, 2008, Rule 21.

<sup>49</sup> Social Security Act, section 12J.

<sup>50</sup> 2011 General Survey, para. 438.

### 3.4. Enhancing compliance with legal frameworks

190. Recommendation No. 202 recalls in Paragraph 7, in fine, that “systems should be in place that enhance compliance with national legal frameworks”. In the field of social security, as in other matters, responsibility for ensuring the application of the law lies with the State. It is therefore common for national social security legislation to establish specific measures to ensure compliance with the legal obligations of the parties concerned.

191. First and foremost, such compliance is achieved through enforcement mechanisms, and principally inspection and monitoring systems, in conjunction with sufficiently dissuasive penalties. On-site inspections and the auditing of employers’ documents are important tools in ensuring compliance with social security legislation.<sup>51</sup> Inspections may be undertaken by the labour inspection system,<sup>52</sup> the social security system itself, or both systems, or through an integrated system.<sup>53</sup> Institutions undertaking inspections may have the competence to register undeclared employees.<sup>54</sup>

192. Several countries report the existence of specialized supervisory bodies which perform functions to enhance compliance with social security laws. For example, in the *Seychelles*, the Agency for Social Protection Act of 2011 established an Agency for Social Protection, one of the primary objectives of which is the establishment of a compliance mechanism to maintain the integrity of the social assistance system.<sup>55</sup> In *Zimbabwe*, the National Social Security Authority has an investigation department, and the Zimbabwe Revenue Authority has the mandate to prevent tax evasion and enhance compliance with the national legal framework.

193. A compliance system also requires the establishment of sufficiently dissuasive penalties (including adequate sanctions, so that the payment of fines is not an easier option than compliance with the legislation)<sup>56</sup> and their effective enforcement.<sup>57</sup> Legal instruments prescribing penalties for non-compliance with social security legislation are

<sup>51</sup> *ibid.*, paras 344–346. See also ILO: *Labour inspection, General Survey of the reports concerning the Labour Inspection Convention, 1947 (No. 81), and the Protocol of 1995 to the Labour Inspection Convention, 1947, and the Labour Inspection Recommendation, 1947 (No. 81), the Labour Inspection (Mining and Transport) Recommendation, 1947 (No. 82), the Labour Inspection (Agriculture) Convention, 1969 (No. 129), and the Labour Inspection (Agriculture) Recommendation, 1969 (No. 133)*, Report III (Part 1B), International Labour Conference, 95th Session, 2006 (hereafter, the “2006 General Survey”), para. 156.

<sup>52</sup> The Committee recalls that Art. 3(1) of the Labour Inspection Convention, 1947 (No. 81), provides that the functions of the system of labour inspection shall be to secure the enforcement of the legal provisions relating to conditions of work and the protection of workers. In this connection, it has recalled that the function of verifying the legality of employment should have as its corollary the reinstatement of the statutory rights of all the workers if it is to be compatible with the objective of labour inspection (2006 General Survey, para. 78). Where the primary responsibility for non-compliance with social security obligations lies with employers, monitoring aimed at securing the effective functioning and funding of the social security system as a whole, as well as the creation of a level playing field for employers and the provision of social protection for all workers, can be compatible with the objectives of Convention No. 81. ILO: *Report of the Director-General: Report of the committee set up to examine the representation alleging non-observance by Spain of the Labour Inspection Convention, 1947 (No. 81), made under article 24 of the ILO Constitution by the National Federation of Associations of Employment and Social Security Sub-inspectors (FESESS)*, Governing Body, 321st Session, June 2014, GB.321/INS/9/2, paras 78–80.

<sup>53</sup> 2011 General Survey, paras 344–346; 2006 General Survey, para. 156.

<sup>54</sup> ILO: *Social protection floors for social justice and a fair globalization*, 2012, *op. cit.*, para. 128.

<sup>55</sup> Agency for Social Protection Act No. 25, 2011, Part II, section 3.

<sup>56</sup> Art. 18 of Convention No. 81 provides that adequate penalties for violations of the legal provisions enforceable by labour inspectors shall be provided for by national laws or regulations and effectively enforced.

<sup>57</sup> 2011 General Survey, paras 352, 353 and 356; 2006 General Survey, paras 291–302.

reported in the majority of countries, including *Austria, Burkina Faso, Canada, China, Colombia, Croatia, Czech Republic, Germany, Greece, Iraq, Italy, Latvia, United Kingdom* and *Zimbabwe*. In *Burkina Faso*, administrative and penal sanctions have been established for non-compliance with social security guarantees.<sup>58</sup> Legislation has recently been adopted in *Austria* to combat social security fraud,<sup>59</sup> including new measures to combat the non-payment of social security contributions and taxes, as well as the fraudulent use of social security benefits. In *China*, chapter X of the Social Insurance Law establishes the responsibility for the supervision of social insurance, while chapter XI outlines the legal liabilities arising out of the violation of social security obligations. In *Germany*, section 266a of the Criminal Code respecting the non-payment or misuse of wages and salaries establishes penalties and prison sentences for withholding employee social security contributions. In the *Czech Republic*, the Employment Act and other laws regulating non-insurance social benefits establish offences and sanctions for benefit fraud.

194. Various complementary initiatives can also contribute to achieving sustained compliance with national legislation. They may include the exclusion from public tenders of economic operators which fail to meet their obligations relating to the payment of social security contributions<sup>60</sup> and interest on overdue payments in the case of the non-payment of contributions within the time limits.<sup>61</sup> The establishment of a centralized system of employment and social security data and for the collection of contributions can also contribute to combating the evasion of social security contributions,<sup>62</sup> as can closer cooperation between the institutions involved in the administration of social security and the tax authorities, including the exchange of data.<sup>63</sup> Making employers liable for the costs incurred by the State for the treatment of workers who are victims of avoidable accidents, in the event of negligence or misconduct by the employer, can also be an effective means of achieving compliance with national legal provisions.

195. A number of countries have implemented programmes and policies to promote compliance, including preventive measures, such as training and awareness-raising campaigns,<sup>64</sup> as well as campaigns to facilitate the transition to the formal economy.<sup>65</sup> For example, in *Croatia*, the Government has adopted the Strategy for Minimizing Mistakes, Abuse and Corruption in the Field of Social Protection for the period 2015–20. In *Latvia*, the State Revenue Service publishes on its website a list of employers which pay their employees at the minimum wage or below, and a list of employers which have previously been in violation of wage regulations.

**196. In addition to the importance of anchoring social security rights in national constitutions and legislation, the Committee emphasizes that, however well-drafted or comprehensive the legal framework, it can only be effective when supported by an adequate institutional framework to ensure that the rights and guarantees set out in**

<sup>58</sup> Directive No. 07/2009/CM/WAEMU, adopted on 26 June 2009 by the Council of Ministers of the West African Economic and Monetary Union.

<sup>59</sup> Social Fraud Enforcement Act (BGBl. I No. 113/2015).

<sup>60</sup> 2011 General Survey, paras 390–393.

<sup>61</sup> *ibid.*, para. 357.

<sup>62</sup> *ibid.*, paras 378–383.

<sup>63</sup> *ibid.*, paras 384–389.

<sup>64</sup> *ibid.*, para. 374.

<sup>65</sup> ILO: *Transitioning from the informal to the formal economy*, International Labour Conference, Report V(1), 103rd Session, Geneva, 2014, para. 129.

the legislation are materialized as benefits for the persons protected.<sup>66</sup> Rights can only be effective if accompanied by adequate implementation mechanisms and sanctions. Complaint and appeal procedures that meet the criteria specified in Recommendation No. 202 are of the utmost importance in ensuring that rights are enforceable and in guaranteeing access to justice. Effective and cost-efficient compliance systems are required to ensure the application of the law and the enforcement of obligations. The Committee also emphasizes the importance of ensuring that the persons protected are aware of their rights and obligations, as well as of the remedies available to them. Information, education and outreach tools and mechanisms should be designed to reach out to all protected persons, with particular attention being given to the circumstances of excluded and vulnerable groups, and those living in remote areas.

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<sup>66</sup> See Part III for a more detailed presentation of institutional frameworks and comparative practice.

## **Part II. Social protection floors: Securing life in health and dignity throughout the life cycle**

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197. The second part of the General Survey examines the guidance provided in Recommendation No. 202 for the establishment of social protection floors as a fundamental part of national social security systems, accompanied by an overview of national practice. Chapter 4 reviews the general guidance set out in the Recommendation to ensure that social protection floors, and the basic social security guarantees of which they are comprised, provide adequate protection to secure life in health and dignity for all in need. Chapters 5 to 8 examine the specific guidance provided by the Recommendation concerning the design and establishment of basic social security guarantees for the various population groups at different stages of life and the manner in which they are given effect in member States, namely: access to essential health care (chapter 5) and basic income security for children (chapter 6), persons in active age (chapter 7) and persons in old-age (chapter 8). These chapters draw substantially on the reports provided by member States and the observations of the social partners as a means of examining a range of country practices in the design and establishment of basic social security guarantees and of highlighting innovative approaches and challenges. Particular emphasis is placed on identifying the various combinations of means and approaches that are in place at the national level to give effect to the basic social security guarantees; the integration of those guarantees in national social security systems; and the mechanisms that are used to determine and periodically review levels of guarantees and ensure that they meet their objectives adequately, in line with the principles and orientations set out in the Recommendation.

## Chapter 4

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### The determination of basic social security guarantees as a basis for adequate social protection floors

#### 4.1. The definition of adequate national social protection floors and their basic social security guarantees

##### Relevant provisions of Recommendation No. 202

...

2. For the purpose of this Recommendation, social protection floors are nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion.

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(c) adequacy and predictability of benefits;

...

(f) respect for the rights and dignity of people covered by the social security guarantees;

...

4. Members should, in accordance with national circumstances, establish as quickly as possible and maintain their social protection floors comprising basic social security guarantees. The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

(a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;

(b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;

(c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and

(d) basic income security, at least at a nationally defined minimum level, for older persons.

6. Subject to their existing international obligations, Members should provide the basic social security guarantees referred to in this Recommendation to at least all residents and children, as defined in national laws and regulations.

7. Basic social security guarantees should be established by law. National laws and regulations should specify the range, qualifying conditions and levels of the benefits giving effect to these guarantees. ...

8. When defining the basic social security guarantees, Members should give due consideration to the following:
- (a) persons in need of health care should not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care;
  - (b) basic income security should allow life in dignity. Nationally defined minimum levels of income may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice, and may take into account regional differences;
- ...
9. (1) In providing the basic social security guarantees, Members should consider different approaches with a view to implementing the most effective and efficient combination of benefits and schemes in the national context.
- (2) Benefits may include child and family benefits, sickness and health-care benefits, maternity benefits, disability benefits, old-age benefits, survivors' benefits, unemployment benefits and employment guarantees, and employment injury benefits as well as any other social benefits in cash or in kind.
- (3) Schemes providing such benefits may include universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, public employment schemes and employment support schemes.
10. In designing and implementing national social protection floors, Members should:
- (a) combine preventive, promotional and active measures, benefits and social services;
  - (b) promote productive economic activity and formal employment through considering policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and that promote education, vocational training, productive skills and employability; and
  - (c) ensure coordination with other policies that enhance formal employment, income generation, education, literacy, vocational training, skills and employability, that reduce precariousness, and that promote secure work, entrepreneurship and sustainable enterprises within a decent work framework.

198. Part II of the Recommendation outlines the substance of social protection floors. As indicated in chapter 2, an important and innovative feature of the Recommendation is that it identifies basic social security guarantees as a set of outcomes, rather than defining specific types and levels of benefits to be provided in the event of a particular contingency, as is the case in earlier ILO social security standards. This allows member States to design their social protection floors, and the basic social security guarantees of which they are comprised, using the measures that are most appropriate in the national context, with a view to achieving the outcomes set out in Paragraphs 2, 4, 5 and 8 of the Recommendation, namely: preventing, or at least alleviating poverty, vulnerability and exclusion, and ensuring at least to all persons in need access to essential health care and basic income security, as defined at the national level, at all stages of their life. The adequacy of basic social security guarantees and, in overall terms, of social protection floors, is determined by assessing, at the national level, whether they are sufficient to achieve these outcomes.

199. While the rights-based approach embodied by the Recommendation calls for the outcomes of the basic social security guarantees to be achieved in respect of every person protected, it should be noted that the impact of social security benefits, or social transfers,<sup>1</sup> is always felt beyond the individual. Indeed, recent experience of the implementation of social protection programmes has shown that the provision of benefits, in cash and in kind, can have a positive impact on families, households and, in some cases, on the community, including direct and indirect effects.<sup>2</sup> In this way, transfers directed at one population

<sup>1</sup> See ch. 2, section 2.1.1, for a definition of this concept.

<sup>2</sup> See ILO: *Extending social security to all: A guide through challenges and options*, ILO, Geneva, 2010, ch. 7.



group (e.g. children, or older persons), or designed to meet a given contingency or social risk (e.g. maternity or disability) have been found to benefit other members of the household. The types of intra-household impact observed consist of: improvements in nutrition and health status (including child and maternal health) among household members; an increase in school enrolment; the reduction of child labour; increases in the employment and labour market participation of persons in active age; the empowerment of women and older persons; and a reduction of poverty and vulnerability by raising and protecting household consumption based on regular and predictable income.<sup>3</sup> At the community level, social transfers contribute to strengthening social cohesion, social inclusion and participation, as well as equity and equality, and thereby form an important part of the social contract.<sup>4</sup> This multiplier effect is well documented in high- and some middle-income countries with long-standing social security systems, which have proven to be instrumental in bringing about social development, economic growth and shared prosperity.<sup>5</sup> At the same time, the impact of sound and sustainable social transfers may have different effects depending on who is in charge of managing household expenditure on consumption, and who the benefit recipient is in the household. There is evidence that when women are in charge of making decisions on income allocation in the household to meet the needs of family members, the impacts described above may be greater than when men are responsible for such decisions.<sup>6</sup> **In this connection, the Committee emphasizes the importance of member States bearing in mind complementarity across the desired outcomes when designing their national social protection floors and defining the benefits and schemes that are most appropriate to meet these outcomes.**

#### 4.1.1. Guaranteeing access to goods and services defined as necessary at the national level

200. Paragraph 4 of the Recommendation specifies that the basic social security guarantees should ensure at a minimum access to essential health care and basic income security for all in need, which together should secure effective access to goods and services deemed necessary at the national level. In order to give effect to this provision, it is necessary for the goods and services of which basic social security guarantees are comprised to be defined at the national level, in accordance with national circumstances and the international law by which the country is bound.<sup>7</sup> They should include all the goods and services that constitute essential health care (including maternity care), nutrition, education and care services for children, and any other goods and services which, in the national circumstances, are necessary to allow life in dignity over the life cycle. More specifically, they should include the goods and services that are necessary to address the

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<sup>3</sup> Ibid., pp. 97–109.

<sup>4</sup> Ibid., pp. 108–111.

<sup>5</sup> See, for example, M. Kohli: “Private and public transfers between generations: Linking the family and the State” in *European Societies*, 1(1), 1999, pp. 81–104.

<sup>6</sup> See, for example, E. Duflo: “Grandmothers and granddaughters: Old-age pensions and intra-household allocation in South Africa”, in *World Bank Economic Review*, World Bank Group, Vol. 17(1), 2003, pp. 1–25.

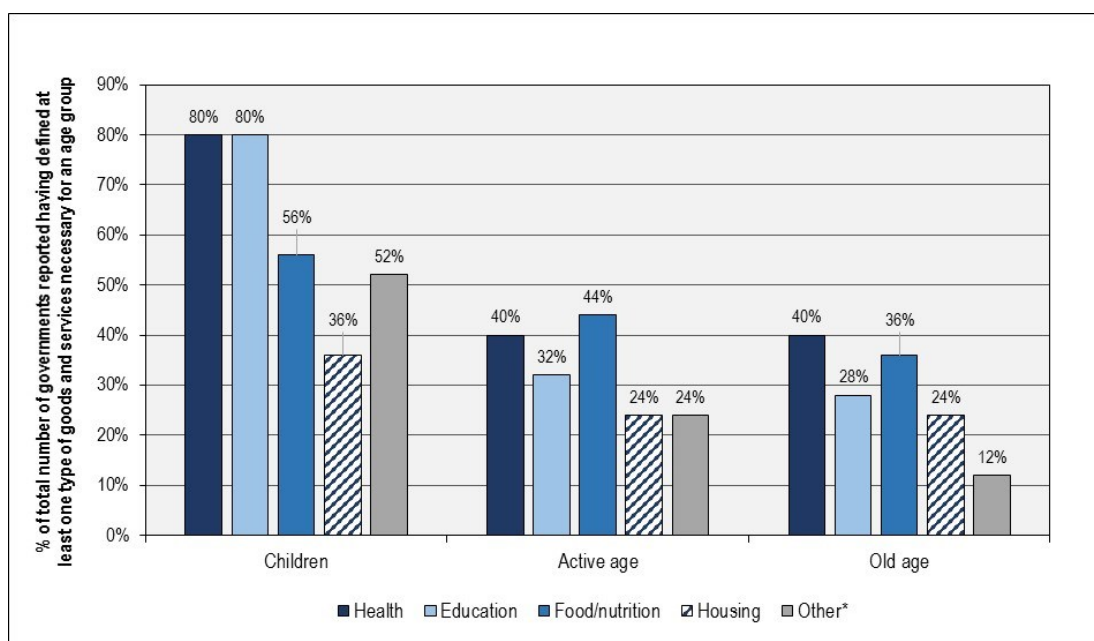
<sup>7</sup> See, for example, Committee on Economic, Social and Cultural Rights (CESCR): “General Comment No. 19: The right to social security (Art. 9)”, United Nations, New York, 2008, E/C.12/GC/19, para. 59 of which recalls that States parties have a core obligation to ensure access to *a minimum essential level of benefits* which includes at least essential health care, basic shelter and housing, water and sanitation, foodstuffs, and the most basic forms of education. See also the European Social Charter (Revised), Art. 30 of which establishes the right to protection against poverty and social exclusion. It provides that the parties undertake “to take measures within the framework of an overall and co-ordinated approach to promote the effective access of persons who live or risk living in a situation of social exclusion or poverty, as well as their families, to, in particular, employment, housing, training, education, culture and social and medical assistance.”

changing needs of the men and women, and boys and girls covered by the basic social security guarantees, which vary over the life cycle, for example in childhood, active age and old age (Paragraphs 4 and 5).<sup>8</sup> Gender must also be considered in the definition of such goods and services, at all stages of development, as a transversal and inherent component of the human being.

201. In this regard, in accordance with the guidance set out in the Recommendation, the Committee wishes to point out that, while access to at least essential health care and basic income security should be secured at all stages of life, the composition of the goods and services constituting essential health care, as well as the type and quantity of other necessary goods and services, may change over the life cycle. The sets of goods and services defined as necessary to meet the needs of different categories of persons, men and women, boys and girls, at different stages of life and in the event of different circumstances, risks and contingencies may therefore differ accordingly.<sup>9</sup>

202. The Committee notes from the government replies to the questionnaire that the range of goods and services defined as necessary at the national level differs between countries, population groups and contingencies (see figure 4.1). In many countries, access to food and nutrition, health care, housing and clothing are defined as indispensable. Access to education is often considered as a basic need for children, while in other countries lifelong access to various forms of education is considered as a necessity for everyone, irrespective of age.

**Figure 4.1. Goods and services defined as necessary at the national level**



\* Other goods and services include, for example, clothing, leisure, transportation, and communication and information services.

Source: Government reports for the General Survey on Social Protection Floors 2019.

<sup>8</sup> Chs 5 to 8 examine the law and practice giving effect to the minimum set of basic social security guarantees over the life cycle, as set out in Para. 5 of the Recommendation.

<sup>9</sup> Chs 5 to 8 review the various benefits that are necessary at different stages of the life cycle and in different situations.

203. In a number of countries, the national Constitution explicitly guarantees the right of access to certain goods and services. For example, in *South Africa*, the Constitution provides that “Everyone has inherent dignity and the right to have their dignity respected and protected.” It also specifies the right to housing, health-care services, sufficient food and water, social security, adequate forms of care, basic nutrition, shelter and social services for every child, and the right to basic education for everyone, irrespective of age.<sup>10</sup> In *Poland*, the Constitution guarantees the right to dignity as a basis for all other rights, which includes the right to health protection, education and special assistance.<sup>11</sup> The *National Confederation of Trade Unions of Moldova (CNSM)* recalls that the Constitution of the *Republic of Moldova* requires the State to ensure that every person has a decent standard of living, including food, clothing, housing, medical care and the necessary social services.<sup>12</sup> The *Confederation of Labour of Niger (CNT)* reports that access to basic social services, including education and health, is a constitutional right of the citizens of *Niger* which the State has the duty to ensure.<sup>13</sup>

204. In some cases, these rights are set out in the national legislation, or in social policy. For example, in *South Africa*, social policy includes the concept of the “social wage”, which includes free primary health care, a “no-fee schools” policy abolishing school fees in the poorest primary schools across the country,<sup>14</sup> social assistance grants (for example, child support, disability and grants for older persons), housing and the provision of some free basic services, such as water, electricity and sanitation for poor households. Some of the elements of the social wage are subject to tripartite dialogue and embedded in a number of legislative texts.<sup>15</sup> In several countries, such as *Belarus*, *Czech Republic*, *Germany*, *Poland*, *Slovakia* and *Ukraine*, a minimum basket of goods and services has been established which is considered to be necessary to achieve a certain standard of living, either at the subsistence level or as a “social minimum”, defined as a standard of living fully guaranteeing social inclusion, which may be interpreted as a level that allows life in decency and dignity. Such baskets are either defined in legislation, or on the basis of the actual consumption pattern of lower-income households. The *General Confederation of Lebanese Workers (CGTL)* reports that the legislation in *Lebanon*, and particularly the Social Security Act, guarantees that benefits are sufficient to meet basic human needs. The *International Trade Union Confederation (ITUC)* reports that definitions of need vary according to the national context, but that a list of goods and services essential for a decent life should comprise, among others, food, housing, clothing, transport, medical expenses and education expenses. It adds that in many countries the content of the basic needs basket is not sufficient to live a decent life.

205. The Committee observes, on the basis of the country reports, that guaranteeing access to the goods and services necessary to allow life in dignity, within the meaning of the Recommendation, requires the close coordination of social protection policies establishing basic social security guarantees with other policies, such as those relating to public health, water and sanitation, food and nutrition, education, housing, communication technologies and recreation (see figure 4.1). Although the latter are not part of the minimum set of basic social security guarantees provided for in Paragraph 5 of the

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<sup>10</sup> Arts 10, 26, 27 and 29.

<sup>11</sup> Arts 30, 68, 70 and 71.

<sup>12</sup> Art. 47.

<sup>13</sup> Art. 146 of the Constitution.

<sup>14</sup> UNICEF: *South Africa. Overview: Education and adolescent development*.

<sup>15</sup> The Social Assistance Act, 2004, and the Social Assistance Amendment Act, 2010.

Recommendation,<sup>16</sup> the basic social security guarantees that form part of national social protection floors should be defined in light of and in coordination with the whole package of goods and services considered necessary at the national level. This highlights the need for an integrated approach to social security, in close connection with other areas of social policy.<sup>17</sup>

#### 4.1.2. The provision of basic social security guarantees through a combination of benefits and schemes

206. The set of goods and services defined as being necessary at the national level has to be ensured through the *basic social security guarantees* (Paragraph 4). These guarantees are formulated as outcomes in the Recommendation, namely nationally defined minimum levels of income security and access to health care defined as essential at the national level. These outcomes, in line with Paragraph 5, are to be achieved through various types of *benefits*, which member States are invited to combine in the most efficient manner (Paragraph 9(1)). Benefits may include “child and family benefits, sickness and health-care benefits, maternity benefits, disability benefits, old-age benefits, survivors’ benefits, unemployment benefits and employment guarantees, and employment injury benefits as well as any other social benefits in cash or in kind” (Paragraph 9(2)).

207. Benefits can be provided through different types of *schemes* and generally take the form of: contributory social security benefits, for which entitlement depends on a certain number of contributions paid, such as social insurance; non-contributory universal or specific benefits, for which all persons (resident in a country) in a specific category (for example, all residents younger or older than a certain age threshold); or non-contributory but targeted benefits, for which entitlement depends on the level of income or assets, and sometimes also on additional conditions.<sup>18</sup>

#### Box 4.1

#### Contributory and non-contributory social security schemes \*

##### Contributory schemes

A contributory scheme is a scheme in which contributions made directly determine entitlement to benefits (acquired rights). The most common form of contributory social security schemes is a statutory social insurance scheme, usually covering workers in formal wage employment and, in some countries, the self-employed.

Social insurance – like all forms of insurance – is a mechanism for (financial) risk pooling. The insurance principle operates on the basis that a group of individuals, who are likely to encounter a specific social risk or contingency (for example, sickness or unemployment) pay contributions into a pool or fund, which is then used to pay benefits, according to specified rules, to those who experience the occurrence of the relevant risk.

<sup>16</sup> For the purposes of the Recommendation, social protection floors only include “social security” guarantees, that is guarantees provided through social security benefits, schemes and systems, but do not explicitly include other social policy measures. However, it should be noted that, within the meaning of the Recommendation, the extent to which social security policies can achieve the objective of securing access to all goods and services considered necessary to allow life in dignity also depends on these other areas of social policy. Moreover, the wording of Para. 5, by specifying that social protection floors should comprise *at least* the following basic social security guarantees, explicitly leaves room for States to define additional guarantees.

<sup>17</sup> This integrated approach is advocated in the Recommendation, especially in Para. 3(l) and (m) and Para. 10 (particularly 10(c)). See ch. 11 for more in-depth analysis of these provisions and an overview of national practices.

<sup>18</sup> See ch. 6, section 6.3, ch. 7, section 7.3 and ch. 8, section 8.3, for more country examples on the use of different schemes and benefits.

There are differences between one scheme and another but the principal elements of social insurance may be set out as follows:

- social insurance is financed by contributions which are normally shared between employers and workers, with, perhaps, state participation in the form of a supplementary contribution or other subsidy from the general revenue;
- participation is compulsory, with few exceptions;
- contributions are accumulated in special funds out of which benefits are paid;
- surplus funds not needed to pay current benefits are invested to earn further income;
- a person's right to benefit is secured by her/his contribution record without any test of need or means;
- contribution and benefit rates are often related to what the person is or has been earning;
- employment injury insurance schemes are usually financed wholly by employers, with the possibility of state help from general revenue.

#### **Non-contributory schemes**

Non-contributory schemes normally require no direct contribution from beneficiaries or their employers as a condition of entitlement to receive relevant benefits. The term covers a broad range of schemes, including universal schemes for all residents (such as national health services), categorical schemes for certain broad groups of the population (e.g. for children below a certain age or older persons above a certain age), and means-tested schemes (such as social assistance schemes). Non-contributory schemes are usually financed through taxes or other state revenues, or, in certain cases, through external grants or loans.

To this effect, ILO Convention No. 102 sets that the cost of the benefits and the cost of the administration of such benefits shall be borne collectively by way of insurance contributions or taxation or both in a manner which avoids hardship to persons of small means and takes into account the economic situation of the Member and of the classes of persons protected (Article 71(1)). Moreover, the total of the insurance contributions borne by the employees protected shall not exceed 50 per cent of the total of the financial resources allocated to the protection of employees and their dependent family members (Article 71(2)).

\* See also Appendix VI, glossary.

208. Social insurance and social assistance schemes have traditionally been the main pillars of social security systems.<sup>19</sup> The Recommendation however recognizes in Paragraph 9(3) other types of schemes providing benefits which help to achieve the outcomes of the basic social security guarantees, including negative income tax and similar schemes (which the reports show are widely used in many countries) and public employment (or public works) and employment support schemes.

209. Benefits may be in cash or in kind (such as the direct provision of health care or other goods or services, including the partial or full reimbursement of the cost of goods and services, including refunding the cost of health care services, pharmaceuticals, funeral and housing costs). As indicated by governments in their reports, countries often opt for other types of benefits which play a similar role to cash and in-kind social security benefits in terms of achieving the desired outcomes. For example, price subsidies and tax benefits

<sup>19</sup> As reflected in the types of protection outlined in the Income Security Recommendation, 1944 (No. 67), and the Medical Care Recommendation, 1944 (No. 69), and subsequently in the Social Security (Minimum Standards) Convention, 1952 (No. 102), which is considered to embody the definition of social security, see ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter, the "2011 General Survey"), para. 56.

may act as a significant supplement to social security benefits and constitute an important part of national social protection floors.<sup>20</sup> In a number of countries, such as *Bangladesh, Ethiopia, Ghana, India* and *South Africa*, certain forms of employment guarantee schemes or public work programmes have been introduced for persons in poverty.<sup>21</sup>

210. In accordance with Paragraph 9(1), member States should consider various approaches to the provision of basic social security guarantees with a view to “implementing the most effective and efficient combination of benefits and schemes in the national context”, and are therefore explicitly invited to consider different approaches when seeking the optimal mix of schemes and the benefits that they provide. This is also reflected in the principle set out in Paragraph 3(i), which calls for the consideration of a diversity of methods and approaches, including of financing mechanisms and delivery systems. The guarantees may therefore be achieved through a combination of different social transfers, either in cash or through the direct provision of essential goods and services.<sup>22</sup> Regarding health protection, for instance, these can be provided through vouchers (for example for prenatal care) or in cash, for instance to allow older persons in need of long-term care to create an enabling living environment.

211. According to the information provided by governments in their reports, a variety of methods are used in most countries for the implementation of social protection floors and the provision of basic social security guarantees, as examined in greater detail in chapters 5 to 8 below. In many countries, there are one or more social insurance schemes, supplemented by social assistance and other mechanisms to cover persons falling outside the scope of these insurance schemes, while others top up the benefits where they fall below the national minimum income level.

212. The *International Organisation of Employers (IOE)* notes that the principle of consideration of diversity of methods and approaches, including of financing mechanisms and delivery systems as stated in Paragraph 3(i) of the Recommendation is a principle of particular importance for employers, especially where employers play a major role in financing social protection measures. The *IOE* emphasizes the need to close any identified social protection gaps through adopting appropriate and effectively coordinated schemes, whether contributory and/or non-contributory, including through the extension of existing contributory schemes to all concerned persons with contributory capacity.

213. The *ITUC* reports that it has long been calling for a comprehensive mix of social insurance and social assistance, in line with the Social Security (Minimum Standards) Convention, 1952 (No. 102) and Recommendation No. 202. Contributions-based social security schemes can leave coverage gaps if they are not designed efficiently, and tax-funded universal social assistance can therefore serve as an essential tool to fill these gaps and prevent people from falling into poverty.

214. As reported by the *Single Federation of Non-dependent and Allied Venezuelan Workers (FUTRAND)*, the *Ibero-American Federation of Informal Economy Workers (UTREIN)* and *StreetNet International*, although different methods are used in the *Bolivarian Republic of Venezuela*, some are only established by decree and are temporary, while others are not considered to be equitable. For example, they note that workers

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<sup>20</sup> Such tax measures are reported in *Belarus, Bosnia and Herzegovina, China, Côte d’Ivoire, Jordan, Latvia, Portugal, Saudi Arabia, Syrian Arab Republic* and *Trinidad and Tobago*.

<sup>21</sup> ILO: *Towards the right to work: A guidebook for designing innovative public employment programmes*, Guidance note 9: Public employment programmes and decent work, Geneva, 2012.

<sup>22</sup> For country practices, see ch. 6, section 6.3, ch. 7, section 7.3 and ch. 8, section 8.3. For guidance on coherent and coordinated policy approaches, see chs 9 and 11.

without an employer who are covered by the insurance system have to pay contributions amounting to 13 per cent of their pay, which is up to four times more than the contributions of employees. The *German Confederation of Trade Unions (DGB)* explains that there is a diversity of methods and instruments in *Germany*. Pensions can combine public, occupational and private elements, and may include additional contributions from employers or the public sector. Access to health care may be granted either through contributions by insured persons to public schemes, or individual contracts with private schemes. Unemployment benefits are funded through both individual contributions and public financing.

215. Countries often make use of targeted anti-poverty transfers and food delivery programmes, subsidies, and other public and economic policy measures to target population categories that are disproportionately exposed to specified risks, or are not covered by any other benefits. In *Mexico*, a number of programmes are run by the Ministry of Social Development, including the Mexico without Hunger National Programme 2014–18, the objective of which is to provide food aid to over 7 million Mexicans suffering from malnutrition and hunger, in particular the poor and the homeless. In *Zimbabwe*, the unconditional Harmonized Social Cash Transfer (HSCT) is used to support poor households. In *Jamaica*, the Programme of Advancement through Health and Education has offered conditional cash transfers since 2002 to the most needy and vulnerable, including the poor, persons with disabilities, pregnant women, children and elderly persons without pensions. In the *United States*, the Supplemental Nutrition Assistance Program (SNAP) is the largest programme in the domestic hunger safety net, with over 42.2 million participants in 2017, who receive a monthly amount on an electronic benefit card, which works like a debit card, to purchase food products in authorized food stores.

216. In addition to cash transfers and benefits in kind, other fiscal and economic measures have been adopted, including tax exemptions, tax credits and price subsidies. For example, in *Canada*, substantial supplements to social protection are provided in the form of tax credits delivered through the personal income tax system. In *Latvia*, vehicle operation tax relief is available for large families, while in *Portugal* electricity and gas fees are reduced for certain categories of social protection recipients. In *China*, to increase the funding of old-age benefits, companies that make old-age insurance contributions benefit from a reduction in corporate tax.

**217. The Committee welcomes the variety of measures used at the national level to prevent poverty, vulnerability and social exclusion, in line with the objectives of the Recommendation. However, it notes that, while relief and anti-poverty measures provide some form of protection and constitute an essential component of social protection floors in many countries, securing a life in health and decency for all people requires the establishment of other types of social security measures, such as tax-funded social assistance and adapted social insurance mechanisms enshrined in law which are sustainable, rights-based and provide adequate levels of protection.**

**218. The adoption of a wide array of measures and methods requires careful consideration and state oversight to find the most effective and efficient combination of benefits and schemes that reflects national social and cultural values, history, institutions and the level of economic development.<sup>23</sup> In this regard, the Committee wishes to emphasize the responsibility of the State for establishing and enhancing social protection schemes and measures as part of the extension of the national social security system so as to best address the specific challenges and gaps in protection.**

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<sup>23</sup> Recommendation No. 202, Para. 9(1). See also chs 9 and 11. For further analysis of the various methods of financing, see ch. 10.

**Most importantly, the provision of cash benefits and of goods and services, including health services, should be carefully coordinated in order to at least ensure that, over the life cycle, all in need have access to essential health care and basic income security.**

*The combination of preventive, promotional and active measures, benefits and social services*

219. In accordance with Paragraph 10(a) of the Recommendation, member States, in designing and implementing national social protection floors, should combine “preventive, promotional and active measures, benefits and social services”, based on the recognition that social protection policies are more effective when implemented through an appropriate mix of such measures.<sup>24</sup> Paragraph 10(b) and (c) add that States should promote productive economic activity and formal employment, and coordinate these measures with other policies that, in general, reduce precariousness, enhance human development and promote formal and secure employment opportunities, within the framework of decent work.<sup>25</sup> The Recommendation therefore highlights the transformative potential of social protection, which is optimized when it is combined and coordinated with other policies and measures.

**220. The Committee considers that giving effect to the guidance set out in Paragraph 10 of the Recommendation can contribute to optimizing the efficiency of the social protection system and its capacity to deliver the desired outcomes. Through a combination of benefits, measures and services, and coordination with other policies, social protection policies have the potential to enhance human development, promote economic activity and formal employment, and in so doing to enhance the overall protection afforded by the system and the adequacy of the benefits and services provided.**

## 4.2. Establishment of adequate levels of basic social security guarantees

### 4.2.1. The adequacy of basic social security guarantees measured by their outcome

221. The basic social security guarantees, within the meaning of the Recommendation, are intended to “set the minimum levels of protection that all members of a society should be entitled to in case of need”.<sup>26</sup> In this regard, Paragraph 2 specifies that the basic social security guarantees should secure protection with the objective of preventing or at least alleviating poverty, vulnerability and social exclusion. Paragraph 8(b) adds that “basic income security should allow life in health and dignity”, while Paragraphs 5(a) and 8(a) promote life in health. The Recommendation thereby sets the general objectives to be achieved, but leaves it to member States to determine the basic levels of income security that should be guaranteed, as a minimum, during childhood, working age and old age, as well as the definition of affordable access to essential health care.<sup>27</sup>

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<sup>24</sup> ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, International Labour Conference, 100th Session, Geneva, 2011, para. 10.

<sup>25</sup> See ch. 11 for more specific analysis of the implementation of this provision and the achievement of policy coherence.

<sup>26</sup> ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, 2011, op. cit., appendix, para. A6.

<sup>27</sup> ILO: *Social protection floors for social justice and a fair globalization*, Report IV(1), ILC, 101st Session, Geneva, 2012, para. 62: “The conclusions concerning social security (2011) pragmatically accepted that the



222. Benefits should also be adequate and predictable (Paragraph 3(c)) and provided in such a manner as to ensure respect for the rights and dignity of people covered by the social security guarantees (Paragraph 3(f)). These principles are of particular importance in ensuring that the benefits that give effect to the basic social security guarantees are designed and implemented in a manner that is conducive to achieving the general objectives of the Recommendation, and that entitlement to benefits is established by law, as provided in Paragraphs 3(b) and 7.

223. The Committee notes that, in general terms, social security benefits may be considered adequate if they result in the expected social policy outcomes.<sup>28</sup> In the context of national social protection floors, as defined in the Recommendation, this requires: (1) the benefits or sets of benefits provided by the social security system to be set at a level that is sufficient to realize, at least, the basic social security guarantees (which involves access, without hardship or an increased risk of poverty, to at least essential health care, and ensuring at least basic income security for children, persons in active age and older persons at a level sufficient to allow life in dignity); and (2) the measures, benefits and social services combined to constitute national social protection floors,<sup>29</sup> together to meet the overall objective of preventing or at least reducing poverty, vulnerability and social exclusion. In light of this objective, the adequacy of social protection floors also implies the achievement of universal coverage so that every person in need is protected by the basic social security guarantees (Paragraph 4).<sup>30</sup> **In this regard, it should be noted that the Sustainable Development Goals and their targets, including target 1.3, “implementing nationally appropriate social protection systems and measures for all, including floors, and achieve substantial coverage of the poor and the vulnerable”, must be achieved by 2030.**

224. As highlighted in chapter 1, social protection floors, within the meaning of the Recommendation, should comprise the basic social security guarantees set out in Paragraph 5 which, together, should ensure access to essential health care and basic income security. While the notion of adequacy is examined separately in relation to essential health care and basic income security in this section, it should be borne in mind that, in the spirit of the Recommendation, the overall adequacy of national social protection floors needs to be examined taking into account the combination of the two elements.

#### 4.2.2. Essential health care

225. In accordance with Paragraphs 4 and 5(a) of the Recommendation and as reiterated in the health targets of SDG 3, all persons in need should have at least access to essential health care, and no one should be left behind.<sup>31</sup> Moreover, Paragraphs 5(a) and 8(a) call for maternity care and free pre- and postnatal medical care, as well as protection against financial hardship due to the financial consequences of accessing health-care goods and services. Paragraphs 5(a) and 7 further specify that essential health care should meet

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concrete definition of adequacy should be formulated at national level, as not all member States have developed definitions of poverty lines, minimum wages or average or median wage levels or other benchmarks.”; *Conclusions concerning the recurrent discussion on social protection (social security)*, 2011, op. cit., para. 10.

<sup>28</sup> ILO: *Social security for social justice and a fair globalization*, Report VI, International Labour Conference, 100th Session, Geneva, 2011, paras 91–102 on the adequacy of benefits in relation to the objectives of Convention No. 102 and higher standards.

<sup>29</sup> Para. 10(a) of the Recommendation.

<sup>30</sup> See ch. 2.

<sup>31</sup> See ch. 5 for an overview of national law and practice giving effect to these provisions.

certain criteria, and particularly availability, accessibility, acceptability and quality, and be guaranteed by law.<sup>32</sup> The Committee notes that these criteria have been specified by the United Nations Committee on Economic, Social and Cultural Rights (CESCR) in relation to the services, goods and facilities required to give effect to the right to health,<sup>33</sup> as laid down in Article 12 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), and it refers member States to the relevant CESCR comment for guidance on their meaning within the context of the Recommendation.

**Box 4.2**

The criteria for essential health care, under Article 12 of the ICESCR, are:

- ❑ Functioning public health and health-care facilities, goods and services, as well as programmes, have to be *available* in sufficient quantity within the country.
- ❑ Health-care facilities, goods and services have to be *accessible* physically and economically for all, especially the most vulnerable or marginalized sections of the population, without discrimination on any of the prohibited grounds. Accessibility also implies the right to seek, receive and impart information and ideas concerning health issues, but this should not impair the right to have personal health data treated with confidentiality.
- ❑ Health-care facilities, goods and services have to be *acceptable*, which implies being respectful of medical ethics and culturally appropriate, or in other words respectful of the culture of individuals, minorities, peoples and communities, sensitive to gender and life-cycle requirements, as well as being designed to respect confidentiality and improve the health status of those concerned.
- ❑ Health-care facilities, goods and services also have to be scientifically and medically appropriate and of *good quality*. This requires, inter alia, skilled medical personnel, scientifically approved and unexpired drugs and hospital equipment, safe drinking water, and adequate sanitation.

226. The Committee further notes that these provisions of the Recommendation are aligned with SDG 3 “Ensure healthy lives and promote well-being for all at all ages”, and more specifically target 3.8, “Achieve universal health coverage, including financial risk protection, access to quality essential health care services and access to safe, effective, quality and affordable essential medicines and vaccines for all”.

227. The definition of essential health care at the national level involves political and societal decisions on the types of care and services that are to be included or excluded. To facilitate this task, many countries follow the trend of developing a negative list of excluded care, rather than a positive list of included goods and services.<sup>34</sup> As each country differs in terms of its epidemiological, social, economic and demographic characteristics, these should be reflected in the content of essential health care. On the basis of a common understanding,<sup>35</sup> essential health care should therefore comprise a broad range of goods and services, including public health and clinical services provided at the primary and/or

<sup>32</sup> See below for a detailed analysis of the meaning of these criteria in the context of the Recommendation, and ch. 3 on the specifications of Para. 7 of the Recommendation.

<sup>33</sup> CESCR: “General comment No. 14: The right to the highest attainable standard of health”, 2000, New York, E/C.12/2000/4, para. 12.

<sup>34</sup> K. Obermann and X. Scheil-Adlung: *Costing essential health-care packages based on the framework of national floors of social protection: An innovative ILO approach for countries with limited availability of reliable data*, Extension of Social Security Working Paper No. 39, ILO, Geneva, 2013.

<sup>35</sup> World Health Organization (WHO) and World Bank (WB): *Tracking universal health coverage: 2017 Global Monitoring Report*, Geneva, 2017.

secondary levels, as well as curative care, including essential surgery, preventive and maternity care.

228. Adequate essential health care should also address new health security risks<sup>36</sup> in order to prevent, rather than just responding to emerging epidemics, such as severe acute respiratory syndrome (SARS), the H1N1 flu pandemic, Zika and Ebola,<sup>37</sup> as already envisaged in *Sierra Leone* since the most recent outbreak of Ebola.<sup>38</sup> Moreover, in accordance with Paragraphs 5(a) and 10(a) of the Recommendation, essential health care should include free prenatal and postnatal care for the most vulnerable, promotional and active measures, as well as health *and* social services. The inclusion of long-term care for older persons, which falls between health and social services, is often overlooked in this context. As a result, the needs of older persons are often not met and they experience impoverishment and exclusion (as reported in *Belgium* and *Slovenia*).<sup>39</sup> As a result of global ageing,<sup>40</sup> the need for long-term care for older persons will increase significantly in future, and unpaid family care will no longer be sufficient,<sup>41</sup> which makes it important to consider long-term care when defining essential health care in the context of adequate social protection floors.

229. As the links between essential health care and more comprehensive care are not clear-cut and are likely to change over time, the Recommendation provides in Paragraph 5(a) that health care should *at least* comprise essential goods and services. It also calls for the progressive development of essential health care, for example by setting targets and time frames for the provision of more comprehensive packages (Paragraphs 13 and 14), in accordance with the guidance set out in Convention No. 102<sup>42</sup> and more advanced ILO standards, such as the Medical Care and Sickness Benefits Convention (No. 130) and Recommendation (No. 134), 1969 (Paragraph 17).<sup>43</sup>

230. In this respect, the *ITUC* refers to ILO Conventions Nos 102 and 130, as well as Recommendation No. 134 and the Workers with Family Responsibilities Recommendation, 1981 (No. 165), as a useful framework for determining what is to be included in a basic health-care package. It adds that the definition of essential health care promoted by the World Bank is highly targeted towards people in extreme poverty, which it considers to be a limited concept of essential health care that is not in line with the principle of universality.

231. The *Central Organization of Finnish Trade Unions (SAK)*, the *Confederation of Unions of Professional and Managerial Staff in Finland (AKAVA)* and the *Finnish Confederation of Professionals (STTK)* note that the basic health package in *Finland*

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<sup>36</sup> *ibid.*

<sup>37</sup> WHO: *Ebola in Sierra Leone: A slow start to an outbreak that eventually outpaced all others*, Geneva, 2015.

<sup>38</sup> S. Squire, K. Hann, O. Denisiuk et al.: “The Ebola outbreak and staffing in public health facilities in rural Sierra Leone: Who is left to do the job?” in *Public Health Action*, 7(1), 2017, S47–S54.

<sup>39</sup> X. Scheil-Adlung: *Long-term care protection for older persons: A review of coverage deficits in 46 countries*, Extension of Social Security Working Paper No. 50, ILO, Geneva, 2015, p. 37.

<sup>40</sup> See also ILO: *Employment and social protection in the new demographic context*, Report IV, International Labour Conference, 102nd Session, Geneva, 2013.

<sup>41</sup> X. Scheil-Adlung and A. Nove: “Global estimates of the size of the health workforce contributing to the health economy: The potential for creating decent work in achieving universal health coverage”, in WHO: *Health employment and economic growth: An evidence base*, J. Buchan, I.S. Dhillon and J. Campbell (eds), WHO, Geneva, 2017, p. 142. See also ch. 8, sections 8.1.1 and 8.2.2.

<sup>42</sup> See Convention No. 102, Part II, on medical care.

<sup>43</sup> See also Recommendation No. 69, as reviewed in the 2011 General Survey.

includes dental, old-age and basic health care, and constitutes a very comprehensive system throughout the life cycle. The *ITUC* and the *Workers Confederation of Comoros (CTTC)* report that protection for children in the health sector in Comoros is established by law, which requires such protection to be ensured throughout the set of medical, social, education and administrative measures. In that context, vaccines are mandatory and for free for children, who also receive benefits and services through national prevention programmes. The *General Confederation of Labour – Force Ouvrière (CGT–FO)* indicates that in *France* primary health care includes prevention, screening, treatment and follow-up of patients, as well as medicines, pharmaceutical products and medical devices, and education for health. However some treatments, such as dental care, are still very costly. According to the *Trade Union Confederation of Gabon (COSYGA)*, the national health system in *Gabon* only covers a limited list of medicines, and costs are not reimbursed within a reasonable period of time. Access to goods and services is hindered by shortages, as well as such problems as differences in treatment between beneficiaries and difficulties relating to physical access to health structures.

232. The Committee notes that, while the definition of essential health care varies at the national level,<sup>44</sup> adequate essential health care should be designed with a view to giving effect to the general objectives of the Recommendation and the principles set forth in Paragraph 3. An important objective outlined in the Recommendation is universality of coverage, both legal and effective, which requires equitable access for all without discrimination on grounds of gender, age or specific diseases, such as HIV/AIDS. Universality involves inclusive coverage, legal protection and effective access for all persons and their families, without restrictions for certain groups of people, such as the rich or the poor, those who are not in formal employment and rural populations.<sup>45</sup>

233. Global developments show that universality and equity can only be achieved through health protection schemes that provide financial protection so as to guarantee that persons in need of health care do not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care (Paragraph 8(a)). **In this context, the Committee observes that social protection floors should include systems or schemes through which everybody has access to affordable, accessible and acceptable quality health care.**

#### *Meeting the core criteria of adequate essential health care*

234. Paragraph 5(a) of the Recommendation specifies that essential health care at the national level should meet the criteria of availability, accessibility, acceptability and quality (see box 4.2). The application of these criteria implies the need to take into account the objective of universality and the principles of non-discrimination, gender equality and social inclusion set out in Paragraph 3(d) and (e) of the Recommendation.<sup>46</sup> These criteria should apply to persons of all sexes, whether they are young or old, poor or rich, employed or unemployed, in the formal or informal economy or living in rural or urban areas. Moreover, as indicated in Paragraph 8(a), persons in need of health care should not face financial hardship or an increased risk of poverty.

235. These core criteria, including access to acceptable and quality care available and affordable for all in need, requires the allocation of sufficient resources. In the spirit of the Recommendation, such resources should be generated through solidarity in financing

<sup>44</sup> For more country practices, see ch. 5.

<sup>45</sup> See ch. 2 for a detailed analysis of the provisions of the Recommendation relating to the objective of universality of protection and the related principles.

<sup>46</sup> See ch. 2.

(Paragraph 3(h)) based on broad risk pooling, covering all health and social services deemed necessary at the national level (Paragraph 4). To achieve universal and equitable access for all, and particularly for the poor and vulnerable, it is thus important for sufficient public funds to be made available to ensure that services are affordable for all. It is also necessary to exclude reliance on out-of-pocket expenditure, such as user fees, which is the case in most high-income countries, such as *Germany, France, Norway and Japan*.<sup>47</sup>

236. For the provision of accessible health care, the resources necessary to meet the cost of goods and services should also cover the delivery of health care through support structures, including an adequate workforce with decent working conditions, and particularly wages, in rural and urban areas, pharmaceutical supplies (including generic drugs), infrastructure, medical equipment, as well as transport, logistics and communication. The *ITUC* expresses concern in this respect that staff shortages and long waiting periods unacceptably compromise the timely and effective provision of essential health-care services.

237. Accessibility presupposes the affordability of essential health care, which in turn implies minimizing out-of-pocket payments and subsidizing care for the vulnerable.<sup>48</sup> The affordability of health care also requires income replacement during periods of illness since, without paid sick leave, workers may be forced to decide between jeopardizing their health or losing their job and the income needed by their families.<sup>49</sup> Finally, adequate social protection floors that provide essential health care need to ensure protection against financial hardship and impoverishment due to catastrophic health expenditure, which may force the sick to reduce basic consumption, for example of food, sell their productive assets or incur debts.

238. In view of the limitations of public resources in many countries, an increasing trend can be observed of targeting the poor through means testing and the introduction of user fees for essential health care, and particularly long-term care.<sup>50</sup> While the objective is often to contain costs, the actual result may be an increase in public expenditure due, for example, to delayed care because of high co-payments, or low-quality services, which have significant costs for the economy as a whole, including loss of productivity and economic growth. Such targeted approaches often also result in impoverishment, as the sick need to become poor before they are eligible to access the required care, and overall health-care expenditure may be higher due to the need for delayed and more expensive treatment. Finally, the human right to health and social protection, as well as a life in health and dignity, may be threatened by such policies.

239. The impact of these types of cost containment measures can also be seen in countries with significant shortages of health and social workers, such as *Haiti and Sierra Leone*, or where large parts of the skilled health workforce are replaced by unpaid labour, such as volunteers. In the absence of a sufficient number of health workers, it is challenging to guarantee the availability of adequate essential health care of acceptable quality. The

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<sup>47</sup> WHO: Global Health Observatory (GHO) data: “Out-of-pocket expenditure as a percentage of current health expenditure (CHE)”. See also ch. 5, section 5.4.3 and figure 5.6.

<sup>48</sup> Council of Europe: “Report and conclusions concerning the application of the European Code of Social Security and its Protocol”, Governmental Committee of the European Social Charter and the European Code of Social Security, 137th Meeting (23–27 April 2018), GC(2018)8, para. 35. See also WHO/WB: *Tracking universal health coverage*, 2017, op. cit.

<sup>49</sup> Countries providing paid sick leave, often for specific groups of employees, include *Antigua and Barbuda, Australia, Canada, Czech Republic, Denmark, Estonia, France, Germany, Lithuania, Malta, Morocco, Netherlands, Poland, Portugal, South Africa, Thailand, Tunisia, United Kingdom and United States*.

<sup>50</sup> X. Scheil-Adlung: *Long-term care protection for older persons*, 2015, op. cit., p. 17.

number of health workers required to ensure that quality care is accessible and available to all is considered to be 41.1 health workers per 10,000 population in low- and middle-income countries and, in the case of long-term care, 4.2 workers per 100 persons aged 65 or over in countries in all regions, irrespective of income level.<sup>51</sup> These thresholds for health workers are only met in a few high-income countries, such as *Cyprus* and *Sweden*.<sup>52</sup> However, global shortages of 18.3 million health workers and 13.6 million long-term care workers mean that the necessary care is not available for large parts of the world population, sometimes even where coverage is provided for in law, but not adequately implemented.<sup>53</sup>

**240. The Committee observes that, in the spirit of the Recommendation, member States should ensure that all in need are covered by at least essential health care without any exclusions. Everyone should be entitled to and have access to affordable and acceptable quality care that is available where and when it is needed, without financial hardship. Affordability and the prevention of hardship makes it necessary to minimize out-of-pocket payments for essential health care. The scope of essential health care should be defined at the national level with a view to reflecting the national context, and should include preventive and curative care, as well as free maternity care for the most vulnerable.**

#### 4.2.3. Basic income security

##### *Adequate income security for life in dignity*

241. Paragraph 8(b) of the Recommendation defines the outcome of basic income security with a view to “allowing life in dignity”.<sup>54</sup> This is also expressed in the principle in Paragraph 3(f), which sets out the responsibility of the State to ensure respect for the rights and dignity of people covered by the social security guarantees. The Committee recognizes that human dignity lies at the basis of all human rights,<sup>55</sup> and that there are many factors that can lead to dignity being undermined, including risks related to the inadequate protection of individuals against the negative consequences of social contingencies over the life cycle.<sup>56</sup> Through the provision of adequate levels of basic income security, social

<sup>51</sup> X. Scheil-Adlung (ed.): *Global evidence on inequities in rural health protection: New data on rural deficits in health coverage for 174 countries*, Extension of Social Security Document No. 47, Geneva, 2015, p. 9; and *Long-term care protection for older persons*, 2015, op. cit., p. 25.

<sup>52</sup> X. Scheil-Adlung: *Global evidence on inequities in rural health protection*, 2015, op. cit., Statistical Annex, p. 45; and *Long-term care protection for older persons*, 2015, op. cit., Annex 2, p. 34.

<sup>53</sup> X. Scheil-Adlung: *Health workforce: A global supply chain approach: New data on the employment effects of health economies in 185 countries*, Extension of Social Security Working Paper No. 55, Geneva, 2016, p. 1; and *Long-term care protection for older persons*, 2015, op. cit., p. 17.

<sup>54</sup> This is in line with: Art. 25 of the Universal Declaration of Human Rights (UDHR), which recognizes the right of everyone to a standard of living adequate for the health and well-being of themselves and their family; Art. 11(1) of the ICESCR on the right of everyone to an adequate standard of living for themselves and their family, including adequate food, clothing and housing, and the continuous improvement of living conditions; and Art. 67 of Convention No. 102, which requires benefits covering all residents to be sufficient to maintain the family of the beneficiary in health and decency.

<sup>55</sup> Art. 1 of the UDHR: “All human beings are born free and equal in dignity and rights”. The Preambles of the International Covenant on Civil and Political Rights and the ICESCR, which both set out the “right of everyone to social security”, specify that the rights enshrined in those treaties “derive from the inherent dignity of the human person”.

<sup>56</sup> 2011 General Survey, para. 281.

protection floors address the risks of poverty, vulnerability and social exclusion, and should therefore prevent these risks from undermining human dignity.<sup>57</sup>

242. The concepts of adequacy and dignity are closely related to other concepts and benchmarks set out in various ILO standards defining minimum standards of social security and other forms of social protection. For example, Recommendation No. 67 sets out as a first guiding principle that “[i]ncome security schemes should relieve want and prevent destitution by restoring, up to a reasonable level, income which is lost by reason of inability to work (including old age) or to obtain remunerative work or by reason of the death of a breadwinner” (Paragraph 1). Article 67(c) of Convention No. 102 prescribes that, in the case of means-tested benefits, “the total of the benefit and any other means ... shall be sufficient to maintain the family of the beneficiary in health and decency”.<sup>58</sup> The Social Policy (Non-Metropolitan Territories) Convention, 1947 (No. 82), and the Social Policy (Basic Aims and Standards) Convention, 1962 (No. 117), provide that in “ascertaining the minimum standards of living, account shall be taken of such essential family needs of the workers as food and its nutritive value, housing, clothing, medical care and education” (Article 5(2)).

**243. The Committee recalls that, by adopting SDG 1, the world has committed by 2030 to eradicate extreme poverty<sup>59</sup> for all people everywhere and to reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.<sup>60</sup> The Committee wishes to highlight the value of the guidance provided in the Recommendation in helping member States to achieve progress towards that objective, and emphasizes that, in order to be considered adequate within the meaning of the Recommendation, basic income security should allow life in dignity. This entails the levels of the benefits that give effect to basic income security guarantees being set at a level that is sufficient to secure effective access to the goods and services defined as necessary in the national context (Paragraph 4). The Committee also wishes to underline the guiding value of these provisions in assessing the sufficiency of the benefits provided in application of other ILO social security standards to maintain beneficiaries and their families “in health and decency”.**

*Establishment of benchmarks with a view to setting the levels of the basic social security guarantees*

244. The Committee acknowledges that setting basic levels of protection that are adequate to allow life in dignity is a complex process in which a variety of factors need to be taken into account, such as the cost of living, agreed subsistence levels and various (objective and subjective) assessments of poverty lines. This is recognized in Paragraph 8(b) of the Recommendation, which specifies in this regard that nationally defined minimum levels of income guarantees may correspond to:

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<sup>57</sup> For country practices, see ch. 6, section 6.4 (children), ch. 7, section 7.4 (persons in active age) and ch. 8, section 8.4 (older persons).

<sup>58</sup> The same provision is found in the Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128), Art. 28(c), and Convention No. 130, Art. 24(c).

<sup>59</sup> The international extreme poverty line set by the World Bank (updated in 2015), amounts to US\$1.90 per person per day. The international extreme poverty line is used primarily to track global extreme poverty, and to measure progress on global goals set by the World Bank, the United Nations, and other development partners. National poverty lines, to be used for the development of national anti-poverty and social protection measures, often take into account the multidimensional nature of poverty as shown in the following paragraphs.

<sup>60</sup> Different from the globally set extreme poverty line, poverty lines are set nationally, taking into account a variety of national factors, such as the cost of living or subsistence level, as discussed in following paragraphs.

- the monetary value of a set of necessary goods and services;
- national poverty lines;
- income thresholds for social assistance;
- or other comparable thresholds established by national law or practice.

245. During the discussions concerning this Paragraph at the International Labour Conference in 2012, several comments were made and concerns raised about the use of such benchmarks. It was observed, for example, that the use of the monetary value of a set of necessary goods and services as a benchmark was pertinent, but that poverty lines might not be adequate benchmarks, as some countries have set national poverty lines below the levels required for a life in dignity.<sup>61</sup> It was also noted that the reference to a life in dignity was the key element of Paragraph 8(b) and that a national poverty line was just one of the means for governments to determine who is vulnerable. In practice, as reported by governments, various methods are used at the national level to determine the levels of minimum acceptable living standards or national poverty lines, income (and assets) thresholds that give entitlement to various income- or means-tested benefits and the minimum benefit levels provided by various contributory or non-contributory schemes.

### *National situations*

#### Poverty lines related to median income

246. For instance, a relative poverty line has been set in *Germany*, which is a certain proportion of the median income and is used to monitor the social situation. Amounts of social benefits are related to the poverty line, as determined for each individual, and are needs based. The costs are estimated of basic needs grouped into 12 different categories, ranging from food, clothing, housing and energy to culture, entertainment, education and health. The level of standard benefit rates differs according to whether beneficiaries live alone or with a partner, and also the age of the beneficiary. The level of the standard rate for basic needs is based on the actual expenditure of households in the lower-income range and has to be recalculated every five years, and is adjusted according to a combined inflation and wage index. The actual level of the benefit corresponds to the difference between the standard rate required to secure subsistence, and the resources already available to the beneficiary or his/her household. A relative poverty line is also used in *France*, as reported by the *CGT-FO*, and is set at 60 per cent of the median income. Because the monetary approach is considered limited and inadequate to take into account the complex and multidimensional nature of poverty, other indicators are also used, including “poverty of living conditions”, which allows for a more comprehensive consideration of situations of poverty.

#### Minimum subsistence level based on the cost of needs

247. In *Ukraine*, the statutory minimum subsistence levels for different types of households and individuals are used as benchmarks below which aggregate social benefits should not fall. The value of the statutory minimum subsistence level is periodically reviewed and adjusted, and many social benefits and income thresholds are directly linked by law to that value, which is also used as one of the officially regulated poverty lines. However, other benchmarks are also used, such as the actual (estimated) subsistence minimum, which is based on the annually adjusted value of the basket of goods and services defined as necessary. The monetary value of this basket has been higher than that of the statutory minimum subsistence level for several years.

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<sup>61</sup> ILO: Report of the Committee on the Social Protection Floor, *Provisional Record* No. 14, International Labour Conference, 101st Session, Geneva, 2012, para. 624.



248. A poverty benchmark has also been established in *Cabo Verde* on the basis of consumer spending, with surveys being used to measure the standard of living and the level of expenditure on goods and services. Extreme poverty is considered to be when the level of well-being of an individual is lower than the poverty line. Poverty rates are continuing to fall in the country, although absolute poverty still affects 35 per cent of the population. In *South Africa*, three poverty lines measure different degrees of poverty: the food poverty line (FPL), the lower-bound poverty line (LBPL) and the upper-bound poverty line (UBPL). The FPL is the rand value below which individuals are unable to purchase or consume enough food to supply them with the minimum per capita per day energy requirement for adequate health. The LBPL and UBPL are derived using the FPL as a base, but also include a non-food component.

249. The *Chamber of Industries of Uruguay (CIU)* and the *National Chamber of Commerce and Services of Uruguay (CNCS)* report that poverty is measured in *Uruguay* by the National Statistics Institute (INE), and that a household with an income level below the monetary value of the minimum consumption basket is considered to be indigent. There has been a significant reduction in poverty over the past 15 years, with the proportion of poor households falling from over 30 per cent to less than 10 per cent. The *ITUC* adds that the nationally defined list of goods and services essential for a decent life should form the basis of a basic needs basket, which can be used as a benchmark for minimum wages, and possibly social protection.

#### The absolute poverty line

250. The *National Confederation of Workers of Burkina (CNTB)* notes that poverty is measured taking into account the indigence level in *Burkina Faso*, where people living on less than a dollar a day are considered to be poor, as well as those who cannot afford at least one meal a day.

251. According to the *New Zealand Council of Trade Unions (NZCTU)*, there are limited benchmarks in *New Zealand* to assess the adequacy of social security guarantees. There is no minimum poverty threshold in the country, nor is a situation of need defined by national laws and regulations, although the Government is developing a policy in this respect.

#### *Transparent procedures established by law or in practice*

252. The Committee considers that, in accordance with the Recommendation, the benchmarks used for the determination of benefit levels with a view to ensuring their adequacy should be defined through a transparent procedure established by national law or practice, and not on an ad hoc or discretionary basis.<sup>62</sup> The Committee notes that, although such procedures are in place in many countries, the setting of minimum benefit levels and income thresholds for entitlement to benefits under the respective schemes that form part of national social security systems may not be coordinated.<sup>63</sup> The Committee therefore wishes to emphasize that, in the context of the Recommendation, the benefits used to implement basic social security guarantees should have the common objectives, or outcomes, of preventing or reducing poverty and of ensuring access to at least essential health care and minimum income security, which together allow life in health and dignity. This can best be achieved through close coordination between the various schemes and the harmonization of minimum benefit levels, income thresholds, poverty lines and other

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<sup>62</sup> Para. 8(c); ILO: Report of the Committee on the Social Protection Floor, 2012, op. cit., para. 626.

<sup>63</sup> For example, there may not be sufficient harmonization between minimum pensions and other minimum benefits, minimum wages, income thresholds in tax systems and thresholds for social assistance.

tools used to assess the value of goods and services that are necessary to escape from poverty and ensure life in health and dignity (see also chapter 11).

253. The Committee has previously expressed concern that in many countries, even high-income countries, the minimum amounts of certain social insurance benefits remain below the national poverty line, or even below the physical subsistence threshold calculated in terms of the cost of the minimum consumer basket.<sup>64</sup> In the view of the Committee, a social security system is no longer credible if its benefits do not guarantee life in dignity, or even the physical subsistence of the persons protected. To be solid, national social protection floors, as fundamental elements of national social security systems, need to be based on indicators of the subsistence levels of the various age groups of the population, reflecting the financial value of a set of necessary goods and services that serves as a reference in establishing the guaranteed minimum rates of social security benefits.

*Tripartite participation and consultations  
with all stakeholders*

254. The Committee also wishes to emphasize that any benchmark used for the setting of minimum levels of income security should be established through tripartite participation with representatives of employers and workers and in consultation with other representative organizations of persons concerned, in accordance with Paragraph 8(d) of the Recommendation.<sup>65</sup> Furthermore, the levels of the guarantees should be reviewed regularly through established transparent procedures. In general, the processes of setting and reviewing benefit levels should meet the requirements of transparency and accountability set out in Paragraph 3(j).

**Box 4.3**  
**Guidelines for the establishment and review  
of adequate levels of income security**

Minimum levels of benefits should be:

- defined at the national level and regularly reviewed at levels that:
  - ❑ take into consideration national socio-economic conditions;
  - ❑ allow life in dignity;
- and set:
  - ❑ through an established procedure;
  - ❑ through social dialogue;
  - ❑ taking duly into consideration the principles of transparency and accountability.

**4.2.4. Achieving higher levels of benefits: The relationship between basic income security and the benefit levels required by Convention No. 102 and other ILO social security standards**

255. The Recommendation calls upon member States, when building comprehensive social security systems, to aim to achieve the levels of benefits set out in Convention No. 102 or other ILO social security Conventions and Recommendations setting more advanced standards (Paragraph 17). In this context, it is important to emphasize the relationship between the requirements respecting the level of cash benefits set out in

<sup>64</sup> Council of Europe: “Report and conclusions concerning the application of the European Code of Social Security and its Protocol”, 2018, op. cit., para. 34.

<sup>65</sup> See also ch. 12, section 12.5.

Convention No. 102 and more advanced ILO social security standards which establish the minimum benchmark for “health and decency” to be ensured by social assistance schemes (Article 67 of Convention No. 102), and the notion of basic income security and “life in dignity” to be guaranteed by social protection floors, as specified in the Recommendation. The ratification and implementation of Convention No. 102 and other ILO social security standards is promoted by the Recommendation as part of the efforts that member States should make to extend social security by providing higher levels of protection (Paragraphs 1(b) and 18).<sup>66</sup> However, evidence shows that, due to the stagnation of wages and resulting low levels of earnings, earnings-related benefits are not always sufficient to enable beneficiaries and their dependent family members to live in “health and decency” or “in dignity”, and will be at great risk of falling into poverty.<sup>67</sup> The Committee therefore considers that, in light of the call made by the Recommendation for the State to guarantee life in dignity for all, member States who are parties to these have the obligation, regardless of the options chosen, to demonstrate compliance with the minimum levels of protection that they establish, so as to ensure that the benefits provided are at least at a level sufficient to ensure life in “health and decency”. The Committee considers that this requirement is part of the State’s overall and primary responsibility for the due provision of benefits set out in Convention No. 102 (Article 71(3)).

**256. In light of the above, the Committee considers that the definition of adequate benefits, or an adequate level of overall protection, as called for in the Recommendation, complements the requirements of the ILO social security Conventions with regard to the minimum and higher levels of benefits that should be achieved.**

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<sup>66</sup> See the 2011 General Survey, paras 60–69, for guidance on the setting of minimum standards in accordance with Convention No. 102.

<sup>67</sup> See ILO: *World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice*, Geneva, 2014, box 4.4, pp. 92–94, showing that, even in European countries, the replacement rates that secure incomes above the relative poverty threshold are, for persons on low earnings (defined as two-thirds of median earnings), at a level of between 50 and 90 per cent, depending on the country.

## Chapter 5

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### Essential health care

#### 5.1. Global context and international legal framework

257. The right of everyone to “the highest attainable standard of physical and mental health”<sup>1</sup> and to “a standard of living adequate for the health and well-being”<sup>2</sup> of themselves and their family, including medical care, are enshrined in international human rights instruments, alongside the right to social security<sup>3</sup> and to “conditions which would assure to all medical service and medical attention in the event of sickness”.<sup>4</sup>

258. Despite their worldwide recognition, these rights are still far from being a reality for a majority of the world’s population. Current estimates indicate that over 50 per cent of the global population has no access to adequate essential health care, including prenatal care and the most basic treatment against malaria, HIV/AIDS and tuberculosis.<sup>5</sup> In low- and middle-income countries, the majority of the population does not even have access to essential surgery, such as in the case of pregnancy-related complications, for example in *Bangladesh*.<sup>6</sup> The *International Trade Union Confederation (ITUC)* reports the persistent exclusion of informal workers and workers on atypical contracts, who are not affiliated to contributory schemes and have to bear the full burden of health-care expenses. Statistics show that globally some 33 million people every year experience financial hardship due to essential surgery through the need to make direct out-of-pocket payments, which pushes them into poverty. Furthermore, over 300,000 women died in 2015 throughout the world due to the absence of quality care in the event of complications during pregnancy or childbirth.<sup>7</sup> These figures do not take into account the innumerable people who are too poor to afford out-of-pocket payments and may die or suffer unnecessarily in the absence of adequate essential health care.<sup>8</sup> Investing in health protection, including paid sick leave, is also essential to the economy as a whole and to economic recovery in particular. In developing countries the economic returns on investing in health are estimated at 24 per

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<sup>1</sup> International Covenant on Economic, Social and Cultural Rights (ICESCR), Art. 12(1).

<sup>2</sup> Universal Declaration of Human Rights, Art. 25(1).

<sup>3</sup> ICESCR, Art. 9.

<sup>4</sup> *ibid.*, Art. 12(2)(d).

<sup>5</sup> The Lancet Commission on Global Surgery: “Global surgery: Going beyond the Lancet Commission”, in *The Lancet*, 386(9993), 2015, pp. 507–509.

<sup>6</sup> M.S. Rahman, M.M. Rahman, S. Gilmur et al.: “Trends in, and projections of, indicators of universal health coverage in Bangladesh, 1995–2030: A Bayesian analysis of population-based household data”, in *The Lancet* (2008, Vol. 6, Issue 1, Jan.), pp. e84–94.

<sup>7</sup> WHO: *World Health Statistics 2018: Monitoring health for the SDGs*, Geneva, 2018.

<sup>8</sup> ILO: *World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice*, Geneva, 2014, pp. 99–107.

cent of economic growth between 2000 and 2011, taking into account increases in both national income and life years gained.<sup>9</sup> Important positive effects of health-care investments include increased labour productivity; a growing labour force due to reductions in disability and mortality and an increase in life expectancy; the contribution of the health sector itself to economic activity; increased household consumption opportunities as a result of reduced out-of-pocket expenditure; and productivity increases through reduced absenteeism. The inclusion of poverty and universal health coverage in SDGs 1 and 3 demonstrates the will of the international community to address these gaps in health-care coverage and financial protection, which hinder the access of a significant proportion of the world's population to adequate essential health care.

259. The standards adopted by the ILO in the field of health protection can be instrumental in helping countries move progressively towards the realization of these human rights and the Sustainable Development Goals (SDGs)<sup>10</sup> by providing guidance on the establishment of health protection mechanisms that apply the principles of social security.<sup>11</sup> Recommendation No. 69 sets out the objective of universal coverage, according to which the “medical care service should cover all members of the community, whether or not they are gainfully occupied” (Paragraph 8) and provides comprehensive guidance on the provision, organization, funding and administration of medical care. Convention No. 102, in Part II, sets minimum standards of protection for the provision of medical care, particularly in respect of population coverage and the coverage of care and services, as well as general principles for the good governance of the scheme(s) and system through which medical care benefits are provided.<sup>12</sup> Convention No. 130 and its accompanying Recommendation No. 134 set higher standards for medical care in terms of population coverage and the range of health care and services provided.

260. Recommendation No. 202 provides guidance on the development of policies and schemes with a view to achieving universal coverage by at least essential health care, and higher levels of health protection for as many people as possible, as soon as possible, in accordance with national circumstances (Paragraphs 1(b) and 5(a)). Ensuring access to essential health care for all in need is one of the basic social security guarantees of which national social protection floors should be comprised, in accordance with Paragraphs 4 and 5(a) of the Recommendation. The implementation of these provisions of the Recommendation involves the definition of national essential health-care packages in light of national epidemiological, social, economic and demographic circumstances, and ensuring financial sustainability based on sufficient funds generated through a fair sharing of the burden, particularly based on broad risk pooling.<sup>13</sup>

261. A number of core objectives, principles and criteria are also specified for the establishment and maintenance of adequate health protection, including:

- **Effective access for all** to a nationally defined set of goods and services (at least for all residents and children) when needed, addressing common diseases and special health-care needs, maternity care and free prenatal and postnatal medical care for the

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<sup>9</sup> *ibid.*, p. 100.

<sup>10</sup> See also ch. 1, section 1.1; ILO: *World Social Protection Report, 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017, pp. 2, 102 and 103.

<sup>11</sup> See ch. 1 for a presentation of these principles.

<sup>12</sup> See Introduction, section I.2, for a more detailed explanation of Convention No. 102.

<sup>13</sup> In line with Para. 3(k) of the Recommendation.

most vulnerable (Paragraphs 4, 5(a), 6, and 8(a)), as well as preventive, promotional and active measures, benefits and social services (Paragraph 10(a)).

- ❑ **Such effective access** to at least essential health care should be anchored in national legislation (Paragraphs 3(e), 5(a) and 7). Coverage should be universal (Paragraph 3(a)) and inclusive (Paragraph 3(e)), and in particular non-discriminatory, for example in relation to gender equality and age, and responsive to special needs (Paragraph 3(d)).
- ❑ **Health care of adequate quality should be available, accessible (and therefore affordable) and acceptable (Paragraph 5(a)).** Furthermore, essential health care, including maternity care, should be accessible without financial barriers or hardship, and without an increased risk of impoverishment (Paragraph 8(a)).

262. To achieve these objectives, the related policies need to be anchored in overall social protection floors, as outlined in the Recommendation, and be coherent with other public policies, and particularly social, economic and employment policies, in accordance with Paragraphs 3(1), 9 and 10 of the Recommendation.

263. Table 5.1 provides an overview of the key aspects of the guidance contained in Recommendation No. 202 for successful essential health-care policies.

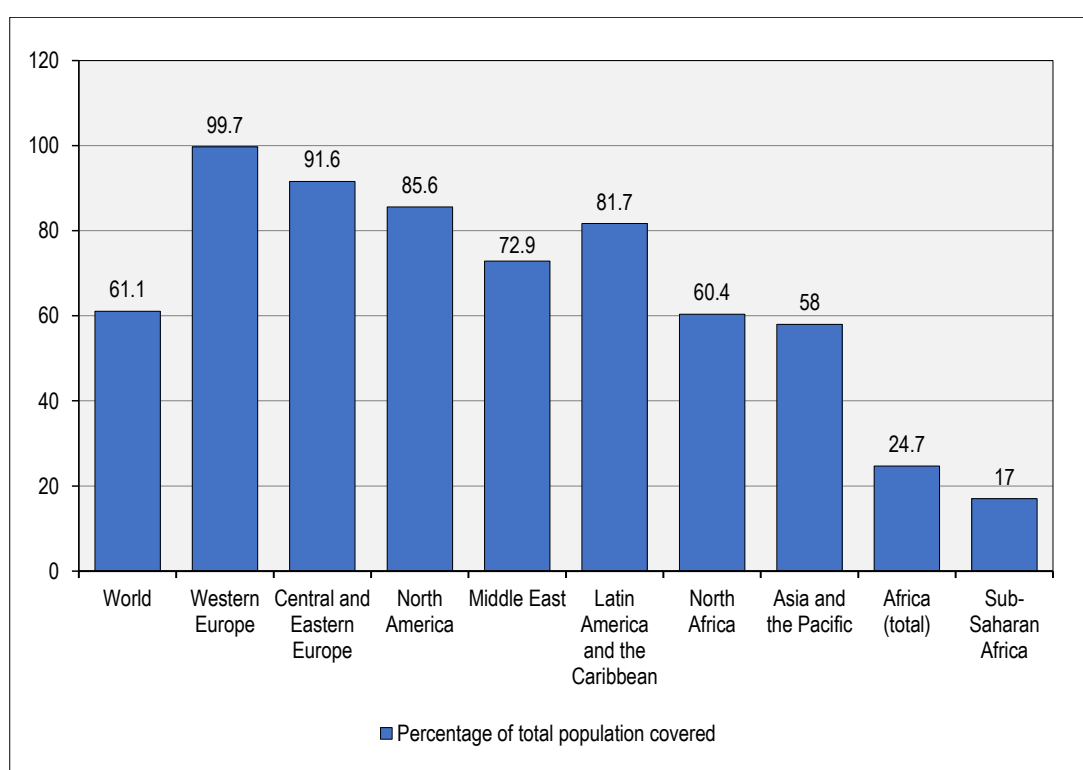
**Table 5.1. Guidance contained in Recommendation No. 202 on key aspects of essential health-care policies**

Objectives
<ul style="list-style-type: none"> <li>❑ Universal coverage providing access to a nationally defined set of goods or services for at least essential health care, including the preventive and maternity care prescribed by law</li> <li>❑ Health care meeting the criteria of availability, accessibility, acceptability and quality</li> <li>❑ The achievement of higher levels of protection</li> </ul>
Key policy principles
<ul style="list-style-type: none"> <li>❑ Universality (equitable access to quality services for all in need)</li> <li>❑ Adequacy</li> <li>❑ Non-discrimination and responsiveness to special needs</li> <li>❑ Participation</li> </ul>
Main components of essential health care
<ul style="list-style-type: none"> <li>❑ Goods and services, including curative, preventive and maternity care, based on an adequate level of quality health services providing financial protection and avoiding financial hardship</li> </ul>
Financing
<ul style="list-style-type: none"> <li>❑ Solidarity of financing through increased risk pooling and the minimization of un-pooled private health-care expenditure, such as user fees, limited benefit packages and low quality care</li> <li>❑ Diversity of financing mechanisms and delivery, including tax, contributions and premium-based schemes and systems</li> </ul>
Complementary policies
<ul style="list-style-type: none"> <li>❑ Financial and economic sustainability</li> <li>❑ Coherence with social, economic and employment policies, such as the promotion of formal employment</li> <li>❑ Strengthening of capacities and monitoring</li> </ul>

## 5.2. Universality of health coverage in national legislation

264. Universal health coverage has been achieved in many high- and middle-income countries, such as *Costa Rica, France, Iceland, Mauritius, New Zealand, Sri Lanka and Uzbekistan*.<sup>14</sup> However, severe gaps still exist globally in universal health coverage and only 61 per cent of the global population is covered by law.<sup>15</sup> There are stark variations by region, ranging from coverage rates of 99.7 per cent in Western Europe, for example in the *Czech Republic*, to just 17 per cent in sub-Saharan Africa, and even less in certain countries, such as *Burkina Faso and Cameroon*.<sup>16</sup>

**Figure 5.1. Legal health coverage by region: Health coverage by region: Percentage of the population covered by social health insurance, public health systems or private insurance: Global average weighted by population (latest available year)**



Source: ILO: *World Social Protection Report 2014–15*, 2014, op. cit. p. 285.

265. Within countries, some population groups also experience lower legal coverage rates than others. These groups often include the population aged 65 and over, undocumented migrants, informal economy workers and people living in rural areas.<sup>17</sup> Many replies to the questionnaire, in relation to the universality and inclusiveness of legal coverage, report gaps in universal health coverage, including in *Azerbaijan, Colombia and Madagascar*. Of the 48 replies to the relevant question, nearly 67 per cent (32 countries) report gaps in

<sup>14</sup> ILO: *World Social Protection Report 2014/15*, 2014, op. cit., pp. 285–295.

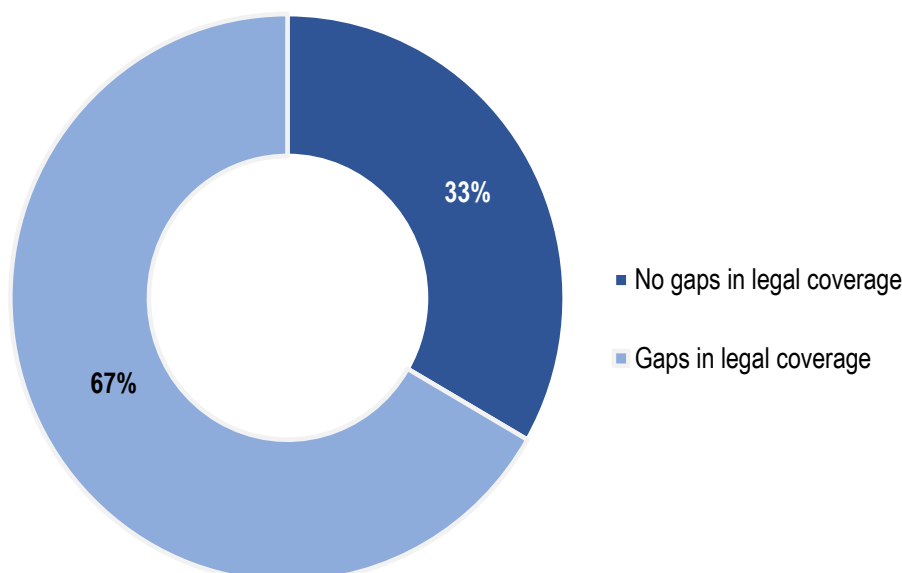
<sup>15</sup> *ibid.*, p. 285.

<sup>16</sup> *ibid.*, pp. 285–295.

<sup>17</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 5.

legal coverage, compared with 33 per cent (16 countries) that do not identify gaps in coverage.

**Figure 5.2. Percentage of countries reporting gaps in legal coverage**



Source: Information provided in replies to the questionnaire.

266. The following gaps are reported in legal coverage:

- Most reports highlight the *exclusion of specific population* groups from legal coverage, such as undocumented migrants, for example in *Slovakia* and *South Africa*. The *Canadian Labour Congress (CLC)* also expresses concern at the restrictions faced by undocumented residents in accessing social services, including health, while the *Confederation of Workers of Argentina (CTA Workers)* reports the exclusion of informal workers from coverage by major social protection systems. The *German Confederation of Trade Unions (DGB)* reports gaps in coverage in relation to self-employed, informal and precarious workers.
- Many reports identify *regional inequalities* in legal coverage, with emphasis on rural and urban differences, such as in *Cambodia*, *Iceland*, *Mexico* and *Thailand*. The social partners also raise this issue, including the *Block of National Trade Unions (BNS)* in *Romania* and the *Chamber of Industries (CIU)* and *National Chamber of Commerce and Services (CNCS)* in *Uruguay*.
- Some reports emphasize that low legal coverage rates are a result of *health system design* issues, for example in *Paraguay*, where coverage is fragmented between public and private systems and schemes. Other reports do not identify specific reasons, such as for *Georgia*, *Madagascar* and *Pakistan*.

267. The problems highlighted in the reports of governments and the observations of the social partners relate to important shortcomings of implementation. Globally, broad gaps in legal health coverage exist in relation to undocumented migrants, ethnic minorities,



such as the Roma in Europe<sup>18</sup> (for example in *Romania*)<sup>19</sup> and informal workers (such as in *Nigeria*).<sup>20</sup> As indicated below, the reasons for these exclusions are manifold, but most frequently because national legislation is too limited in scope or focuses on registered populations only, thereby omitting large numbers of people in need in some countries.

268. The objective of universality laid down in Paragraph 3(a) of the Recommendation is also challenged by rural and urban inequalities in legal health coverage, as observed in *Cambodia*.<sup>21</sup> Globally, gaps in legal coverage deprive over half of the world's rural population of the right to health care, compared with around 20 per cent of the urban population.<sup>22</sup> Such gaps are observed in countries in all regions: 83 per cent of the rural population in Africa is without legal coverage, compared with 61 per cent of the urban population; the figures are 56 and 24 per cent in Asia and the Pacific; 33 and 10 per cent in the Americas; and 14 and 2 per cent in Europe and Central Asia.<sup>23</sup> At the national level, these inequalities include the constraint for patients living in rural areas to walk or travel long distances to obtain treatment, which are estimated to average 30 km in rural *India*.<sup>24</sup>

269. The *ITUC* observes a wide variation in health-care access between regions and certain population groups in some countries, and emphasizes, in particular, the vulnerability of older persons. The *New Zealand Council of Trade Unions (NZCTU)* reports ethnic disparities in health care for the Māori in *New Zealand*. The *Autonomous Workers' Confederation of Peru (CATP)* indicates that informal workers are not affiliated to any health insurance, and populations in the retreat regions (the Amazonas and Sierra) face difficulties due to the long distances to health centres. It refers to the National Health Strategy for Indigenous Peoples (2009–12), which promotes intercultural respect for indigenous health practices and recognition of traditional medicine.

270. Coverage gaps are also frequently a result of the coexistence of multiple uncoordinated health-care schemes and systems, such as national health services for the poor, compulsory social insurance for employees and voluntary private insurance for those who can afford it (examples include the *Democratic Republic of the Congo* and *Honduras*).<sup>25</sup> The Government of the *Democratic Republic of the Congo* identifies the fragmentation of the financing mechanisms for the health-care system as one of the major barriers to effective protection. Such fragmentation often occurs due to the lack of regulation of schemes and systems and, more generally, due to inefficiencies in health system governance. The *CATP* observes that the large number of institutions involved in the management of the national social security system in *Peru* leads to deficiencies in policy-making and a range of unnecessary expenses. The *DGB* reports a lack of coordination in *Germany* between the federal, county and communal levels and the different public and private health-care

<sup>18</sup> X. Scheil-Adlung and J. Bonan: "Gaps in social protection for health care and long-term care in Europe: Are the elderly faced with financial ruin?" in *International Social Security Review* (2013, Vol. 66, Issue 1, Jan.) pp. 25–48.

<sup>19</sup> M. Wamsiedel and C. Jitariu: "Analysis of the situation in Romania", in *Fundacion Secretariado Gitano Health Area: Health and the Roma community – Analysis of the situation in Europe: Bulgaria, Czech Republic, Greece, Portugal, Romania, Slovakia, Spain*, Madrid, 2009, pp. 147–152.

<sup>20</sup> I. Nsofor: "Only 1 percent of Nigerians have health insurance: Here's how to change that", in *Devex Global Views*, 4 Apr. 2018.

<sup>21</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 17.

<sup>22</sup> X. Scheil-Adlung: *Global evidence on inequities in rural health protection: New data on rural deficits in health coverage for 174 countries*, Extension of Social Security Document No. 47, Geneva, 2015.

<sup>23</sup> ILO: *World Social Protection Report 2014/15*, 2014, op. cit., pp. 285–295.

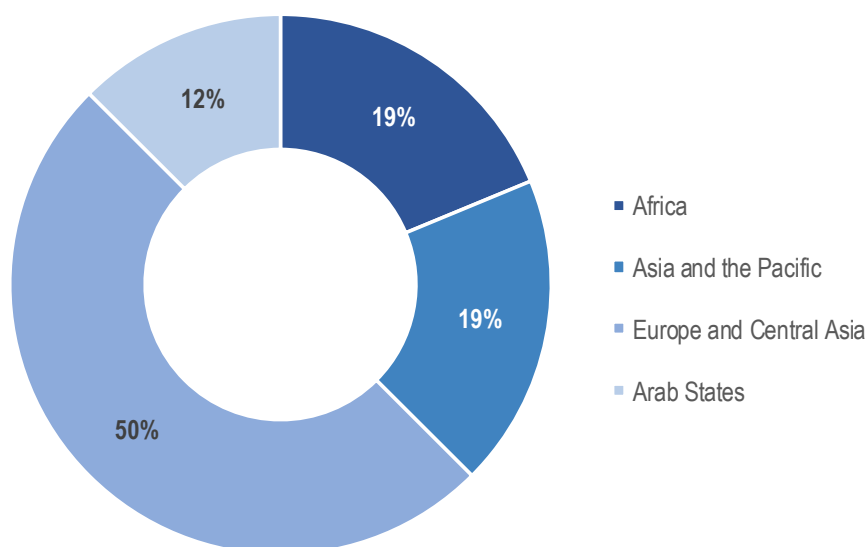
<sup>24</sup> "Special report on universal health care", in *The Economist*, 28 Apr. 2018, p. 6.

<sup>25</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 367.

stakeholders. It expresses concern that access to medical services is hampered by the coexistence of public and private health insurance schemes, which provides incentives for the preferential treatment of persons with private health insurance. While it is often necessary to involve all groups of the population in health financing to generate sufficient funds, which may require the use of different schemes and systems, biases and other deficiencies resulting in coverage deficits and unequal treatment need to be addressed to prevent categories of the population remaining without, or with inadequate coverage. Furthermore, as emphasized by the *ITUC*, the mode of financing chosen should not place an undue financial burden on people that could prevent their access to essential health care.

271. A significant number of countries report *no gaps* in legal coverage, and therefore indicate the achievement of universal coverage. Based on the reports, 50 per cent of these countries (eight) are in Europe (*Belgium, Estonia, Lithuania, Montenegro, Netherlands, Portugal, Switzerland and Turkey*), followed by around 19 per cent each in Asia and the Pacific (*China, Indonesia and Japan*) and Africa (*Cabo Verde, Egypt and Mauritius*) and 12 per cent in the Arab States (*Iraq and Saudi Arabia*).

**Figure 5.3. Countries reporting *no gaps* in legal coverage (percentage, by region)**



Source: Information provided in replies to the questionnaire.

272. In many of these countries, the level of gaps and inequalities in legal coverage is considered insignificant for legal residents. However, universality of protection, as envisaged in Recommendation No. 202, refers to a broader definition that goes beyond the coverage, for example, of the registered population or the poorest categories.<sup>26</sup> A detailed assessment of coverage for specific disadvantaged groups of the population, such as rural and unregistered populations, informal workers and ethnic minorities, could reveal so far unidentified inequalities and coverage deficits. The implementation of legislation may also

<sup>26</sup> See ch. 2 on the objective of universality set out in the Recommendation.

result in inefficiencies, for example in relation to compliance and enforcement, if it results in the evasion of registration with social health insurance schemes.<sup>27</sup>

**273. The Committee notes with great concern that a large number of countries report considerable gaps in coverage and wishes to highlight the importance of developing and implementing national legislation to secure the provision of health protection for all, without discrimination between population groups such as informal workers, women, people living in rural areas, older persons and undocumented residents or migrants, in line with the Recommendation. The benefits of rights-based and effective universal health protection include better health, resulting in increased economic growth, development and health security for the population.<sup>28</sup> The Committee therefore hopes that member States which have not yet established universal health coverage in law and practice will strengthen their efforts for that purpose. In this regard, the Committee recalls that, in the spirit of the Recommendation, every person in need should be entitled to have access to at least essential health care, irrespective of their legal status as migrants or informal workers, their place of residence within countries, or their membership of an ethnic minority. Universality in access to quality care can be achieved through the implementation of enabling policies based on comprehensive legislation which ensures access to affordable and available care for all in need.**

### 5.3. Care and service coverage: What is provided, at least under essential health care?

274. In many countries, constrained packages of essential health care covering too few interventions or providing insufficient financial protection due to high out-of-pocket payments prevent the achievement of universal coverage in terms of the care and services that should be provided to ensure life in health and dignity. It is therefore important for entitlement to essential health care to be defined clearly.

275. Of the 45 countries for which relevant information has been provided, 11 per cent (five) indicate that a definition of “at least essential health care” has been developed in the national legislation (including *Colombia, Czech Republic, Italy, Ukraine* and *United States*).

276. It is reported that 22 per cent of countries (ten countries at all income levels: *Bosnia and Herzegovina, Canada, Costa Rica, Denmark, Estonia, Germany, Ireland, Latvia, Serbia* and *Togo*) do not have a definition of essential health care that corresponds to the principles set out in the Recommendation, either in the form of a “positive” list of goods and services included in essential health care, or a “negative” list of the health and social care that is excluded.

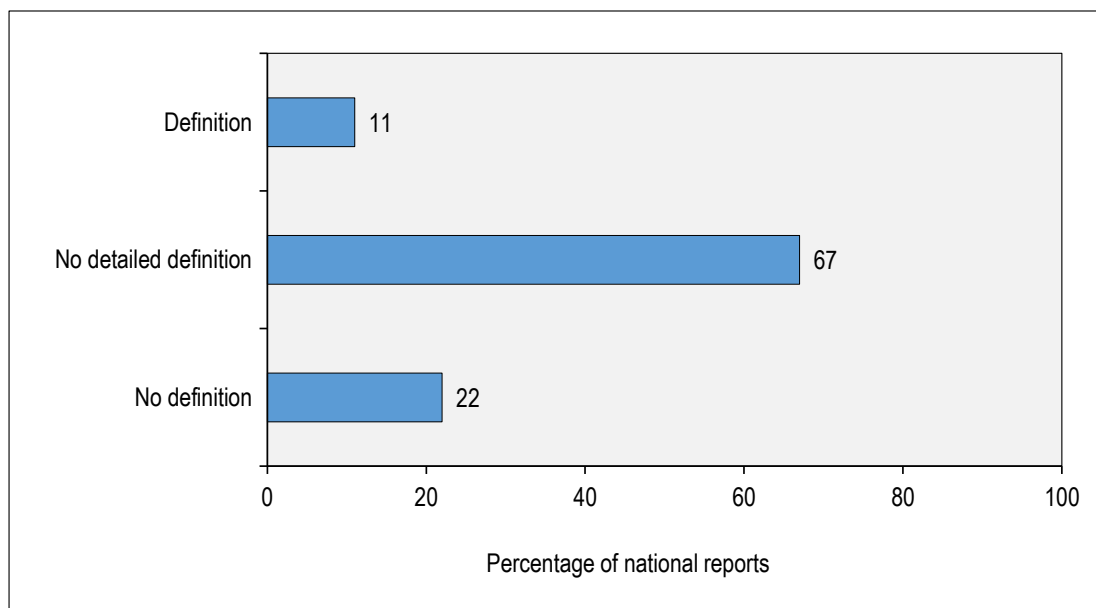
277. The remaining 67 per cent (30 countries) report broad or unspecified definitions, such as a “wide range of services at no or little cost and aged care service programmes” (in *Australia*), sets of goods and services offered under compulsory social insurance programmes (including in *Peru, Turkey* and *Switzerland*), basic health care without specification of the goods and services provided (for example, *Bahrain* and *Georgia*), primary care (*Morocco* and *Paraguay*), or the fact that all care services are free, but not defined (*Belarus* and *Sri Lanka*) (see figure 5.4).

<sup>27</sup> See ch. 3 for a discussion of the role of enforcement and compliance in the context of the Recommendation.

<sup>28</sup> See ch. 5, section 5.1.

278. Among the observations received from workers' organizations, few refer to the definition of essential health care. The *Central Organization of Finnish Trade Unions (SAK)*, the *Confederation of Unions of Professional and Managerial Staff in Finland (AKAVA)* and the *Finnish Confederation of Professionals (STTK)*, in their joint statement, refer to a basic package in *Finland* that includes basic health services, as well as dental and old-age care. The *CTA Workers* notes that essential health care in *Argentina* consists of a broad basket of health services, without providing further detail. The *General Confederation of Enterprises of Côte d'Ivoire (CGECI)* reports that the services covered by the universal health coverage scheme include emergency care, screening and medical examinations, specialist consultations, surgical care and hospitalization. The *National Confederation of Trade Unions of Moldova (CNSM)* does not specify whether a definition of essential health care exists in the *Republic of Moldova*, but observes that the medical assistance provided under compulsory health insurance is defined by the Ministry of Health and approved by the Government. The *General Confederation of Labour – Force Ouvrière (CGT-FO)* refers to the existence of “primary care” in *France*, which includes preventive care, screening, diagnosis, treatment and follow-up of patients, medical products and devices, and health education. The *DGB* notes the absence of a definition of “basic health care” in *Germany* and specifies that there is either coverage under health insurance, or no coverage.

**Figure 5.4. Definitions of essential health care in national legislation**  
(percentage of national reports)



Source: Information provided in replies to the questionnaire.

279. **The Committee emphasizes that guaranteeing effective access to essential health goods and services requires a clear and regularly updated definition at the national level outlining the services covered by essential health-care packages. Such a definition of essential health care, anchored in legislation, is particularly important for achieving universal coverage and other health policy objectives, as well as the related monitoring, in accordance with the guidance contained in the Recommendation,<sup>29</sup> and is required for the allocation of sufficient funding to health**

<sup>29</sup> See chs 2 and 11, respectively.

**protection to ensure the provision of adequate essential health care.**<sup>30</sup> **Finally, holding governments and other decision-makers, such as the social partners, as the case may be, accountable for the results of essential health-care policies, including through complaint and appeals procedures, requires a legal definition of essential health care.**<sup>31</sup>

280. The Committee notes that, in the view of the World Health Organization (WHO), core services in essential health care should at least cover the burden of common diseases, whether infectious or non-communicable, and include treatments for specific diseases, such as malaria, HIV/AIDS and tuberculosis, as well as preventive care, such as blood pressure checks.<sup>32</sup> Coverage should also include health security issues, such as infectious diseases, epidemics, including severe acute respiratory syndrome (SARS), and pandemics, such as the various forms of influenza. In line with this notion of essential health care, Recommendation No. 202 refers to *at least* essential health care covering some broad categories of care, such as preventive and curative health and social services, and specifically mentions maternity care and free pre- and postnatal medical care (Paragraphs 5(a), 8(a) and 10(a)), as well as responsiveness to special needs (Paragraph 3(d)).

**281. The Committee invites member States to give particular consideration to determining the set of goods, health and social services that constitute essential health care at the national level so as to ensure that health for all is maintained and improved. The Committee also encourages governments to guarantee that essential health care is not limited to basic, primary and/or emergency care, but also covers at least common diseases, disabilities, health security issues and the health aspects of maternity, through ambulatory health and social services, essential surgery and other services, including long-term care for older persons.**

282. All the reports that refer to the provision of health services for specific population groups confirm the inclusion of certain of these categories of goods and services in essential health care and, to that extent, are in compliance with the specifications of the Recommendation.<sup>33</sup> The essential health-care services reported include: maternity care, childcare, care for older persons, emergency care, preventive care, vaccinations, care for persons with special needs, such as disabilities and chronic conditions, and care for vulnerable groups. Related services can be accessed through various protection mechanisms to reduce financial access barriers and hardship, such as free, publicly funded health care (for example, in the *United Kingdom*), insurance and social assistance schemes, as well as specific allowances (such as in *Germany*).

<sup>30</sup> See ch. 3, section 3.2.

<sup>31</sup> See ch. 3, sections 3.2 and 3.3.

<sup>32</sup> WHO and World Bank (WB): *Tracking universal health coverage: 2017 global monitoring report*, Geneva, 2017.

<sup>33</sup> *Australia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Burkina Faso, Burundi, Cambodia, Canada, Chile, China, Comoros, Democratic Republic of the Congo, Croatia, Cuba, Czech Republic, Côte d'Ivoire, Denmark, Ecuador, El Salvador, Estonia, Finland, Georgia, Germany, Greece, Guatemala, Honduras, Hungary, Iceland, Indonesia, Ireland, Israel, Jamaica, Japan, Jordan, Republic of Korea, Latvia, Lithuania, Madagascar, Mali, Malta, Mauritius, Mexico, Montenegro, Morocco, Myanmar, Namibia, Netherlands, New Zealand, Nigeria, Pakistan, Paraguay, Peru, Philippines, Poland, Saint Kitts and Nevis, Saint Vincent and the Grenadines, San Marino, Saudi Arabia, Senegal, Seychelles, Slovakia, South Africa, Spain, Sri Lanka, Suriname, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, Togo, Tunisia, Turkey, Turkmenistan, Ukraine, United Kingdom, United States, Uzbekistan, Bolivarian Republic of Venezuela and Zimbabwe.*

**Table 5.2. Provision of selected health services for specific population groups through essential health care (percentage of reporting countries)**

Provision of certain goods and services	Maternity care	Childcare	Care for older persons	Emergency care	Preventive care and vaccinations	Care for special needs *	Free pre- and postnatal care for vulnerable women	Care for other vulnerable groups *
Yes	100	100	100	100	100	100	91 **	100
No	–	–	–	–	–	–	9	–

\* Provided for people with disabilities, chronic conditions and the poor through various protection mechanisms, including free health care, health and disability insurance schemes, social assistance, subsidies, tax-funded allowances and specific social policy interventions. \*\* In some countries, such care is conditional on certain requirements, such as eligibility for social assistance, social health insurance coverage or residency.  
Source: Information provided in replies to the questionnaire.

283. It should be noted that the figures on the provision of health services in table 5.2 do not allow any conclusions to be drawn on the comprehensiveness, accessibility or other characteristics of the package of essential health care. However, the results shown are in line with global observations that levels of essential health-care coverage have increased over time.<sup>34</sup> In this regard, the Committee notes that the rise in the number of services is estimated at about 20 per cent between 2000 and 2015. However, there are still significant gaps in service provision, as reflected in high maternal mortality rates,<sup>35</sup> for example in *Burundi*, and unmet needs, including important vaccinations against diphtheria, pertussis and tetanus, and long-term care for older persons, for instance in *Congo* and *India*.<sup>36</sup>

284. The provision of free pre- and postnatal care for vulnerable women is widely available in all countries. Around 91 per cent of the reports that contain the relevant information indicate that the related care is provided free of charge, such as in *Burkina Faso*. However, in some countries, including *Belgium*, *Estonia*, *Japan*, *Panama*, *Turkey* and *Bolivarian Republic of Venezuela*, conditions are established for free access to pre- and postnatal care, such as social health insurance coverage.

285. The *ITUC* emphasizes the importance of adequate and universal maternity care, but points to a worrying gap in the provision of such services between rural and urban areas. It highlights the fact that, in some regions, the most basic medical services are scarcely available. For example, in Africa, no skilled personnel are present for over half of births.<sup>37</sup> The *NZCTU* notes that pre- and postnatal care is provided free of charge in *New Zealand*, although increasing concern is being expressed over access to maternity services. *BusinessNZ* recalls that free pre- and postnatal care was generally excluded from essential care in *New Zealand* in 1996, as the maternity system became midwife-led. In response, the Government of *New Zealand* observes that midwifery is a specialist maternity profession, the majority of lead maternity carers are midwives and that midwives staff all maternity units at all levels of care. Moreover, access to specialist care (obstetrics, anaesthesiology and neonatology) is provided in the same way as other specialties by district health boards. However, women may seek private providers on a fee-paying basis.

<sup>34</sup> WHO/WB: *Tracking universal health coverage*, 2017, op. cit.

<sup>35</sup> WHO: “[Maternal mortality](#)”, Fact Sheet, Geneva, 2018 [accessed on 1 May 2018].

<sup>36</sup> X. Scheil-Adlung: *Long-term care protection for older persons: A review of coverage deficits in 46 countries*, Extension of Social Security Working Paper No. 50, ILO, Geneva, 2015.

<sup>37</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 3.

286. Over 9 per cent of the reports, representing eight countries (*Guinea, Jordan, Mali, Pakistan, Togo, Tunisia, United States and Zimbabwe*), contain information on the fees charged for pre- and postnatal services. Most of them are African countries with high maternal mortality rates exceeding 200 deaths per 100,000 live births, such as *Mali, Togo and Zimbabwe*.<sup>38</sup> Such payments usually affect the poorest population groups in countries that cannot afford the costs involved, even if the fees may be considered low in absolute terms.<sup>39</sup>

**287. The Committee observes that patients bear the cost, or part of the cost, of pre- and postnatal care in some member States, while in others pre- and postnatal care is provided free of charge, although certain conditions have to be met for access to the services. These conditions, which are not in full conformity with the Recommendation, may constitute a barrier to access to essential care and have a negative impact on the health of pregnant women and their newborn infants. Recalling the importance of free pre- and postnatal care provided without conditions to every vulnerable woman before, during and after childbirth, the Committee hopes that, in accordance with the Recommendation, measures will be taken by those member States to ensure universal access to pre- and postnatal care without charge or other requirements for the vulnerable.**

#### 5.4. Adequate quality care

288. The Committee notes that the absence of quality care and an inadequate number of skilled health workers can be detrimental to health and access to health care, as it may result in incorrect diagnoses, unnecessary treatment and a misuse of resources.<sup>40</sup> Low-quality services, due to underfunded public health systems or lack of access as a result of shortages of health-care workers, may also lead to avoidable deaths or impoverishment, for example to pay for costly caesarean sections if private services have to be used due to poor or unacceptable public services.

289. It is therefore important to use a more comprehensive approach when assessing essential health care to produce better quality information on the context in which it is provided. Recommendation No. 202 addresses these issues through its reference, in Paragraph 5(a), to a multidimensional concept consisting of a set of criteria to be met by essential health care, including the availability of quality care, its accessibility (meaning, for example, without the risk of impoverishment) and its acceptability.<sup>41</sup> The Committee recognizes that implementing and measuring the adequacy of essential health care against these criteria is challenging in view of the complexity of their underlying concepts and dimensions. For example, quality could refer to scientific effectiveness, timely service delivery (in terms of avoiding the deterioration of health), safe delivery (without harming patients), equity (to ensure that people of all races, ages and ethnicities receive the same quality of care), culture-oriented delivery, availability of adequate infant care, and many other aspects.

<sup>38</sup> World Bank: [Maternal mortality ratio](#), 2015.

<sup>39</sup> ILO: *World Social Protection Report 2014/15*, 2014, op. cit., ch. 3, p. 66.

<sup>40</sup> This was emphasized in recent studies on *China and India*, presented in: J. Coarasa, J. Das and J. Hammer: "Private vs. public", in *Finance and Development* (Vol. 51, Issue 4, Dec. 2014).

<sup>41</sup> See ch. 4, section 4.2.2, for an introduction to these criteria with reference to their definition in the United Nations legal framework.

290. In light of the above, the Committee wishes to draw attention to the following indicators which could serve as pointers in relation to the multiple dimensions and criteria referred to in the Recommendation:<sup>42</sup>

- ❑ **Shortages of health workers:** The availability and sufficient density of health workers is necessary to deliver quality services, and can therefore be used to assess the availability and accessibility of care.
- ❑ **Financial deficits:** Quality and acceptability aspects, which are also important in terms of accessibility, could be considered in the context of adequate funding, such as the deficit in health spending per capita. The maternal mortality ratio can be used both as a proxy indicator and as an indicator in itself.
- ❑ **Extent of out-of-pocket payments:** Financial protection and the risk of hardship, including the affordability of care, could be reviewed based on the proportion of out-of-pocket payments as a percentage of total health-care expenditure.
- ❑ **Maternal mortality:** Maternal mortality ratios, representing the availability and quality of maternity, pre- and postnatal care, the adequacy of essential health care and, more generally, as a health systems outcome indicator.

291. A related database was established by the ILO in 2010<sup>43</sup> and has since been refined in relation to specific groups, such as rural populations and older persons.<sup>44</sup> **The Committee notes that global data point to the fact that many countries fall short of fulfilling the core criteria relating to essential health care identified in the Recommendation, particularly in rural areas.**

292. Due to a global shortage of health workers, which is estimated to amount to around 18 million skilled health workers in some 90 countries,<sup>45</sup> as many as *52 per cent of the rural population face access barriers, compared with 24 per cent of the urban population*. The most important gaps are found in lower middle-income countries, where there is a global shortage of around 12 million health workers, followed by low-income countries, with a global shortage of around 4 million workers (such as *Cameroon and Pakistan*).<sup>46</sup>

- ❑ The impact of financial deficits on the provision of quality care affects 63 per cent of the rural and 33 per cent of the urban population,<sup>47</sup> particularly, for example, in *Benin and India*.<sup>48</sup> The lack of medicines and equipment is reported by the *Single Federation of Non-dependent and Allied Venezuelan Workers (FUTRAND)*, *StreetNet International* and the *Ibero-American Federation of Informal Economy Workers (UTREIN)* to be a major problem in the *Bolivarian Republic of Venezuela*. The *DGB* reports a lack of health-care institutions and services in regions with infrastructural disadvantages and subject to demographic change in *Germany*, while the *NZCTU* notes that health funding has not kept up with needs over recent years in

<sup>42</sup> X. Scheil-Adlung, F. Bonnet, T. Wiechers et al.: *New approaches to measuring deficits in social health protection coverage in vulnerable countries*, WHO Health Report (2010), Background Paper 56, Geneva, 2010.

<sup>43</sup> ILO: *World Social Security Report 2010/11: Providing coverage in times of crisis and beyond*, Geneva, 2010, table 29, pp. 275–278.

<sup>44</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 5.

<sup>45</sup> X. Scheil-Adlung: *Health workforce: A global supply chain approach: New data on the employment effects of health economies in 185 countries*, Extension of Social Security Working Paper No. 55, Geneva, 2016.

<sup>46</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., pp. 285–292.

<sup>47</sup> *ibid.*, pp. 285–287.

<sup>48</sup> *ibid.*



*New Zealand* and expresses concern at future underfunding, despite the Government's commitment to spend an additional 8 billion New Zealand dollars (NZD) over the next four years.

- Moreover, 46 per cent of the rural, compared with 36 per cent of the global urban population are threatened by affordability issues and financial hardship due to out-of-pocket payments.
- Finally, the global maternal mortality ratio of 29 deaths per 10,000 live births in rural areas, compared with 11 in urban areas, illustrates the broad disparities in the availability and quality of maternity and pre- and postnatal care. Within countries, further disparities are evident based on an assessment of maternal mortality ratios by wealth quintiles. For example, in low- and middle-income countries, only 17 per cent of households in the poorest wealth quintile benefit from basic maternity services, compared with 74 per cent in the wealthiest quintile.<sup>49</sup>

293. Figure 5.5 provides a global overview of the current access deficits at the global level based on selected proxy indicators in rural and urban areas.

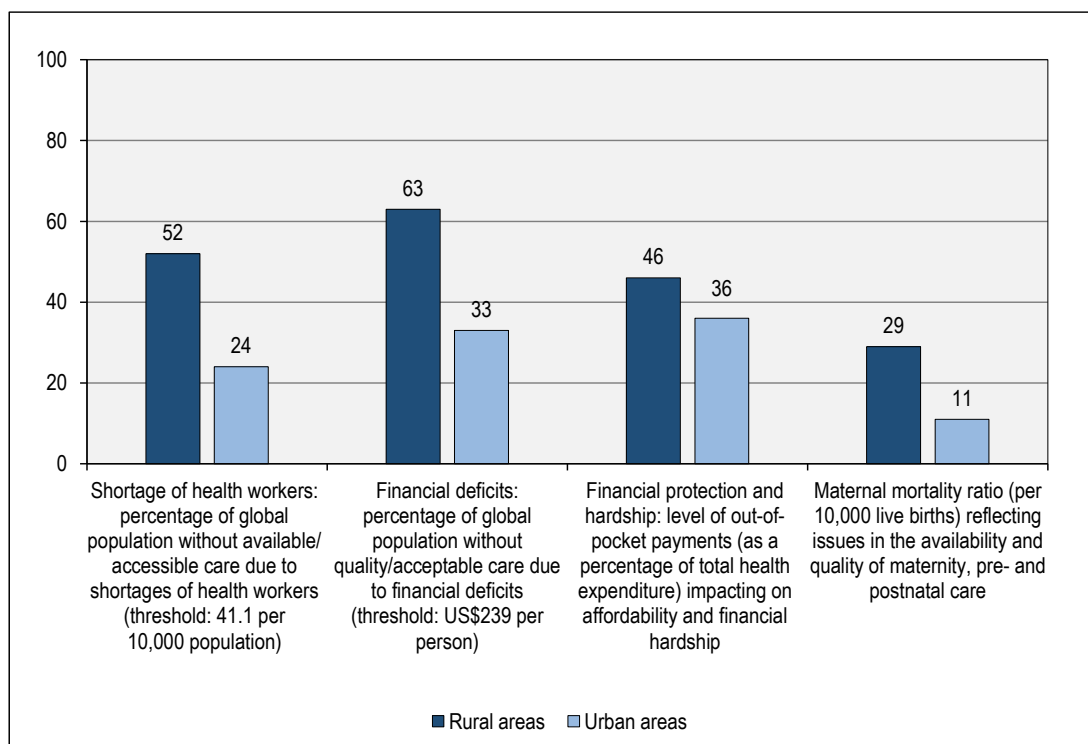
294. The observations of the social partners confirm these global findings and provide more detailed insights at the national and regional levels. For example, the *BNS* expresses concern regarding the disproportionate distribution of health facilities between urban and rural areas in *Romania*. The *CGT-FO* also refers to inequality of access in *France* due to geographical and financial barriers, and notes with concern that measures to transform social health insurance into public assistance for the most deprived will result in low-quality care and the need for private supplementary health insurance. The *DGB* reports a tendency for the privatization of health services in *Germany*, with many hospitals being run on a private basis, which often results in a lack of public control, funding and limited staffing. The *NZCTU* observes the existence of significant inequalities in access to health care and health outcomes and refers to a study published in the *New Zealand Medical Journal*, which found that at least 25 per cent of adults are unable to obtain the necessary primary health care (community care, including general practitioners), while the secondary health-care needs (specialist treatment, usually by referral) of 9 per cent of the population are not met.<sup>50</sup> The *Trade Union Confederation of Gabon (COSYGA)* reports inequalities in treatment under different insurance schemes in *Gabon* and adds that persons insured under the National Health Insurance and Social Guarantee Fund (CNAMGS) are usually considered last. Other health-care issues raised include the problem of physical accessibility to certain establishments, and great difficulties in gaining access to information on health issues.

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<sup>49</sup> WHO/WB: *Tracking universal health coverage*, 2017, op. cit.

<sup>50</sup> P. Bagshaw, S. Bagshaw, C. Frampton et al.: "Pilot study of methods for assessing unmet secondary health care need in New Zealand", in *New Zealand Medical Journal* (Vol. 130, No. 1452, Mar. 2017), pp. 23–38.

**Figure 5.5. Global access deficits to adequate essential health care**  
(2017, percentage of rural/urban population)



Source: ILO database: *World Social Protection Report 2017–19*, 2017, op. cit.

#### 5.4.1. Financial deficits

295. Guaranteeing access to essential health care, in accordance with the Recommendation, requires the generation of funds through a diversity of financing mechanisms,<sup>51</sup> individually or in combination, which may include tax-funded national health services, social health insurance schemes or private insurance financed through premiums, taking into account the contributory capacities of different population groups (Paragraph 11(1)).<sup>52</sup> A predominant feature of the financing mechanisms adopted should be solidarity in financing<sup>53</sup> through broad risk pooling, rather than out-of-pocket expenditure, as observed in figure 5.5. However, the generation of sufficient funds for adequate essential health care through risk pooling remains a challenge for many countries, irrespective of the mode of financing used. This is often due to a lack of tax funds and gaps in legal coverage that prevent broad risk pooling involving the whole of the population, as observed in many low-income countries, where the large majority of the population is not covered. This situation is reflected in government reports, which refer to financing issues and the related lack of health workers and facilities, for example in the *Democratic Republic of the Congo*, *Nigeria*, *Pakistan*, *Senegal*, *Thailand* and *Zimbabwe*. Observations by the social partners also highlight this issue. For example, the *Confederation of Workers of Colombia (CTC)* and the *Single Confederation of Workers of Colombia (CUT)* observe that the national social protection floor is not financially sustainable due to the deficiency and mismanagement of funds, while the *General*

<sup>51</sup> Paras 3(i) and 11(1) of the Recommendation.

<sup>52</sup> See ch. 10. See also ILO: *World Social Protection Report 2014/15*, 2014, op. cit., ch. 5.

<sup>53</sup> Para. 3(h) of the Recommendation.

*Confederation of Lebanese Workers (CGTL)* identifies insufficient state financing as one of the major challenges for the delivery of social security services in *Lebanon*.

296. The *International Organisation of Employers (IOE)* notes that, particularly in developed countries, an ageing population reduces the labour force that is currently contributing to the social protection system and increases the pressure on public expenditure in terms of health care.

297. In Africa and Asia, total health expenditure per capita was estimated at just above current US\$20 in 2014, in countries such as *Burundi* and *Myanmar*.<sup>54</sup> However, the Committee notes that, even in the poorest areas where universal coverage is not provided and where significant levels of out-of-pocket payments are used to finance essential health care, a minimum requirement of US\$60 to US\$80 is usually estimated,<sup>55</sup> and that a global estimate for required per capita expenditure for essential health care is US\$239.<sup>56</sup> This would cover the delivery of adequate universal essential health care, staff costs based on decent wages, occupational safety and health, essential medicines, infrastructure costs and minimized out-of-pocket payments.

#### 5.4.2. Health-worker shortages

298. The Committee observes that shortages of health workers and financial deficits are closely related in many countries, and have the effect of hindering the delivery of and access to quality care. These issues are observed in all regions, in such countries as *Burkina Faso*, *Lithuania*, *Nigeria*, *Paraguay*, *Philippines* and *Thailand*. According to ILO estimates, at least 41.1 health workers are needed to provide adequate essential health care for 10,000 persons.<sup>57</sup> However, many countries fall short in this respect, such as *Nepal* and *Zimbabwe*, where the rate is lower than ten health workers per 10,000 population,<sup>58</sup> resulting in such a significant shortage of health workers that over 90 per cent of the population is unable to obtain care from skilled health workers.

299. The Committee further notes that worker shortages have a significant impact on the access of older persons to long-term care, with over 50 per cent of the global population aged 65 and over being without access to long-term care for this reason. In Africa, over 90 per cent of the older population is concerned, in Asia and the Pacific around 65 per cent do not benefit from formal services, while the figures are around 30 per cent in Europe and Central Asia and 15 per cent in the Americas.<sup>59</sup>

300. In addition to a lack of funds, basic reasons for worker shortages include: the misallocation of funds, resulting in a lack of jobs for skilled health workers, particularly in rural areas; low or no wages, for example for “volunteers” and community workers; hazardous work, for example in health facilities without access to water or electricity; a

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<sup>54</sup> World Bank: *World Development Indicators 2016*, Washington, DC, 2017.

<sup>55</sup> WHO: *World Health Report 2010: Health systems financing: The path to universal coverage*, Geneva, 2010; and M. Jowett, M. Brunal, G. Flores et al.: *Spending targets for health: No magic number*, Health Financing Working Paper No. 1, WHO, Geneva, 2016.

<sup>56</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 375.

<sup>57</sup> ILO: *World Social Protection Report 2014/15*, 2014, op. cit., p. 111.

<sup>58</sup> WHO: [Africa Health Observatory](#) [accessed on 19 Sep. 2018].

<sup>59</sup> X. Scheil-Adlung: *Long-term care protection for older persons*, 2015, op. cit.

lack of career perspectives and; more generally, the absence of decent working conditions.<sup>60</sup>

301. In order to address workforce issues, it is necessary to develop decent jobs for a sufficient number of trained workers within appropriate infrastructure. In this regard, the Committee notes that the underfunding of jobs for health workers not only has a negative impact on the achievement of health policy objectives, but also results in a loss of economic growth and decent employment opportunities, as investment in each job for a health worker creates 2.3 jobs for workers in the wider economy, in such areas as transport, cleaning, insurance and IT.<sup>61</sup> Such investment is particularly important in lower middle- and low-income countries in Africa and Asia and the Pacific which are experiencing high rates of unemployment and shortages of health workers.

302. In this regard, *BusinessNZ* notes a lack of suitably qualified medical professionals in *New Zealand*, which is leading to the dependency of the health system on immigrant labour to fill the gap. Similarly, the *CNSM* reports a shortage of doctors in some municipalities in the *Republic of Moldova*.

#### 5.4.3. Extent of out-of-pocket payments

303. With regard to the incidence of impoverishment as a result of out-of-pocket payments for health care, all the reports emphasize that essential health care is provided without the risk of financial hardship for those in need. This is achieved through the use of two main social health financing mechanisms: compulsory social health insurance involving the sharing of costs in large risk pools, for example in *Bulgaria*, *Indonesia*, *Japan* and *Suriname*, and free health care provided through tax-funded national health services, such as in *New Zealand*, *Senegal*, *Uzbekistan* and *Bolivarian Republic of Venezuela*. While the majority of high- and middle-income countries, including *Germany*,<sup>62</sup> have chosen compulsory health insurance as the main financing mechanism, many low-income countries, such as the *United Republic of Tanzania*,<sup>63</sup> tend to prefer the use of tax-funded national health services, or a combination of both financing mechanisms (an example is *Ghana*)<sup>64</sup> for the delivery of affordable health care without financial hardship.

304. Over time, the results of national efforts to guarantee affordability and financial protection can be observed in the reduction of impoverishment as a result of spending on health in some middle-income countries, such as *Nepal*, *Philippines* and *Viet Nam*. However, impoverishment due to out-of-pocket payments is still estimated to account for as much as 4 percentage points of the poverty headcount in low-income countries.<sup>65</sup> For example, the *Confederation of Labour of Niger (CNT)* observes that the burden of paying the cost of prescribed pharmaceuticals and treatment often falls on the families of patients in *Niger*. *COSYGA* notes that the list of pharmaceutical products covered by national health insurance is limited in *Gabon* and expenses are not reimbursed within a reasonable

<sup>60</sup> X. Scheil-Adlung: *Global evidence on inequities in rural health protection*, 2015, op. cit., p. 6; WHO: *Report of the High-Level Commission on Health Employment and Economic Growth*, Final Report of the Expert Group, Geneva, 2016, p. 9.

<sup>61</sup> X. Scheil-Adlung: *Health workforce: A global supply chain approach*, 2016, op. cit., p. xi.

<sup>62</sup> ILO: *World Social Protection Report 2014/15*, 2014, op. cit., p. 107.

<sup>63</sup> WHO: *Health Financing Profile: Tanzania*, May 2016.

<sup>64</sup> G. Schieber, C. Cashin, K. Saleh et al.: *Health financing in Ghana*, Washington, DC, World Bank, 2012.

<sup>65</sup> A. Wagstaff, G. Flores, M. Smits et al.: "Progress on impoverishing health spending in 122 countries: A retrospective observational study", in *The Lancet Global Health* (2017, Vol. 6, Issue 2, Dec.).

time. The *NZCTU* reports a current review of primary health funding in *New Zealand* in response to concerns about access and cost.

305. In light of the above, the Committee observes that out-of-pocket payments constitute an important cause of poverty in many countries and hopes that member States will make efforts to reduce them still further. This would involve addressing the main reasons for out-of-pocket payments, including limited packages of essential health care, high user fees and copayments, for example for pharmaceuticals in the absence of generics, delays in treatment due to long waiting periods and the low quality of public care, forcing the sick to seek care in the private sector.<sup>66</sup> Successful policies include the provision of pharmaceuticals that are free at the point of delivery, that is funded through taxation, and investment in the provision of high-quality public services, including infrastructure and a sufficient number of skilled health workers.

306. While impoverishment due to out-of-pocket payments has fallen in some Asian countries, the Committee notes that increases in out-of-pocket payments have been observed in high and upper middle-income countries in Europe, including *Denmark*, *Finland* and *Romania*, resulting in the impoverishment of around 8 million persons between 1992 and 2015.<sup>67</sup> This trend can be attributed to the increased availability of drugs and new services that are not included in essential health-care packages or free services, and/or require high copayments.

307. In this regard, the *CLC* reports that high pharmaceutical drug costs are a major problem which results in high deductibles (copayments). The *DGB* expresses concern that private payments are required in *Germany* for many services, including essential pharmaceutical supplies, which may result in poverty, particularly in the absence of government control and price setting for new pharmaceutical products.

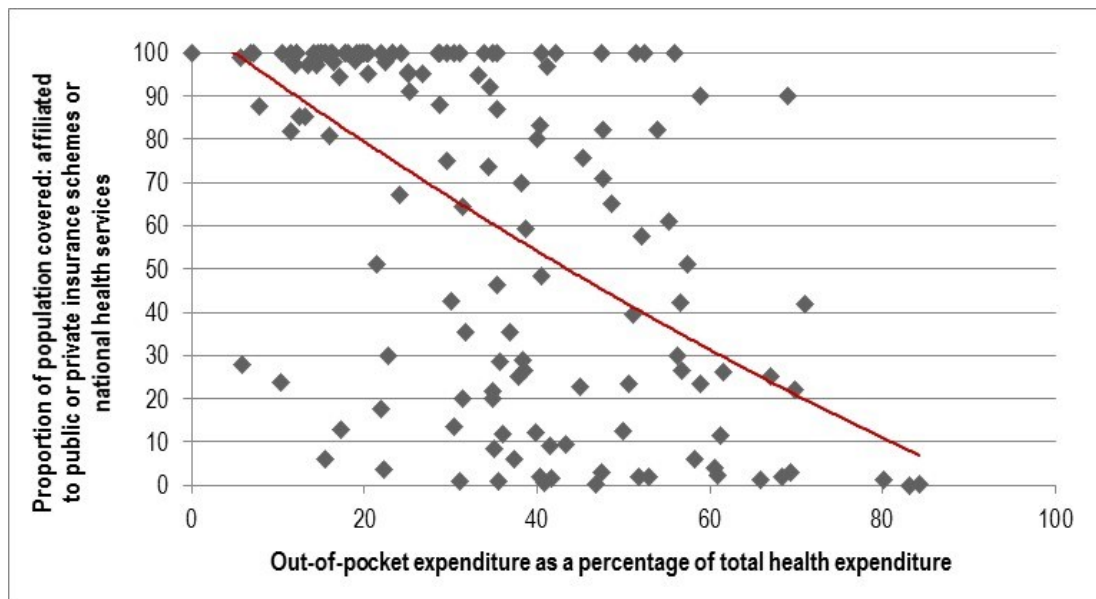
308. The Committee notes from the above that the impact of out-of-pocket payments is even felt in countries that provide universal coverage, irrespective of the financing mechanism used, which leads to the conclusion that policies aimed at minimizing out-of-pocket payments are of the utmost importance in reducing health-related poverty. The Committee further observes that out-of-pocket payment rates are highest in countries with the lowest coverage rates (figure 5.6), which reaffirms the importance of extending legal coverage to avoid financial hardship and impoverishment, which the Committee encourages member States to consider with a view to giving effect to the Recommendation.

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<sup>66</sup> WHO/WB: *Tracking universal health coverage*, 2017, op. cit.

<sup>67</sup> *ibid.*

Figure 5.6. Global coverage rates and out-of-pocket expenditure



Source: ILO: *World Social Security Report 2010/11*, 2010, op. cit.

309. In their reports, a number of governments emphasize that adequate essential health-care guarantees which meet the criteria of accessibility, affordability and financial protection are provided for vulnerable groups, such as older and disabled persons, persons with chronic diseases, the poor, those at risk of poverty or with low incomes, and recipients of social assistance. These guarantees are provided through various means, including:

- subsidies, such as in *Myanmar* and *Turkmenistan*;
- exemption from copayments, for example in *Bosnia and Herzegovina*;
- in-kind benefits, for example in *Austria*;
- discounts, price controls and price regulations for drugs, such as in *Turkey*.

#### 5.4.4. Maternal mortality

310. The high maternal mortality rates observed, particularly in rural areas, suggest that, while maternity services are provided, their quality may not be adequate, particularly in non-urban areas, and that the situation is compounded by greater shortages of health workers, underfunding and low levels of financial protection. The combination of all of these factors gives rise to concerns regarding the possibility of further increases in the uneven progress and growing inequities in rural, compared with urban, areas, even though a reduction in maternal mortality rates has been observed over time in some countries.<sup>68</sup>

311. **The Committee recognizes the efforts made by member States to meet the specific criteria set out in Recommendation No. 202 with regard to universal coverage and access to essential health care, and the priority given to vulnerable population groups. These efforts should contribute to further reducing the still high gaps in access and health-related impoverishment, and to improving the availability, accessibility, acceptability and quality of care through policies that address in particular the shortage of health workers, the underfunding of health systems, the high levels of out-of-pocket payments and the related impoverishment, as well as**

<sup>68</sup> *ibid.*

**maternal mortality rates in all areas in countries and for all vulnerable population groups. The achievement of these objectives will require decent employment for a sufficient number of skilled health workers and the equitable allocation of adequate resources in all areas of countries. It will also require the minimization or abolition of copayments, user fees or other out-of-pocket payments.**

## 5.5. Progress towards universal coverage by adequate essential health care

312. The achievement of the objectives of Recommendation No. 202 requires policy coherence, regular monitoring and tripartite consultations with a view to the coordination of health protection policies with social security and other public policies, including labour market policies.<sup>69</sup> The aim is to achieve sustainable progress in various closely interlinked policy areas that have an impact on national wealth and development. The Committee notes that, in the absence of the required policy coordination, important issues may detract from the achievement of the overall objectives of health, social and economic policies, including:<sup>70</sup>

- ❑ increased health-related impoverishment;
- ❑ growing income inequalities between workers in good and ill health;
- ❑ lower employment rates for workers in ill health;
- ❑ negative impacts of ill health on productivity and economic growth;
- ❑ a shortfall in employment and economic growth due to shortages of health workers and their employment under conditions that are not decent;
- ❑ the low performance of health economies and health labour markets.

313. Some governments emphasize in their replies issues of policy coordination that are resulting in barriers to progress towards universal access to adequate essential health care, for example in *Honduras, Madagascar* and *Paraguay*. To address these issues, action is required in various policy areas, and particularly the mainstreaming of poverty alleviation policies in health protection, labour market and rural development policies, and vice versa, including, for example, the creation of decent jobs for health and long-term care workers in underserved rural areas.

314. In accordance with Paragraph 13(1) of the Recommendation, the related reforms should be based on broad consultations through effective social dialogue involving the social partners and representative organizations of other persons concerned to ensure that the interests and needs of all stakeholders are represented, and to maximize support for such policies, and therefore their sustainability. Paragraph 20 of the Recommendation emphasizes that policy outcomes should be regularly monitored by stakeholders, including the social partners and representatives of other persons concerned, to provide feedback to the authorities. Many governments report tripartite reviews, monitoring mechanisms and other forms of policy evaluation, for example in *Azerbaijan, Cambodia, Estonia, Germany, Islamic Republic of Iran, Lithuania, Mali* and *Thailand*, while a few indicate that the related mechanisms have not been established, mainly in developing countries, including *Burundi, Jamaica, Mauritius* and *Togo*.

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<sup>69</sup> See, among others, Paras 3(1), 10, 13(2), 14(d) and 19.

<sup>70</sup> ILO: *World Social Protection Report 2014/15*, 2014, op. cit., chs 5 and 6.

315. With a view to accelerating progress towards the achievement of the core criteria of Recommendation No. 202 in terms of guaranteeing access to essential health care, it would also be advisable to conduct country-specific assessments and reviews of health protection policies with a view to improving their effectiveness and efficiency. Replies from 21 countries (19 per cent of the total) report that assessments have been completed regarding the four core criteria of availability, accessibility, acceptability and quality to be met by essential health care, mainly in high- and upper middle-income countries, including *Austria, Belgium, Canada, Costa Rica, Denmark, New Zealand, Turkey and Turkmenistan*. Four countries are currently in the process of assessing their essential health-care guarantees (*Burkina Faso, Cote d'Ivoire, Suriname and Uzbekistan*). However, a significant number of low- and lower middle-income countries have requested ILO support for this purpose, namely *Burundi, Cabo Verde, Cambodia, Colombia, Côte d'Ivoire, Ecuador, El Salvador, Guinea, Honduras, Islamic Republic of Iran, Mexico, Nigeria, Pakistan, Peru, Senegal, Sri Lanka and Tajikistan*.

## Conclusion

316. Based on the reports of governments and the observations of the social partners, the Committee is pleased to observe that many member States are giving effect to certain aspects of the Recommendation in relation to guaranteeing access to essential health care. However, only a few countries, mainly high- and upper middle-income countries, appear to be fully aligned with all the relevant provisions of the Recommendation. Important criteria and principles that are not met in most countries include the universality of legal coverage, and the accessibility and affordability of essential health care. The core reasons identified for these deficits relate to the underfunding of health protection, shortages of health workers and high rates of out-of-pocket payments, resulting in an increased risk of impoverishment and financial hardship. The countries concerned are to be found in all regions, although mainly in Africa and in Asia and the Pacific. The highest rates of exclusion among the global population are among rural populations, pregnant women, older persons and the poor/vulnerable.

**317. Against this background, the Committee calls on member States to increase their efforts, in line with their national circumstances, to achieve progress towards the full implementation of the Recommendation in relation to essential health care, particularly with a view to achieving universal coverage and providing accessible high-quality care for all in need, in order to prevent avoidable deaths and illness, improve health and reduce health-related impoverishment, so as to realize the full national potential for economic growth and decent work.**

**318. In this regard, the Committee wishes to draw the attention of member States to the fact that improving the accessibility of adequate essential health care requires the adoption of measures in the majority of countries to address funding deficits, including the reallocation of budgets, and to ensure that a sufficient number of health workers are employed in decent jobs that are equally distributed throughout the country so as to ensure the provision of quality care to all in need without discrimination on grounds of gender, age or residency status. The Committee also emphasizes the need to implement policies that are coherent, gender-sensitive and integrated across the health, social and economic sectors in order to achieve sustainable progress. In this regard, participation in decision-making through national social dialogue is the most effective method of achieving equitable progress that leaves no one behind, as called for by the Recommendation and reiterated by the SDGs.**



# Chapter 6

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## Basic income security for children

### Guidance set out in Recommendation No. 202 on key aspects of basic income security for children

#### Objectives

- Basic income security for children, at least at a nationally defined level, providing access to nutrition, education, care and any other necessary goods and services (Paragraph 5(b))

#### Main provisions

- Child and family benefits, disability, survivors' and other benefits, in cash or in kind, and tax benefits (Paragraph 9(1), (2) and (3))
- Combining preventive, promotional and active measures, benefits and social services (Paragraph 10(a))

#### Key principles

- Universality of protection (Paragraphs 3(a) and 6)
- Adequacy and predictability of benefits (Paragraphs 2, 3(c), 4, 5 and 8)
- Non-discrimination, gender equality and responsiveness to special needs (Paragraphs 3(d) and 6)
- Respect for the rights and dignity of people covered by the social security guarantees (Paragraph 3(f))
- Participation and consultation (Paragraphs 3(r) and 8(d))

#### Financing and administration

- Solidarity in financing (Paragraph 3(h))
- Diversity of financing mechanisms and delivery, including universal benefit schemes, social assistance schemes and negative income tax schemes (Paragraphs 3(i) and 9(3))

#### Complementary of policies

- Coherence with social, economic and employment policies (Paragraph 3(l))
- Policies to ensure the availability and accessibility of nutrition, education, care and other necessary goods and services (Paragraphs 4 and 5(b))
- Coordination with other policies (Paragraph 10(c))

#### Closely related Social Development Goals (SDGs)

- On ending poverty – SDG 1
- On improving nutrition and ending hunger – SDG 2
- On ensuring healthy lives and promoting well-being for all – SDG 3
- On ensuring access to education – SDG 4
- On reducing inequality – SDG 10
- On peaceful and inclusive societies – SDG 16

## 6.1. General considerations

### 6.1.1. The need for social protection in childhood

319. The Committee notes that, despite the progress achieved in recent years, many children in a vast number of countries worldwide still suffer from poverty, social exclusion and a lack of access to the necessary goods and services.<sup>1</sup> Global child poverty rates show that children are more than twice as likely as adults to be living in households in extreme poverty.<sup>2</sup> In many countries, this also involves exclusion from access to the necessary health care in view of the high copayments involved.<sup>3</sup> An estimated 5.9 million children under the age of 5 die every year, most of them from preventable causes, such as undernutrition.<sup>4</sup> For children, lack of access to adequate nutrition, education and a healthy environment is particularly harmful, and has the consequence of irreversible damage to their mental and physical development and well-being.<sup>5</sup>

320. The Committee further notes that social protection systems, and particularly social protection floors, play an important role in: lifting children out of poverty and improving their health and overall well-being; preventing child mortality and improving children's access to needed goods and services, such as a nutritious diet, health, education and care services; and reducing child labour, thereby ensuring that children can realize their full potential and break the vicious circle of poverty and vulnerability.<sup>6</sup> However, important gaps remain in protection, with only 35 per cent of children globally receiving social protection benefits, and significant regional disparities. While 87 per cent of children in Europe and Central Asia and 66 per cent in the Americas are in receipt of benefits, this is the case for only 28 per cent of children in Asia and the Pacific and 16 per cent in Africa.<sup>7</sup>

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<sup>1</sup> ILO: *World Social Protection Report, 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017, p. 12.

<sup>2</sup> UNICEF and World Bank Group: *Ending extreme poverty: A focus on children*, Briefing Note, October 2016, in which extreme poverty is defined as less than US\$1.90 a day using 2011 purchasing power parity (PPP). See also ILO: *World Social Protection Report 2017–19*, op. cit., pp. 12–14; D. Newhouse, P. Suarez-Becerra and M. Evans: *New estimates of extreme poverty for children*, Policy Research Working Paper No. 7845, World Bank, Washington, DC, 2016; and OECD: *Child Poverty, CO2:2 OECD Family Database*, Paris, which shows that even in OECD countries the percentage of poverty among children is normally higher than among adults.

<sup>3</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 16.

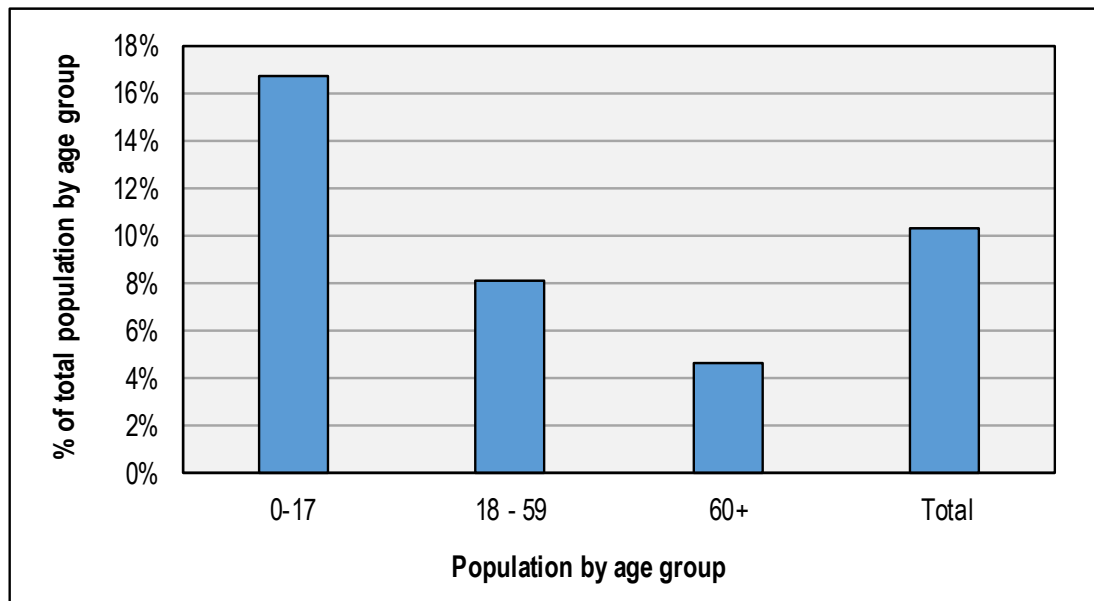
<sup>4</sup> UNICEF: *Level and Trends in Child Mortality*, estimates developed by the United Nations Inter-agency Group for Child Mortality Estimation, New York, 2015.

<sup>5</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 12.

<sup>6</sup> *ibid.*, p. 11.

<sup>7</sup> *ibid.*, p. 14 and 17, referring to UNICEF: [Child mortality data](#), 2015.

**Figure 6.1. Population living in extreme poverty (US\$1.90 a day or less per person) as share of total population (in percentage), by age group, latest available year**



Source: Estimation based on UNICEF and UNWPP databases.

321. The Committee also notes the close links between poverty and child labour. As recognized in the Preamble to the Worst Forms of Child Labour Convention, 1999 (No. 182), child labour is to a great extent caused by poverty and the long-term solution lies, in particular, in poverty alleviation and universal education. In this regard, it has been established that social security is critical to mitigating household vulnerabilities associated with poverty, risks and shocks.<sup>8</sup>

322. Against this background, the Committee observes an urgent need for member States to adopt comprehensive measures against the risks that drive children into poverty. National social security systems, which provide adequate protection for children through a combination of benefits and schemes, in line with the Recommendation, should be considered by member States as part of these measures, as emphasized in SDG 1 on ending extreme poverty, which includes target 1.3 on the implementation of social protection systems and measures, including social protection floors.

323. The Committee also observes that, in order to maximize their impact on children, it is important to ensure that all social protection interventions are child sensitive, in accordance with the principles outlined in the Joint Statement on Advancing Child-Sensitive Social Protection adopted in 2009 by a coalition of international agencies, donors and non-governmental organizations (NGOs).<sup>9</sup>

<sup>8</sup> ILO: *Global estimates of child labour: Results and trends, 2012–2016*, Geneva, 2017, p. 53.

<sup>9</sup> Department for International Development, HelpAge International, Hope & Homes for Children, Institute of Development Studies, ILO, Overseas Development Institution, Save the Children UK, UNICEF, UNDP and World Bank: *Advancing Child-Sensitive Social Protection*, London, 2009.

**Box 6.1**  
**Principles of child-sensitive social protection**

- ❑ Avoid adverse impacts on children, and reduce or mitigate social and economic risks that directly affect children's lives.
- ❑ Intervene as early as possible where children are at risk, in order to prevent irreversible impairment or harm.
- ❑ Consider the age- and gender-specific risks and vulnerabilities of children throughout the life cycle.
- ❑ Mitigate the effects of shocks, exclusion and poverty on families, recognizing that families raising children need support to ensure equal opportunity.
- ❑ Make special provision to reach children who are particularly vulnerable and excluded, including children without parental care, and those who are marginalized within their families or communities due to their gender, disability, ethnicity, HIV/AIDS or other factors.
- ❑ Consider the mechanisms and intra-household dynamics that may affect how children are reached, paying particular attention to the balance of power between men and women within the household and broader community.
- ❑ Include the voices and opinions of children, their caregivers and youth in the understanding and design of social protection systems and programmes.

**324. In the spirit of the Recommendation, the Committee emphasizes the need for increased efforts by member States to guarantee at least essential health care and basic income security for children as a part of national social protection floors. Ensuring adequate levels of child-sensitive social security is an investment, not only in the future of the children and families concerned, but also in the future of the country and its economy as a whole. Children who are able to grow up in good health and dignity and to attend school for a sufficient number of years, instead of being forced to engage in child labour, will break the vicious circle of poverty<sup>10</sup> and be able as adult workers to contribute actively to economic growth. The Committee recalls that it is the responsibility of the State to promote and progressively extend, through legislation, the welfare of families with dependent children and to ensure that all children have access to the necessary goods and services.<sup>11</sup>**

### 6.1.2. International legal framework

325. Children receive special protection under international human rights law by reason of their “physical and mental immaturity”.<sup>12</sup> For example, the Universal Declaration of Human Rights (UDHR) provides that children are entitled to special care and assistance and that they shall all enjoy the same social protection (Article 25(2)). The right of every child to benefit from social security, including social insurance, is established in Article 26 of the Convention on the Rights of the Child (CRC), which has been ratified by 196 States. In accordance with the CRC, every child has the right to a standard of living adequate for the child’s physical, mental, spiritual, moral and social development. In this respect, parents and others responsible for the child are entitled in case of need to material assistance and support programmes, particularly with regard to nutrition, clothing and housing (Article 17(1) and (3)). In addition, Article 26 provides for the right to education.

<sup>10</sup> ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter, the “2011 General Survey”), para. 203.

<sup>11</sup> *ibid.*, para. 187.

<sup>12</sup> Declaration of the Rights of the Child, Preamble.

The International Covenant on Economic, Social and Cultural Rights (ICESCR) provides for the healthy development of the child (Article 12(a)) and education (Article 13).

326. These international instruments are supplemented by regional instruments.<sup>13</sup> For example, in Africa, both the African Charter on Human and Peoples' Rights, 1981, (Article 18(3)), and the African Charter on the Rights and Welfare of the Child, 1990, include provisions on the protection of children and their families. The American Convention on Human Rights, 1969, provides, in Article 19, that "every minor child has the right to the measures of protection required by his condition as a minor on the part of his family, society, and the state". Furthermore, the American Declaration of the Rights and Duties of Persons, 1948, establishes that "all women, during pregnancy and the nursing period, and all children have the right to special protection, care and aid" (Article VII). The Commonwealth of Independent States Convention on Human Rights and Fundamental Freedoms, 1995, provides for the "right of mothers and children to social and economic protection" (Article 16). The European Social Charter, 1961, establishes the right of the family to social, legal and economic protection (Article 16) and the right of mothers and children to social and economic protection (Article 17). The Arab Charter on Human Rights, 2004, establishes the obligation of States Parties to ensure the right of every citizen to social security, including social insurance (Article 16) and that "every person has the right to an adequate standard of living for himself and his family, which ensures their well-being and a decent life, including food, clothing, housing, services and the right to a healthy environment" (Article 38).

327. Furthering the protection of children and provision for child welfare is part of the ILO's constitutional mandate.<sup>14</sup> A number of ILO Conventions and Recommendations set standards for the protection of children in specific areas.<sup>15</sup> Convention No. 102 makes provision for family benefits for the maintenance of children.<sup>16</sup> More specifically, these benefits should have the objective of ensuring the welfare of children and the economic stability of their families by providing the necessary additional income for the sustainable development of the child and to prevent families of limited means from falling into poverty due to the need to maintain a child.<sup>17</sup> The Minimum Age Convention, 1973 (No. 138), and Convention No. 182 address the issue of child labour in various ways and provide not only for poverty eradication programmes, but also for universal education, including for children removed from child labour.

328. The Committee notes that the various aspects of the social protection of children set out in the respective international human rights instruments are enshrined in the Recommendation, as shown below, in recognition of the key role of social protection in giving effect to the right of children to social security and an adequate standard of living. It therefore invites member States to implement the basic social security guarantees for children in light of their human rights obligations and their commitment to achieving the 2030 Agenda for Sustainable Development. The Committee further invites member States to consider the guidance provided in the Recommendation as part of the broader

<sup>13</sup> See also 2011 General Survey, table 5, pp. 70–72.

<sup>14</sup> Preamble to the ILO Constitution, and Declaration concerning the aims and purposes of the International Labour Organisation (Declaration of Philadelphia), 1944, Art. III(h).

<sup>15</sup> Including the Minimum Age Convention, (No. 138) and Recommendation (No. 146), 1973, the Workers with Family Responsibilities Convention, (No. 156) and Recommendation (No. 165), 1981, the Worst Forms of Child Labour Convention, 1999 (No. 182), and social security Conventions Nos 102, 121, 128 and 130.

<sup>16</sup> For a detailed analysis of the relevant ILO social security standards, see the 2011 General Survey, paras 184–188.

<sup>17</sup> *ibid.*, paras 189–190.

framework of international standards for the protection of children, and to ensure a comprehensive approach to such protection.

## 6.2. Personal coverage: Towards basic social security for all children

### **Relevant provisions of Recommendation No. 202**

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

(a) universality of social protection, based on social solidarity;

...

(d) non-discrimination, gender equality and responsiveness to special needs;

(e) social inclusion, including of persons in the informal economy;

...

4. ... The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

...

(b) basic income security for children, at least at a nationally defined minimum level, ...

6. Subject to their existing international obligations, Members should provide the basic social security guarantees referred to in this Recommendation to at least all residents and children, as defined in national laws and regulations.

### 6.2.1. Definition of the term “child”

329. The Recommendation indicates in Paragraph 6 that the basic social security guarantees should be provided to all children, as defined in national laws and regulations. This means that every child, in every family, irrespective of the number of children in the family, or of the order in which they are born, should be guaranteed basic income security on an individual basis.<sup>18</sup> For guidance in setting age limits for the provision of child benefits within the framework of national social security systems, the Committee wishes to refer to existing international law. The Convention on the Rights of the Child defines a “child” as “every human being below the age of eighteen years unless under the law applicable to the child, majority is attained earlier” (Article 1). Convention No. 102 defines the term “child” as “a child under school-leaving age or under 15 years of age”.<sup>19</sup> The more advanced social security standards add to this definition that the prescribed age should be higher for apprentices, students or children with disabilities, and they link the age up to which a person is considered to be a child to the school-leaving age or to their status of dependency.<sup>20</sup> Convention No. 138 provides that the minimum age for admission

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<sup>18</sup> See also ch. 2, section 2.2.1.

<sup>19</sup> Convention No. 102, Art. 1(1)(e).

<sup>20</sup> Convention No. 121, Art. 1(e), Convention No. 128, Art. 1(h), Convention No. 130, Art. 1(g).

to employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years.<sup>21</sup>

330. Of the 54 government replies which provide information in response to the question on the definition of the term “child” (figure 6.2), 36 indicate that the term applies to anyone who has not reached the age of 18,<sup>22</sup> and one country reports that it refers to persons up to the age of 21.<sup>23</sup> In some countries, the age limit for children can be further extended to 20 years or above for the purposes of eligibility for social security benefits. For example, in *Burundi*, the age limit is raised to 21 years if the child is an apprentice or is studying full time at school. Similarly, in *France*, persons who continue their education until the age of 20 are considered to be “dependent children”, and as such are eligible for child benefit.<sup>24</sup>

331. On the other hand, in several countries the age limit for children is set below 18 years. The reports for *Estonia*, *Malta*, *Myanmar*, *Namibia*, *Sri Lanka*, *United Kingdom* and *Zimbabwe* indicate that the term “child” generally applies to persons under 16 years of age, while in *Mauritius* and *Côte d’Ivoire*<sup>25</sup> it refers to persons under 15 years of age. However, in several of these countries the age limit is extended in case of enrolment in education. In *Estonia*, if a child continues education after turning 16, eligibility for child and family allowances is extended until she or he attains the age of 19 years. In *Mauritius*, a person who has reached the age of 18, but is younger than 20, is also considered a child if she or he is in full-time education, and entitlement to benefits in *Côte d’Ivoire* is extended to 18 years if the person is completing their studies, and 21 if the studies continue.

332. A number of countries report a distinction between the terms “child” (or equivalent) and “young person”,<sup>26</sup> while the needs of children may differ at different stages of development.<sup>27</sup> For example, in *Ecuador*, according to the Code of Children and Young Persons, a “boy” or “girl” is a person who has not reached the age of 12 years, and a “young person” is aged between 12 and 18 years.<sup>28</sup> A similar situation is reported in *Cabo Verde*, *El Salvador*, *Peru*, *Guatemala*, *Paraguay* and *Uruguay*.<sup>29</sup> The *Chamber of Industries (CIU)* and the *National Chamber of Commerce and Services (CNCS)* indicated that the definition of children and young persons in *Uruguay* is taken from UNICEF,<sup>30</sup>

<sup>21</sup> Convention No. 138, Arts 1 and 2(3). Art. 2(4) specifies that member States whose economy and educational facilities are insufficiently developed may, after consultation with the organizations of employers and workers concerned, where such exist, initially specify a minimum age of 14 years.

<sup>22</sup> *Austria, Bahrain, Bulgaria, Burkina Faso, Burundi, Central African Republic, China, Croatia, Denmark, Egypt, France, Ghana, Greece, Honduras, Hungary, Israel, Italy, Jamaica, Japan, Lithuania, Mexico, New Zealand, Nigeria, Philippines, Qatar, Russian Federation, Saint Kitts and Nevis, South Africa, Spain, Switzerland, Tajikistan, Thailand, Togo, Trinidad and Tobago, Tunisia and Ukraine.*

<sup>23</sup> *Madagascar.*

<sup>24</sup> Social Security Code, sections L.161-1 and R.161-4.

<sup>25</sup> As reported by the *General Confederation of Enterprises of Côte d’Ivoire (CGECI)*.

<sup>26</sup> The United Nations, for statistical purposes, defines “youth”, as those persons between the ages of 15 and 24 years, without prejudice to other definitions by member States. This definition was made during preparations for the International Youth Year (1985), and endorsed by the General Assembly (see A/36/215 and resolution 36/28, 1981). Within the category of “youth”, a distinction is also made between teenagers (13–19) and young adults (20–24). See: <https://www.un.org/development/desa/youth/what-we-do/faq.html>.

<sup>27</sup> See also ch. 4, section 4.1.1.

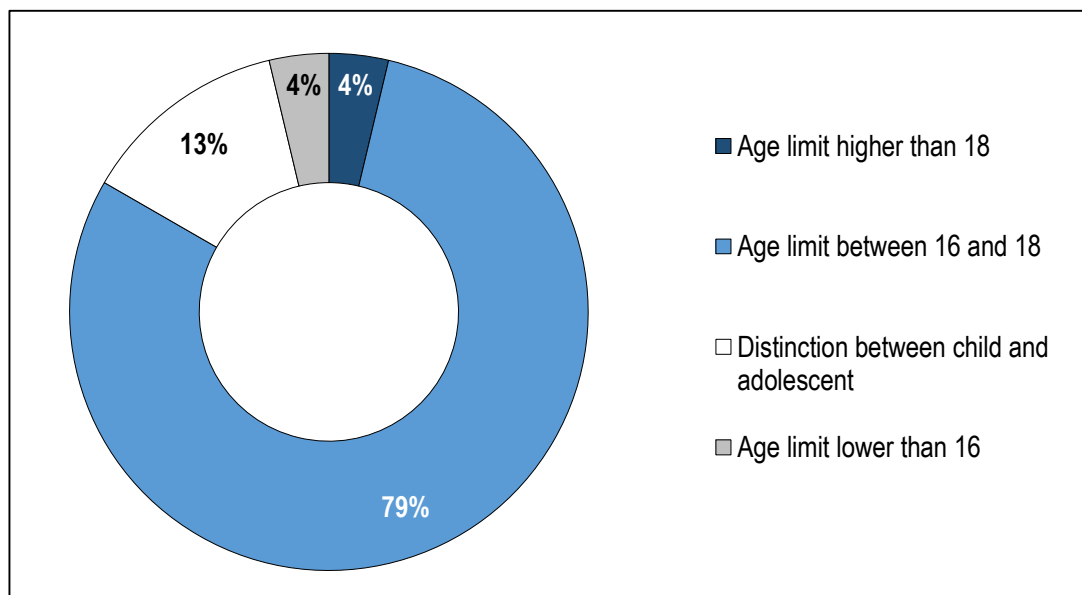
<sup>28</sup> Act No. 2003-100, section 4.

<sup>29</sup> However, in the latter three countries, the term “child” (or equivalent) is reported to apply to persons under 13, rather than under 12 years of age.

<sup>30</sup> Early childhood from 0 to 5 years, and then from 6 to 12 years old, and young persons from 13 to 17 years old.

and is used in public programmes implemented by the Government, such as those run by the National Institute for Children and Young Persons to provide support for children in the areas of education, training and basic care services.

**Figure 6.2. Age limits for the definition of “child” (share of country responses)**



Note: A total of 54 governments reported the age limits of children in national legislation. In a number of countries age limits are higher in case of education enrolment.

Source: Government reports for the General Survey on Social Protection Floors 2019.

333. The Committee notes the development in international law over the course of the previous century of the age up to which a person is considered to be a dependent child. In view of this development and of the practice in the majority of member States, the Committee recommends that basic social security benefits for children should be provided up to the age of 18 years, or until the child is no longer dependent because she or he has entered the labour market after reaching the age of 15 years, or until the age of majority as prescribed by national law, if this is between 15 and 18 years of age. **The Committee wishes to emphasize that, for the purpose of national social protection floors, the definition of “child” in national law should take into account the vulnerability of children and that benefits provided in respect of children or families should be responsive to the needs of children at different ages and to the changing structure of households.**<sup>31</sup> Entitlement to child benefit should also continue until protection is available under social security schemes covering people in active age.

### 6.2.2. Addressing the needs of the most vulnerable categories of children

#### *Categories of children particularly at risk of exclusion*

334. The application of the principles of universality of protection, non-discrimination and social inclusion, in accordance with the Recommendation, requires special attention to be paid to the children who are most vulnerable and at risk of poverty and social exclusion. The Committee notes that some categories of children are more at risk of poverty and exclusion than others. These include children living in situations of armed

<sup>31</sup> See also 2011 General Survey, para. 186.



conflict or natural disasters, orphans, child workers, children with disabilities, children of ethnic minorities and indigenous peoples, migrant children, children living in rural areas and street children. Several ILO standards address specific vulnerable categories of persons, including children. The Committee recalls that benefits should be granted in respect of all children on the territory of the country, without discrimination, and provided to the person actually responsible for the child, or the child her or himself.<sup>32</sup>

335. The Committee notes that many countries report the implementation of at least some measures and policies offering special protection to vulnerable and disadvantaged children and/or children with special needs. However, of the 112 reports received, less than 60 per cent provide information in response to the questions concerning benefits, schemes and policies to provide basic income security for such children. **In this regard, the Committee wishes to emphasize the importance of sharing information on the manner in which national social protection floors are designed and implemented in general, and in particular on the progress made by member States in extending their social protection floors to all children.**

336. **The Committee expresses concern at the apparent gaps in social protection for children and emphasizes that, in order to progressively close these gaps in accordance with the Recommendation, basic income security schemes and benefits for children should also cover those who are most disadvantaged and excluded, or at risk of exclusion, in order to address their specific needs.**

#### *The need for gender-responsive child benefits*

337. Although both boys and girls are exposed to various threats, girls are still more likely than boys to be illiterate, suffer sexual victimization and not attend school.<sup>33</sup> From a young age, girls perform most unpaid housework and care work, and this situation continues into their adult lives and amplifies the unequal division of household and care work,<sup>34</sup> resulting in future income security deficits. Despite general progress towards gender equality around the world, the gender gap in skills development persists, starting in early childhood and widening as boys and girls grow up.<sup>35</sup>

338. **The Committee recalls the importance of gender-sensitive social protection for children and their families and notes that this requires close coordination with other policy areas, such as those covering family services, pre-school and out-of-school day care for children, parental support and leave, and working-time policies.** The Committee notes in this respect that, in the majority of Member States of the European Union and the Organisation for Economic Co-operation and Development (OECD), social protection for families with children includes cash income support benefits, as well as free or subsidized childcare services.<sup>36</sup> For example, in the *Netherlands*, with a view to helping parents who are working, actively looking for a job, studying or taking a civic integration course, an income-related childcare benefit is provided that can be claimed if a child goes

<sup>32</sup> See ch. 2 (2.2) and 2011 General Survey, paras 185–186.

<sup>33</sup> UNICEF: *Annual Report 2017*, p. 61.

<sup>34</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 13.

<sup>35</sup> UNICEF: *Annual Report 2017*, p. 58.

<sup>36</sup> OECD [Family database](#), section (iii), Public policies for families and children.

to a registered childcarer.<sup>37</sup> Similarly, in *Australia*, eligible families can benefit from childcare subsidies provided to help cover the cost of childcare.<sup>38</sup>

339. In some countries, the provision of family benefits is subject to certain conditions, often involving school enrolment and regular medical check-ups. Although these conditions may improve the health and school attendance of children,<sup>39</sup> they may also, as an unintended side effect, place an additional burden on women, who are often held responsible for ensuring that the conditions are met.<sup>40</sup> The imposition on mothers of responsibility for fulfilling these conditions has been shown in some cases to confine women to caregiving roles, which may prevent them from being economically active and independent.<sup>41</sup>

**340. The Committee emphasizes the importance of implementing benefit schemes for children in a manner that ensures gender equality and supports women’s labour market participation. The Committee recommends that, in the event that the provision of benefits is linked to certain conditions, they should be accompanied by policy measures that facilitate the fulfilment of these conditions, especially in remote and rural areas, without placing an additional burden on mothers.**

#### *Children with irregular migration status*

341. In accordance with Paragraph 6 of the Recommendation, the basic social security guarantees should be provided for all children (within the age limits set out in national law), and therefore irrespective of their residence status.<sup>42</sup> This implies that child benefit schemes should, in principle, not exclude children living in the country who are in an irregular situation as to their migration status. The Committee notes that in many countries the protection provided for children is indeed more inclusive and comprehensive than for adults, for whom social protection is generally strictly linked to legal residency. In the *Netherlands*, for example, foreign nationals who do not have a residence permit are excluded from public services, with the exception of essential health care. However, underage illegal residents are also entitled to dental care, education and housing. In *Finland*, all children aged under 16, including those in an irregular situation, have the right to basic education and the school health-care services referred to in section 16 of the Health Care Act. Several other countries report the provision of at least some basic income security and essential health care to all children on their territory, irrespective of their residence status, including in *Bahrain, Croatia, Finland, Germany* and *Tajikistan*.

342. The *Federal Chamber of Labour (BAK)* expresses concern that children with an official asylum-seeker status are not entitled to regular family allowances and childcare

<sup>37</sup> Childcare Act, 2004, ch. 2.

<sup>38</sup> Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Act No. 22 of 2017, Schedule 4.

<sup>39</sup> Examples of such schemes are given in ch. 6, sections 6.3.2 and 6.3.6.

<sup>40</sup> See, for example, M. Orozco Corona and S. Gammage: *Cash transfer programmes, poverty reduction and women’s economic empowerment: Experience from Mexico*, Gender, Equality and Diversity Branch, Working Paper No. 1/2017, ILO, Geneva, p. 49; L. Pautassi: “Argentina: From an emblematic case to its institutionalization”, in T. Dijkhoff and G. Mpedi (eds): *Recommendation on social protection floors: Basic principles for innovative solutions*, Kluwer Law International, 2018, ch. 7, pp. 156–157.

<sup>41</sup> Gender Equality Observatory of Latin America and the Caribbean: *Annual Report 2012: A look at grants: Support and burden for women*, ECLAC, Santiago de Chile, 2012, p. 62, according to which poor women recipients of conditional cash transfers are reported to engage in an additional seven hours of unpaid care work every week. See also M. Orozco Corona and S. Gammage: *Cash transfer programmes, poverty reduction and women’s economic empowerment: Experience from Mexico*, 2017, op. cit., p. 49.

<sup>42</sup> See also ch. 2, section 2.2.1.

allowances in *Austria*, but are provided with a subsistence allowance that is significantly lower than the allowance for other children. It emphasizes that children should be entitled to adequate everyday necessities, including access to education, and that the current allowance of €100 a month does not cover these needs.

**343. The Committee recognizes the difficulties that member States may face in relation to the social protection of persons in an irregular situation. However, as the Recommendation calls for basic social security for children irrespective of their residency status or that of their parents, the Committee strongly invites governments to progressively extend basic social security, including at least essential health care, to all children living in their territory.**

### 6.3. Material scope of benefits and schemes ensuring basic income security for children

#### Relevant provisions of Recommendation No. 202

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(d) non-discrimination, gender equality and responsiveness to special needs;

...

(f) respect for the rights and dignity of people covered by the social security guarantees;

...

(l) coherence with social, economic and employment policies;

...

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

...

(b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;

...

9. (1) In providing the basic social security guarantees, Members should consider different approaches with a view to implementing the most effective and efficient combination of benefits and schemes in the national context.

(2) Benefits may include child and family benefits, ... disability benefits, ... survivors' benefits, ... as well as any other social benefits in cash or in kind.

(3) Schemes providing such benefits may include universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes.

10. In designing and implementing national social protection floors, Members should:

(a) combine preventive, promotional and active measures, benefits and social services;

...

(c) ensure coordination with other policies that enhance ... education, literacy, ... that reduce precariousness ... .

#### 6.3.1. Provision of goods and services deemed necessary for children

344. As indicated in Paragraph 5(b) of the Recommendation, income security for children should at least provide access to nutrition, education, care and any other necessary goods

and services. Additional guidance as to which goods and services are necessary can be found in the various ILO Conventions and human rights treaties.<sup>43</sup>

<b>Box 6.2</b>		
<b>Social security benefits for children required under ILO Conventions and international human rights instruments</b>		
	<b>Age limit</b>	<b>Benefits</b>
Convention No. 102	< 15 years or under school-leaving age	<ul style="list-style-type: none"> <li><input type="checkbox"/> In-kind medical care benefits (Article 9)</li> <li><input type="checkbox"/> Cash benefit in respect of the death of the breadwinner due to accident or a prescribed disease resulting from employment (Articles 32(d) and 36(1))</li> <li><input type="checkbox"/> Family benefits (Article 42):                             <ul style="list-style-type: none"> <li>– in cash (periodical payments)</li> <li>– in kind (food, clothing, housing, holidays or domestic help)</li> <li>– or a combination of cash and in-kind benefits</li> </ul> </li> <li><input type="checkbox"/> Cash benefit in respect of death of the breadwinner (Article 60)</li> </ul>
Conventions Nos 121 and 130	< 15 years or under school-leaving age, whichever is higher; higher for apprentices, students or children with chronic illness or infirmity disabling them for any gainful activity	<ul style="list-style-type: none"> <li><input type="checkbox"/> Cash benefit in respect of the death of the breadwinner due to accident or a prescribed disease resulting from employment (Article 18 of Convention No. 121)</li> <li><input type="checkbox"/> In-kind medical care benefits (Article 13 of Convention No. 130)</li> </ul>
CRC, ICESCR	< 18, unless majority is attained earlier	Cash benefits and social services covering food, clothing, housing, water and sanitation, or other rights as appropriate. (CRC, Article 26, ICESCR, Article 9)*

\*See also, CESCR: "General Comment No. 19: The right to social security (Art. 9)", 4 Feb. 2008, E/C.12/GC/19., para. 18.

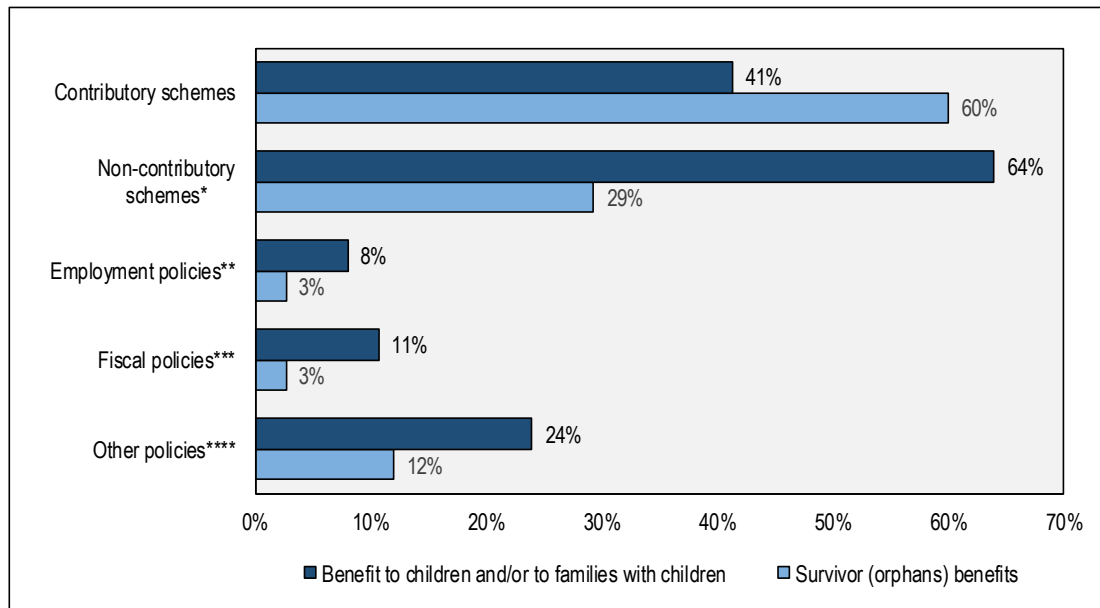
345. The Committee emphasizes that, based on the guidance in the Recommendation, and as indicated in the government reports, the necessary goods and services should be made available and accessible through the most efficient combination of cash and in-kind benefits. Coordination with other policies should also be envisaged in order to ensure, for example, school meals, sufficient and accessible medical services and sanitary facilities, sanitary protection for girls, contraceptives, free education, transport and housing, with a view to achieving the most adequate and comprehensive overall protection.

### 6.3.2. Cash benefits

346. Around 77 per cent of the reports which contain information on the corresponding question indicate that cash benefits are provided to ensure access to the necessary goods and services, whether or not they are supplemented by benefits in kind and/or subsidies for specific goods and services.

<sup>43</sup> See figure 4.1 on the goods and services considered necessary, as reported by countries.

**Figure 6.3. Benefits, schemes and policies providing income security for children**  
(percentage of total number of countries reported having at least one programme for children, by social protection function and by type of programme)



Note: A total of 75 countries reported having at least one programme – many countries provide more than one.

\* Universal schemes, social assistance, housing allowance, GMI, social safety nets, targeted anti-poverty programmes. \*\* Employment support, vocational training, etc. <sup>44</sup> \*\*\* Negative income tax, tax incentives, etc. <sup>45</sup>

\*\*\*\* Services, care, education, economic policies (e.g. regional development), schemes supported by international donors and NGOs, other policies. <sup>46</sup>

Source: Government reports for the General Survey on Social Protection Floors 2019, table 1.

347. The responses received highlight a considerable diversity of schemes and mechanisms for the delivery of these cash benefits. <sup>47</sup> Social insurance schemes, universal schemes, social assistance schemes (including those classified as safety nets or targeted anti-poverty programmes), and fiscal (tax), economic and some other public policies are all reported as vehicles for the provision of periodic income support for children (figure 6.3). <sup>48</sup> The type of scheme referred to most frequently is *social insurance*: in at least 48 per cent of countries in which cash benefits are provided for children, this is reported to be either the sole or one of the major mechanisms for the delivery of cash benefits. This is in line with the findings of the *World Social Protection Report 2017–19*, according to which over 41 per cent of countries worldwide make use of contributory social insurance to provide cash benefits for children. <sup>49</sup>

<sup>44</sup> For example: youth employment development programmes; rehabilitation programmes; apprenticeship programmes and bursaries; vocational skills development programmes; job protection programmes.

<sup>45</sup> For example: income tax exemptions for families with children; child tax credits; child care tax credits.

<sup>46</sup> For example: social services for children and youth; food assistance programmes; material support programmes; free education; foster care programmes; education-related benefits; school transportation costs benefit; day care and pre-school facilities; poverty eradication programmes; child care subsidies.

<sup>47</sup> See ch. 4, section 4.1.2, for an overview of the different schemes and benefits that can be implemented to give effect to the Recommendation.

<sup>48</sup> The figures and percentages are indicative as, in many cases, the lists of benefits reported in the replies to the questionnaire are non-exhaustive or insufficiently detailed, and the interpretation of such terms as “universal benefits”, “safety nets” and “social assistance” may differ by country.

<sup>49</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 15.

348. *Non-contributory universal* child or family benefits are less frequently reported as mechanisms for the delivery of cash benefits, as they are referred to in the responses of around 31 per cent of the countries in which cash benefits are provided,<sup>50</sup> including *Australia, Canada, Czech Republic, Denmark, Estonia, Latvia and Portugal*. Universal benefits normally involve flat-rate periodical payments to families with children, with their amount depending on the number of children.

349. The use of *targeted schemes* in various forms (referred to as *social assistance, social safety nets* or *targeted anti-poverty programmes*) for the delivery of cash child benefits is reported by over 74 per cent of the countries concerned. These programmes mostly target the children not reached by contributory benefits. They are most commonly found in Europe and in a number of high-income countries in other regions (such as *Australia* and *Canada*) as one element of social security provision for families and children. Targeted schemes are also found in Africa (11 countries) and Latin America (four countries), although in the countries concerned they are often the main or only form of cash benefits for families with children. For example, in *South Africa*, a means-tested child support grant, which is an important part of the country's well-developed social assistance system,<sup>51</sup> is used to prevent and alleviate poverty, covering up to 12 million recipients in 2016. In *Madagascar*, the human development cash transfer programme seeks to improve the living conditions of extremely poor families with children by providing periodical cash transfers to households selected through a community-based targeting process.

350. In *Argentina*, the child benefit is a non-contributory benefit granted monthly for each child below the age of 18, and without an age limit if the child is disabled. It can be provided for up to five children per family and is conditional on school attendance and health examinations. To be entitled to the benefit, the parents must be unemployed, domestic workers, self-employed or work in the informal economy, and receive a salary that is lower than the minimum wage. In addition, the parents may not be in receipt of any other social security benefit. The Government notes that the benefit, together with other family policies and benefits, both contributory and non-contributory, covered 68.4 per cent of children below 18 years of age in 2017, compared with 29 per cent in 2003. The *General Confederation of Labour of the Argentine Republic (CGT RA)* and the *General Confederation of Labour (CGT)* indicate that the scheme has evidently alleviated poverty, although there are still issues, such as a lack of infrastructure resulting in poor access to health care and education in certain regions. In *Peru*, the Ministry of Development and Social Inclusion runs the national programme of direct support to the poorest, which provides direct assistance to children with parents from low socio-economic backgrounds.

351. In *Ireland*, the Working Family Payment consists of a means-tested weekly tax-free benefit for employees with children, and therefore furnishes additional support for people on low pay. The child must be under 18 years of age, or between 18 and 22 and in full-time education. Supplementary benefits are provided in *Montenegro* for children in families eligible for the various assistance allowances. The *National Confederation of Trade Unions of Moldova (CNSM)* also reports that a child benefit is provided in the *Republic of Moldova* as a supplement to family benefits. In *Portugal*, in view of the high incidence of child poverty and the increased vulnerability of households with children,

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<sup>50</sup> It should be noted that a number of schemes referred to as “universal” are conditional or targeted at specific groups of children.

<sup>51</sup> ILO: “Republic of South Africa: Report to the Government: Assessment of the South African legislation in view of a possible ratification of the Social Security (Minimum Standards) Convention, 1952 (No. 102)”, Decent Work Team for Eastern and Southern Africa and Country Office, Pretoria, Geneva, 2014, which indicates that, due to its non-contributory grants schemes, South Africa can meet the requirements of Convention No. 102.

one of the main priorities of social security is to reduce inequality through measures to combat poverty and social exclusion focusing on the most vulnerable groups, and particularly children and young persons. In the *Syrian Arab Republic*, a Bill on the Rights of the Child has been drafted to protect the lives and rights of children against violations resulting from the war, and a law has been adopted on children of unknown parentage to address the increasing number of foundlings and children without parents.

352. The *International Trade Union Confederation (ITUC)* draws attention to the *World Social Protection Report 2017–19*, which notes that 87 per cent of children in Europe are covered by some type of benefit, in contrast with only 16 per cent in Africa. Although there appears to be a general positive trend of the expansion of social benefits for children, including maternity benefits, there are still no such benefits in 37 per cent of countries. The *ITUC* is also concerned that many schemes do not provide adequate benefits and that fiscal consolidation is subjecting governments to pressure to further cut back social benefits for children, which is especially worrying as childhood poverty has lifelong effects.

353. In a number of countries, cash benefits for children or families require the recipient family to fulfil certain conditions (*conditional cash transfers*). The requirements usually involve the use of specified health care, such as vaccinations or medical check-ups, and/or school attendance. For example, in *Australia*, one of the requirements for eligibility to the childcare subsidy and family tax benefit is to keep up with the national immunization schedule. The child's family has to either ensure that the child is vaccinated in accordance with the Department of Health programme, or present an approved exemption recorded on the Australian Immunisation Register. In *Bulgaria*, receipt of a child allowance is conditional on fulfilling compulsory immunization requirements. In *Madagascar*, eligibility for the human development cash transfer programme, although unconditional for families with children under 6 years of age, is linked to regular school attendance for households with children aged between 6 and 10 years. In *Gabon*, young mothers can receive a cash benefit if they demonstrate that the child is attending school.<sup>52</sup> In several other countries, including *Argentina*, *China* and *Costa Rica*, cash transfers for children are used to promote educational attainment, and are also therefore conditional on school attendance.

**354. The Committee notes that, although some types of cash benefits for children are provided in the majority of member States, in many countries such benefits are either still lacking or are provided only to a portion of children. The Committee recalls that, in order to ensure basic income security for children and the economic stability of their families, periodical cash payments may be supplemented by benefits in kind (including childcare services), tax relief measures, social services and other support measures for children.<sup>53</sup> In conformity with the guidance set out in the Recommendation, the most effective and efficient combination of benefits and schemes should be implemented, taking into account the national situation, and universal coverage should be ensured.**

**355. The Committee emphasizes the imperative need for education and health care for children in order to break the cycle of poverty, reduce child labour and promote the healthy development of children, and it welcomes cash transfer schemes linked to school attendance and regular medical check-ups. At the same time, the Committee wishes to highlight the potential challenges that conditionalities may**

<sup>52</sup> Observation provided by the *Trade Union Confederation of Gabon (COSYGA)*.

<sup>53</sup> 2011 General Survey, para. 184.

**imply for vulnerable households, especially in rural and remote areas, where schools and medical services may be distant, difficult to reach and sometimes of low quality. It invites member States to design adequate precautionary measures to ensure that such households are not left out and their rights and dignity are fully protected. The Committee also recalls that these schemes should be implemented in a non-discriminatory gender-sensitive and child-responsive manner,<sup>54</sup> and anchored in the national legislation.<sup>55</sup>**

### 6.3.3. Benefits in kind

356. Over a third of the reports received (38 per cent) indicate that benefits in kind, mainly consisting of food and education, are used as a component of social protection for children. In particular, *school feeding programmes* are reported in many countries to meet the nutritional needs of children and encourage educational attainment. According to a World Bank study, school feeding programmes are the most common form of in-kind benefits and are provided in 131 of 157 countries for which data are available.<sup>56</sup> Such programmes are reported as one of the measures to ensure income security for children in *Chile, Cuba, Estonia, Hungary, Ireland, Lithuania, Madagascar, Mali, Mexico, Nigeria, Paraguay, Peru, Poland, Portugal, Saint Kitts and Nevis, Sri Lanka, Togo, Trinidad and Tobago and United States*.

357. The existence is also reported in some countries of programmes that distribute *food benefits* for children outside school. For instance, in *Mexico*, the SEDESOL National Community Kitchen System covers over half a million people living in the poorest and most vulnerable areas,<sup>57</sup> while in *Paraguay* the National Food and Nutrition Programme for Children provides a monthly food supplement consisting of 2 kilograms of whole milk enriched with iron, zinc, copper and vitamin C to over 100,000 beneficiaries, most of whom (87 per cent) are children below the school age.<sup>58</sup>

358. Other benefits in kind for children include *health care*. The high number of children dying before the age of 5 particularly affects the poorest and most marginalized groups, for example in Asia and the Pacific.<sup>59</sup> The Committee notes that poverty may be both the cause and the result of ill health in children and emphasizes the importance of quality health-care services for children in addition to nutrition and education.

359. Other commonly reported benefits in kind include the provision of *school supplies* as means of reducing costs for families with children. According to a UNESCO study of 12 African countries, school supplies and learning materials account for up to 34 per cent of the total cost of education for many households.<sup>60</sup> In this context, textbooks for compulsory education are provided free of charge in a number of countries, including

<sup>54</sup> See also ch. 2, section 2.1 and ch. 6, section 6.2.3.

<sup>55</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 15, explaining that cash benefits for children have statutory status in fewer than two-thirds of member States, while in 37 per cent of countries there are either no schemes providing periodic cash benefits, or such schemes are not based in law. See also ch. 3.

<sup>56</sup> World Bank: *The state of social safety nets 2015*, Washington, DC, 2015. p. 11.

<sup>57</sup> For more information, see FAO: “Mexico: Country fact sheet on food and agriculture policy trends”, Rome, August 2016. p. 5.

<sup>58</sup> See also UNICEF: *Annual Report 2016: Paraguay*, New York, 2016. p. 19.

<sup>59</sup> UNICEF: “Brief: Moving towards universal health coverage to realize the right to healthcare for every child”, Standalone Brief and Appendix 1 of UNICEF Approach to Health System Strengthening.

<sup>60</sup> UNESCO: *Household education spending: An analytical and comparative perspective for 15 African countries*, Pôle de Dakar, Dakar, 2012. p. 21.



*Hungary, Japan and Pakistan*. In other countries, including *Lithuania* and *Trinidad and Tobago*, financial support is provided for vulnerable and disadvantaged households specifically for the purchase of school supplies, including stationery and uniforms.

**360. The Committee welcomes the provision of benefits in kind as a valuable component of all the measures which together ensure income security for children. However, the Committee observes that in many countries these programmes are not anchored in law, or exist only as temporary, ad hoc or pilot projects,<sup>61</sup> and it hopes that the member States concerned will consider transforming these programmes into law-based schemes as fully fledged components of their national social protection floors.** The Committee notes the existence of special institutions, based on national laws, with responsibility for the provision of benefits in kind. This is the case in *Chile*, where Act No. 15.720 of 1964 created the National School Aid and Scholarship Board, which has since developed and run a large-scale national school feeding programme delivering high-quality low-cost fresh food products to pupils.<sup>62</sup>

#### 6.3.4. Social protection through tax measures

361. The Committee notes that over 16 per cent of the reports received refer to support for children through fiscal and economic policies. For example, in *Latvia*, under the Law on Vehicle Operation Tax and Company Car Tax, a person who has three or more minors as dependants only pays 80 per cent of the applicable motor vehicle tax for one vehicle.<sup>63</sup> In *Hungary*, all families with children are eligible for tax credits, which may be deducted from pension and health-care contributions and from personal income tax. In *New Zealand*, family tax credits are provided under the national Working for Families scheme for low- and middle-income households with dependent children.<sup>64</sup> In-work and minimum family tax credits are available to support families in which parents only work a few hours a week and have low family earnings. A parental tax credit is also granted for a ten-week period to families which are not already receiving a benefit and which have a newborn baby or have adopted a baby. There is a tax exemption in *Jordan* for persons with disabilities, including children, to support the purchase of the necessary equipment and supplies.<sup>65</sup> In *Belarus*, a tax rebate is granted to families which have children with disabilities. In the *United States*, a refundable tax credit for low- to moderate-income working individuals and couples, particularly those with children, and a child tax credit supplement the earnings of low-income wage earners. The Government indicates that these credits greatly reduce poverty for working families and have lifted an estimated 9.4 million people out of poverty, including 5 million children.

**362. The Committee notes that tax measures, where they are effectively and efficiently combined with other schemes and benefits, can be valuable elements of a national social protection floor. The Committee wishes to emphasize that fiscal measures require comprehensive and solid tax systems and administrations to be effective, and may exclude workers in informal employment.**

<sup>61</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 14.

<sup>62</sup> L. Drake, A. Woolnough, C. Burbano et al. (eds): *Global school feeding sourcebook: Lessons from 14 countries*, Imperial College Press, London, 2016.

<sup>63</sup> Law on the Vehicle Operation Tax and Company Car Tax, ch. II, section 7.

<sup>64</sup> This tax credit is available for formal employees, the self-employed, students who are receiving education allowances, pensioners, recipients of income-tested benefits and others.

<sup>65</sup> Law on the Rights of Persons with Disabilities No. 31 of 2007, section 4.

### 6.3.5. Benefits in response to special needs

363. The Recommendation indicates that social protection floors should be responsive to special needs (Paragraph 3(d)).<sup>66</sup> Several categories of vulnerable children are referred to above (see section 6.2.3), who all require social protection to address their specific needs. The Recommendation refers in particular to survivors' benefits and disability benefits (Paragraph 9(2)) as benefits that may be included in national social protection floors. The majority of responses to the questionnaire report the provision of specific benefits for orphans and children with disabilities, either in cash or in kind, together with certain types of benefits provided for other vulnerable categories of children, and specific measures adopted at the national level to combat child labour.

#### *Benefits for orphans*

364. Orphans are one of the most vulnerable categories of children in need of special social protection measures. Globally, there are nearly 140 million children under 18 years of age who have lost one or both parents.<sup>67</sup> Since, in many cases, orphans do not benefit from sufficient parental care, they are particularly exposed to poverty and social exclusion. The Committee emphasizes the responsibility of member States to protect the rights of these children and ensure appropriate alternative care.<sup>68</sup> Special attention is required for children affected and orphaned by HIV/AIDS, who are frequently traumatized by the effects of stigmatization and discrimination.<sup>69</sup>

365. The provision of orphans' (survivors') benefits is noted in 55 per cent of the reports. In most cases, these benefits consist of cash transfers and are provided through social insurance schemes. In a number of countries, they are delivered as non-contributory targeted forms of social assistance. For example, in the *United Kingdom*, the guardian's allowance is an unconditional benefit provided to persons who are bringing up an orphaned child or, under certain conditions, a child with one surviving parent. This allowance is paid on top of the means-tested child benefit payments. Similar measures are reported in *New Zealand* and *San Marino*. In addition to income support, benefits for orphans frequently include free public services and care. There are a number of initiatives in *Malawi* that target orphans and other vulnerable children, including the establishment of community-based childcare centres, childcare institutions and a social cash transfer programme.<sup>70</sup> Accommodation in public institutions is reported in *Bosnia and Herzegovina*, *Montenegro*, *Saudi Arabia* and *Ukraine*, among other countries.

#### *Benefits for children with disabilities*

366. Children and young people with disabilities are one of the most excluded groups in many societies. They are often among the poorest members of the population, at greater risk of ill treatment than their peers, and they are less likely to attend school, have access to medical services, receive proper nutrition or have their voices heard. In many low-

<sup>66</sup> See ch. 2 for a general explanation of the guidance contained in the Recommendation on this principle. See ch. 9, section 9.3.2, for a more detailed analysis of related policy options.

<sup>67</sup> UNICEF: "Orphans", Press releases and news notes, 2017.

<sup>68</sup> See also United Nations: "Guidelines for the alternative care of children", resolution adopted by the General Assembly on 18 December 2009, 64th Session, 24 February 2010 (A/RES/64/142), section V, Framework of care provision.

<sup>69</sup> CRC: "General Comment No. 3 (2003): HIV/AIDS and the rights of the child", 32nd Session, January 2003 (CRC/GC/2003/3), para. 33.

<sup>70</sup> CEACR, *Malawi*, Convention No. 182 – direct request, 2013.

income countries, only 5 to 15 per cent of children with disabilities who need assistive technology can obtain it, and many children with disabilities suffer from stigmatization.<sup>71</sup>

367. Half of the reports indicate the existence of special benefits for children with disabilities, often consisting of cash benefits, as well as special care, rehabilitation and education services. For example, in *Croatia*, children with severe disabilities are entitled to a periodic personal disability allowance under section 54 of the Social Welfare Act. In *Tajikistan*, children with disabilities are entitled to receive specialized care, education and training. Families with two or more persons with disabilities and single parents bringing up a child with disabilities receive higher levels of targeted social security benefits than other families, based on their overall standard-of-living indicator. In *Portugal*, a special education allowance is provided, in addition to the family grant bonus for children and young persons with disabilities. This is a monthly cash benefit to compensate the cost of specific types of support for children and young persons with disabilities, including attendance at appropriate establishments. Other countries reporting special benefits for children with disabilities include *Israel*, *Malta*, *New Zealand* and *Turkmenistan*.

368. Special care allowances are reported in many countries to cover the cost of care related to disability. In *Croatia*, children with special care needs can receive assistance and care allowances under section 57 of the Social Welfare Act. In *Japan*, special allowances are available for parents who provide home care for children under the age of 20 with medium or severe disabilities. In *Latvia*, a disabled childcare benefit can be claimed by one of the parents or a guardian of a child whose need for special care is recognized by the state commission.<sup>72</sup>

369. The Committee notes that one of the concerns raised is the stigmatization of children with disabilities. For example, in *Tajikistan*, while noting that discrimination against children on the basis of disability is prohibited by law, it is acknowledged that many children with disabilities are stigmatized, especially in poor rural communities. **In this context, the Committee emphasizes the principle set out in the Recommendation that the rights and dignity of persons protected should always be respected and invites member States to implement measures to promote the social inclusion and integration of children with disabilities, taking into account their special needs.**

#### *Special benefits for other vulnerable categories of children*

370. In some countries, special benefits are also provided for categories of children who, due to specific economic, social, political or environmental circumstances, are disproportionately vulnerable. For example, the Government of *Burkina Faso* reports the existence of a programme providing food support for households in Boulkiemde province, where there is a high prevalence of malnutrition. In *Paraguay*, children in indigenous communities under 14 years of age receive social assistance and services. In *Canada*, the Indigenous Early Learning and Child Care Framework is being developed by the Government in cooperation with indigenous organizations to ensure access to culturally appropriate, affordable and inclusive early learning and childcare services for indigenous communities. In *Romania*, one of the priorities of the national social integration strategy is to provide support to the Roma, particularly by ensuring access to quality schooling and support services within and outside school.<sup>73</sup> In the *United States*, the programme of

<sup>71</sup> UNICEF, *Annual Report 2017*, p. 58.

<sup>72</sup> Law on State Social Allowance, section 7, and Cabinet of Ministers Regulations No. 1607 of 2009.

<sup>73</sup> CEACR: *Hungary*, Convention No.182 – direct request, 2015.

Education for Homeless Children and Youth Grants (EHCYG) helps States ensure that homeless children have equal access to free and appropriate public education.

*The role of social security in combating child labour*

371. The Committee wishes to emphasize the pivotal role of basic income security for children in combating child labour. The Committee is pleased to note that various cash and non-cash transfer programmes focusing on the prevention of child labour are becoming an increasingly important part of social protection floors in many countries.<sup>74</sup> These programmes often combine cash benefits with measures to encourage and facilitate school attendance.<sup>75</sup> For example, in *Colombia*, the cash transfer programme *Familias en acción* provides grants to poor households with children, on condition, inter alia, that children aged between 7 and 18 years attend no less than 80 per cent of school classes during the school year.<sup>76</sup> The universal child benefit in *Argentina* and the *Prospera* programme in *Mexico* include benefits for children that are conditional on school attendance and medical check-ups. In *Costa Rica*, the *Avancemos* (“Let’s Move Forward”) programme assists young persons between the ages of 12 and 17 years through the provision of cash transfers which are, in part, linked to access to education.<sup>77</sup> The Committee emphasizes that these types of programmes achieve their objectives when quality education is available, accessible and free of charge.

372. In a number of countries, special centres have been established to provide support for vulnerable children. In *Pakistan*, the *Bait ul Maal* schools for the rehabilitation of working children have established a large number of centres for the elimination of child labour in the country, which work in coordination with other schemes, including the *Bait ul Maal* individual assistance and child support programmes. Within the framework of the National Strategy and Action Plan on Children’s Rights (2018–2023) in *Turkey*, social service centres have been established in all provinces to provide protective and preventive assistance for children working on the streets or at risk, as well as counselling services for their families.<sup>78</sup>

373. The Committee wishes to highlight the positive impact of several measures taken to combat child labour. For example, as a result of the programme for the progressive reduction of child labour in the streets (*Abrazo*) in *Paraguay*, which provides financial allowances, including a solidarity allowance, on condition that the children stop working in the streets and attend school, the vast majority of street children have been removed from the streets.<sup>79</sup> A 10 per cent decrease in child labour and a 17 per cent rise in school attendance has been noted as a result of the *Bolsa familia* in *Brazil*,<sup>80</sup> where investments to extend access to public services are estimated to have been responsible for 9 per cent of the progress made in combating child labour and 8 per cent of the progress in raising school attendance.<sup>81</sup>

<sup>74</sup> ILO: *World report on child labour: Economic vulnerability, social protection and the fight against child labour*, Geneva, 2013, p. 61.

<sup>75</sup> See also ch. 6, section 6.3.2.

<sup>76</sup> CEACR: *Colombia*, Convention No. 138 – observation, 2011.

<sup>77</sup> CEACR: *Costa Rica*, Convention No. 182 – observation, 2017.

<sup>78</sup> CEACR: *Turkey*, Convention No. 182 – direct request, 2017.

<sup>79</sup> CEACR: *Paraguay*, Convention No. 182 – direct request, 2013.

<sup>80</sup> ILO, UNICEF and World Bank: *Understanding trends in child labour*, a joint ILO–UNICEF–The World Bank report, Rome, Nov. 2017.

<sup>81</sup> *ibid.*

374. **The Committee emphasizes that, while progressively realizing basic income security for children, the schemes and benefits established should be adapted to national circumstances, taking into account all the available information on the causes and characteristics of child labour. Careful consideration should be given in the design and implementation of child-sensitive social security schemes to their impact on child labour, gender equality and child protection in general, in accordance with the Recommendation, and they should be coordinated with measures that promote affordable access to quality education and health services.**<sup>82</sup>

#### 6.3.6. The combination of different schemes and benefits and coordination with other policies

375. In Paragraphs 9 and 10, the Recommendation calls on member States to consider different approaches with a view to implementing the most effective and efficient combination of social security benefits and schemes, in coordination with other policies.<sup>83</sup> The Committee notes that, in line with these provisions, all the replies received indicate that multiple schemes and benefits are being used to ensure basic income security for children. Some countries report over ten different measures to deliver cash or in-kind support for children in need, including social assistance and health care, whether or not in combination with benefits for adults. For example, in *Belarus*, several universal cash benefits are provided with the aim of supporting families immediately following childbirth and partially covering the cost of care. The Government also reports that social assistance is provided to families with many children and those with children with disabilities. Finally, a range of publicly financed social services are reported in the field of education, as well as income tax exemptions to provide additional income support for households. In general, the various measures target different categories of children or children in underdeveloped regions.

376. The Government of *New Zealand* has submitted to Parliament a Child Poverty Reduction Bill, with the aim of achieving a sustained reduction in child poverty and enhancing the overall well-being of children. The Bill establishes measures to combat child poverty and requires the Government to set targets for reducing child poverty and to create an integrated Child Wellbeing Strategy. In *Montenegro*, the Law on Social and Child Protection contains detailed rules on social work for children and the various actors involved in the provision of social services with a view to safeguarding service quality and promoting new services. However, the Government reported difficulties in access to social services, which are currently being addressed through a programme to improve social inclusion. In the *United States*, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is designed to safeguard the health of low-income women, infants and children up to the age of 5 by providing food supplements and nutrition education.

377. Many countries report that child benefits and educational support are combined, sometimes as a condition for the receipt of cash benefits, as noted above, but also as an unconditional form of support, for example in *Austria*, *Belgium*, *Burkina Faso*, *Cabo Verde*, *Denmark* and *New Zealand*. In *Germany*, jobseekers, children, youth and young adults in need receive education benefits and benefits to enable them to participate in the social and culture life of the community through the basic income support scheme. The benefits provided complement the general education system. In *Jamaica*, the National Lifelong Learning policy is designed to improve vocational and employability skills, and

<sup>82</sup> ILO: *World report on child labour*, 2013, op. cit., p. 61.

<sup>83</sup> See ch. 4, section 4.1.2. For policy guidance on coherent and coordinated approaches, see chs 9 and 11.

assistance for students also includes access to school feeding programmes, help with books, examination fees, transport and tertiary tuition support. In *Mexico*, in addition to financial transfers, the *Prospera* programme provides assistance in the fields of health, nutrition and education, thereby ensuring a minimum floor of protection. In *Madagascar*, the social safety nets *Vatsin'ankohonana* and *Ndao hianatra* provide income supplements to support the integration of children into the school system and to maintain them in the system until the completion of college. School canteens also encourage school attendance and cover basic nutrition needs, especially in areas of high food insecurity. The *General Confederation of Labour – Force Ouvrière (CGT-FO)* emphasizes that action to combat child poverty in *France* cannot be taken in isolation from other public policies, particularly those relating to employment, labour law, housing, public services and the minimum wage.

**378. The Committee notes that the Recommendation specifically encourages member States to consider different approaches with a view to identifying the most effective and efficient combination of schemes and types of benefits to ensure the income security and well-being of children. Moreover, coordination with other policy areas, particularly in relation to nutrition, quality education and public health, is of paramount importance in helping children develop into adults who are capable of achieving their full potential.**

379. Similarly, the well-being of children does not depend solely on social protection measures for families with children, but also on the incomes from employment of their parents and carers, and the social protection available in both working age and old age, as many grandparents are providers not only of care, but also of financial support for their grandchildren. **The Committee wishes to highlight that, in order to ensure the basic social security guarantees for children, it is of the utmost importance for social security policies to provide comprehensive forms of social protection as part of an integrated set of social and economic policies, rather than focusing on compartmentalized risk-based schemes. To give effect to the Recommendation, it is necessary for minimum benefits established under different schemes to be effectively coordinated and combined so that they guarantee at least access to essential health care and basic income security for all children.**

#### 6.4. Level of benefits

##### Relevant provisions of Recommendation No. 202

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(c) adequacy and predictability of benefits;

...

(f) respect for the rights and dignity of people covered by the social security guarantees;

...

4. ... The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

...

8. (When defining the basic social security guarantees, Members should give due consideration to the following:

(a) persons in need of health care should not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care. ...

- (b) basic income security should allow life in dignity. Nationally defined minimum levels of income may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice, and may take into account regional differences;
- (c) the levels of basic social security guarantees should be regularly reviewed through a transparent procedure that is established by national laws, regulations or practice, as appropriate; and
- (d) in regard to the establishment and review of the levels of these guarantees, tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured.

380. As noted in chapter 4, social protection floors should provide at least essential health care and basic income security that meet the necessary criteria. In the case of health care, these include the availability, accessibility, acceptability and quality of care, while the cost of care should not cause hardship or increased risk of poverty for children or the parents who cover the cost of their health care (see section 4.2.2). Adequate levels of income security, as defined at the national level, should allow life in dignity (section 4.2.3).

381. For the purposes of defining the level of child benefits, the Committee recalls the linkage between the provisions of Recommendation No. 202 and those of Convention No. 102.<sup>84</sup> In the case of family benefits, Convention No. 102 does not specify a replacement rate, as it does for other benefits, but instead establishes a minimum level of overall expenditure on family benefits.<sup>85</sup> Moreover, to meet the requirements of the Convention, the benefits have to be sufficient to maintain the family of the beneficiary “in health and decency” (Article 67(c)). This corresponds to the concept of adequacy set out in the Recommendation, according to which “basic income security should allow life in dignity” and “may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice” (Paragraph 8(b)).

382. The Committee notes that less than half of the reports indicate the levels of the main child or family benefits provided at the national level and the methods used to calculate them. In most countries, minimum consumer baskets and/or minimum wages are used as a reference to set the level of child benefits. For example, in *Germany*, surveys of income and consumption are used to calculate the monetary value of goods and services, including the goods and services necessary to ensure an adequate level of nutrition, personal hygiene and other daily needs, as a basis for setting the level of child benefit. Similar approaches are reported in *Lithuania*, *Mauritius*, *Mexico*, *Paraguay* and *Saint Kitts and Nevis*, among other countries. In other countries, including *Nigeria*, *Pakistan* and the *Syrian Arab Republic*, the minimum wage is used as the benchmark criterion.

<sup>84</sup> See ch. 4 (4.2.3); and Council of Europe: “Report and conclusions concerning the application of the European Code of Social Security and its Protocol”, Governmental Committee of the European Social Charter and the European Code of Social Security, 137th Meeting (23–27 April 2018), GC(2018)8, para. 32.

<sup>85</sup> Art. 44 provides that the total value of the benefits granted to the persons protected shall be such as to represent either 3 per cent of the wage of an ordinary adult male labourer, multiplied by the total number of children of persons protected, or 1.5 per cent of the said wage, multiplied by the total number of children of all residents.

**Box 6.3**  
**Levels of child benefits – examples**

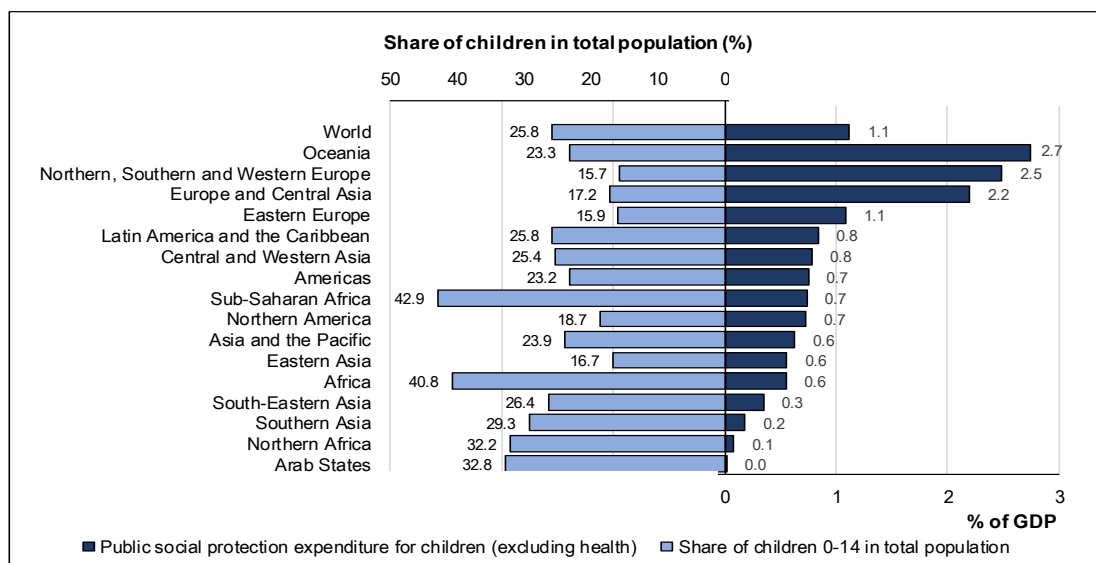
In *South Africa*, the means-tested child support grant was paid to over 12 million children out of a total of 19.6 million children (2017). The value of the grant amounted to 380 South African Rand (ZAR) a month in 2017, which is approximately equivalent to 72 per cent of the national food poverty line (ZAR531 a month per person) and around 50 per cent of the lower bound national poverty line (ZAR758 a month per person).\* The Government has opted for a more modest level of child benefits than previously so as to be able to extend their coverage to a greater number of families. To be eligible for the child support grant, a household has to earn less than ZAR3,800 a month in the case of a single parent/caregiver, or ZAR7,600 a month for a couple.

In *Germany*, child benefits were paid to over 8.8 million households in 2014, covering a total of 14.5 million children (representing nearly universal coverage). The level of monthly benefits varies based on the number of children under 18 (or under 25, if the child is enrolled in further education, training or is engaged in a year of voluntary service): €190 is payable for the first and the second child, €196 for the third child and €221 for the fourth and any further children. The minimum levels of income necessary to cover essential needs are reported to be: €237 for children until 6 years of age, €291 for children aged between 7 and 14, and €311 for children older than 14.

\* The values of the poverty lines are taken from Statistics South Africa: *National Poverty Lines 2018*, Statistical release P0310.1, 2018 ([www.statssa.gov.za](http://www.statssa.gov.za)).

383. The Committee concludes that, despite the positive examples in some countries, the level of income support available for children in many other countries remains relatively low. Although multiple benefits are often provided, their aggregate value is frequently insufficient to fulfil basic needs, or their coverage is limited to a small percentage of the children in the country. Child poverty rates are still therefore high in many countries, even in higher-income countries (figure 6.1). This suggests that the resources allocated for the social protection of children are insufficient to secure basic income security for children, in accordance with the Recommendation. The Committee wishes to emphasize that, to assess whether the income security of children is adequate, all measures that contribute to the well-being of children, including benefits in kind and tax measures, should be taken into account, in accordance with the integrated approach promoted by the Recommendation.

**Figure 6.4. Public social protection expenditure (excluding health) on children (percentage of GDP) and share of children 0–14 in total population (percentage), latest available year**



Source: ILO World Social Protection Database, based on Social Security Inquiry.



384. The Committee observes with concern that public social protection expenditure on children (excluding health) in most countries does not exceed, or only barely exceeds 1 per cent of GDP (figure 6.4). Moreover, this level of expenditure is often lower in countries with a higher share of children in the total population.

385. The *ITUC* notes in this respect that, while around 130 countries worldwide are currently implementing at least one social assistance programme specifically targeting children, both the coverage and adequacy of these programmes are often seriously deficient. The *ITUC* expresses dismay that many children worldwide still do not enjoy basic income security and observes that, in the European Union alone, 21.1 per cent of children are at risk of poverty. In Latin America, 36 per cent of children live below the World Bank poverty line of US\$4 a day, which is almost double the percentage of adults living in poverty. In *Canada*, the *Canadian Labour Congress (CLC)* considers that the recently established Canada Child Benefit will probably be successful in alleviating child poverty, although it is relatively early to make such an assessment. It emphasizes that child poverty remains comparatively high in *Canada*, particularly among indigenous communities.

**386. The Committee emphasizes the need to achieve adequate levels of protection in order to ensure that children can realize their full potential and break the vicious circle of poverty and vulnerability. It also emphasizes that, in accordance with Paragraph 8 of the Recommendation, the levels of the social security guarantees should be regularly reviewed through a transparent procedure established by national law, regulations or practice. Tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured when setting and reviewing benefit levels.**

## Chapter 7

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### Basic income security for persons in active age

#### Guidance set out in Recommendation No. 202 on key aspects of basic income security for persons in active age

##### Objectives

- ❑ Basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability (Paragraph 5(c))

##### Main provisions

- ❑ Sickness and health-care benefits, maternity benefits, disability benefits, survivors' benefits, unemployment benefits and employment guarantees, and employment injury benefits, as well as any other social benefits in cash or in kind (or tax benefits) (Paragraph 9(2))
- ❑ A combination of preventive, promotional and active measures, benefits and social services (Paragraph 10(a))

##### Key principles

- ❑ Universality of protection (Paragraphs 3(a) and 6)
- ❑ Adequacy and predictability of benefits (Paragraphs 2, 3(c), 4, 5 and 8)
- ❑ Non-discrimination, gender equality and responsiveness to special needs (Paragraph 3(d))
- ❑ Social inclusion, including of persons in the informal economy (Paragraph 3(e))
- ❑ Respect for the rights and dignity of people covered by the social security guarantees (Paragraph 3(f))
- ❑ Coherence with social, economic and employment policies (Paragraph 3(l))
- ❑ Social dialogue and social participation (Paragraphs 3(q) and (r) and 8(d))

##### Financing

- ❑ Solidarity in financing (Paragraph 3(h))
- ❑ Diversity of financing mechanisms and delivery, including universal benefit schemes, social assistance schemes, negative income tax schemes (Paragraphs 3(i) and 9(3))

##### Complementary policies

- ❑ Coherence with social, economic and employment policies (Paragraph 3(l))
- ❑ Promotion of productive economic activity and formal employment through the consideration of policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and that promote education, vocational training, productive skills and employability (Paragraph 10(b))
- ❑ Coordination with other policies that enhance formal employment, income generation, education, literacy, vocational training, skills and employability, that reduce precariousness, and that promote secure work, entrepreneurship and sustainable enterprises within a decent work framework (Paragraph 10(c))

Closely related Social Development Goals

- On ending poverty – SDG 1
- On ensuring healthy lives and promoting well-being for all – SDG 3
- On achieving gender equality and empowering women – SDG 5
- On promoting decent work and economic growth – SDG 8
- On reducing inequalities – SDG 10
- On peaceful and inclusive societies – SDG 16

## 7.1. General considerations

### 7.1.1. Global income security deficits for persons in active age

387. According to ILO estimates, around 62 per cent of people aged 15 years and over worldwide participated in the labour force in 2016,<sup>1</sup> of whom 60 per cent were engaged in the informal economy.<sup>2</sup> Although many of these economically active people are able to sustain their livelihoods, in-work poverty rates remain alarmingly high.<sup>3</sup> Indeed, 16 per cent of the working population in emerging and developing countries earn less than US\$3.10 a day.<sup>4</sup> Another significant proportion of the world's population, the majority of whom are women, perform care work and household work, which occupies them for many hours, but is unpaid.<sup>5</sup> At the same time, many other people in active age are either unable to find employment or are totally or partially incapable of work, either temporarily or permanently. All of these persons, who may be employed, self-employed, working with or without pay, seeking employment, and those temporarily or permanently incapable of working, need income security to sustain them and their dependants. Yet, large parts of the global economically active population lack any form of social protection, or benefit from it to only a very limited extent. For example, only 38.6 per cent of the global labour force is covered by unemployment benefit schemes, and only 27.8 per cent of persons with severe disabilities receive any type of disability benefits.<sup>6</sup>

388. The Recommendation addresses these deficits by calling on member States to ensure that all persons in active age who are unable to earn sufficient income have guaranteed income security (paragraph 5(c)). Such inability may be due to the occurrence of certain

<sup>1</sup> ILOSTAT: [Labour force by sex and age: ILO modelled estimates](#), July 2017.

<sup>2</sup> ILO: *Women and men in the informal economy: A statistical picture*, third edition, Geneva, 2018, pp. 13–14. Excluding agriculture, the global level of informal employment was 50.5 per cent in 2016, with the rate varying at the regional level from 85.8 per cent in Africa and around 68.4 per cent in Asia and the Pacific, to 40 per cent in the Americas and 25.1 per cent in Europe and Central Asia.

<sup>3</sup> ILO: *Inception Report for the Global Commission on the Future of Work*, Geneva, 2017, table 1.1, p. 5.

<sup>4</sup> ILO: *World Employment and Social Outlook: Trends 2018*, ILO, Geneva, 2018, p. 8.

<sup>5</sup> For a more detailed analysis and data, see ILO: *Care work and care jobs for the future of decent work*, Geneva, 2018, pp. 53 and 54.

<sup>6</sup> ILO: *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017, ch. 3.

contingencies, or social risks, such as sickness,<sup>7</sup> unemployment,<sup>8</sup> maternity<sup>9</sup> or disability (whether or not as a result of employment injury),<sup>10</sup> which are specifically mentioned in Paragraph 5(c). It may also be due to any other life circumstances or requirements that prevent people from participating in the labour market, such as the need to care for a family member or perform unpaid household work.<sup>11</sup> In accordance with Paragraphs 4 and 8(b), the level of basic income security should be set so as to ensure that persons in active age have access to at least the goods and services defined as necessary at the national level, and which allow life in dignity.<sup>12</sup>

### 7.1.2. International legal framework

389. The right to social security for women and men in active age is established in a number of human rights instruments for the protection of categories of persons in need of special attention. As interpreted by the Committee on Economic, Social and Cultural Rights (CESCR), the right to social security includes protection from the lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment or death of a family member.<sup>13</sup> The CESCR also calls for special attention to be paid to the groups that most frequently experience difficulties in accessing social security systems, such as persons working in the informal economy, workers with disabilities, domestic workers and homeworkers.<sup>14</sup> With respect to employed women, income security has to be ensured through paid maternity leave or leave with adequate social benefits, in accordance with the International Covenant on Economic, Social and Cultural Rights (ICESCR) (Article 10(2)) and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (Article 11(2)(b)) including health and social services, and provisions to enable parents to combine family obligations with work responsibilities (CEDAW, Article 11(2)(c)). The Convention on the Rights of Persons with Disabilities sets out the right of persons with disabilities and their families

<sup>7</sup> The contingency of sickness is defined in Convention No. 102, Art. 14, and Convention No. 130, Art. 7(b), as including incapacity for work resulting from a morbid condition or sickness and involving suspension of earnings. Recommendation No. 134, in Para. 8, advocates the granting of cash benefit in cases where absence from work is justified, among other reasons, by the beneficiary being placed under medical supervision for the purpose of rehabilitation or convalescent leave.

<sup>8</sup> The contingency of unemployment, as defined in Convention No. 102, Art. 20, and the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), Art. 10(1), includes suspension or loss of earnings due to inability to obtain suitable employment in the case of a person protected who is capable of, and available for, work. Convention No. 168 explicitly provides that the person must be actually seeking work, and that partial unemployment, suspension or reduction of earnings due to a temporary suspension of work, and part-time work, where the person is actually seeking full-time work, should be protected and give rise to cash benefits (Art. 10).

<sup>9</sup> The contingency of maternity is defined in Convention No. 102, Art. 47, as including pregnancy, confinement and their consequences, and the resulting suspension of earnings.

<sup>10</sup> The ILO social security standards do not use the term “disability”, but cover similar contingencies. First, “invalidity” is defined as including “incapacity to engage in any gainful activity, to an extent prescribed, which incapacity is likely to be permanent or persists after the termination of a prescribed period of temporary or initial incapacity” (Convention No. 128, Art. 8). Second, in case of employment injury, Convention No. 102, Art. 32(c), and Convention No. 121, Art. 6(c), specify that the “total or partial loss of earning capacity ... likely to be permanent, or corresponding loss of faculty”, which corresponds to a disability, as the contingency to be compensated through cash benefits.

<sup>11</sup> For a full analysis, see ILO: *Care work and care jobs for the future of decent work*, 2018, op. cit.

<sup>12</sup> See ch. 4 for a more detailed analysis of these paras of the Recommendation.

<sup>13</sup> CESCR: “General Comment No. 19: The right to social security (Art. 9)”, United Nations, New York, 4 Feb. 2008, E/C.12/GC/19, para. 2.

<sup>14</sup> *ibid.*, para. 16.

to an adequate standard of living and social protection and to the enjoyment of these rights without discrimination.<sup>15</sup> The realization of these rights requires States parties to take measures to ensure access to social protection and poverty reduction programmes.<sup>16</sup>

390. These rights are also well specified in regional human rights instruments.<sup>17</sup> For example, the African Charter on Human and Peoples' Rights, 1981, includes the right of the disabled to special measures of protection (Article 18(4)), while the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa, 2003, in Article 13 on "Economic and Social Welfare Rights", requires States Parties to: (f) "establish a system of protection and social insurance for women working in the informal sector and sensitise them to adhere to it"; (i), "guarantee adequate and paid pre- and post-natal maternity leave in both the private and public sectors"; and (k) "recognise and enforce the right of salaried women to the same allowances and entitlements as those granted to salaried men for their spouses and children". The American Declaration of the Rights and Duties of Man, 1948, establishes that "Every person has the right to social security which will protect him from the consequences of unemployment, old age, and any disabilities arising from causes beyond his control that make it physically or mentally impossible for him to earn a living" (Article XVI). Furthermore, the Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights, 1988, provides in Article 9(2) that the right to social security for persons who are employed, "shall cover at least medical care and an allowance or retirement benefit in the case of work accidents or occupational disease and, in the case of women, paid maternity leave before and after childbirth". The Commonwealth of Independent States Convention on Human Rights and Fundamental Freedoms, 1995, provides for the right to health protection (Article 15) and the right to social security (Article 16). The European Social Charter, 1961, provides that States Parties undertake "to establish or maintain a system of social security" (Article 12(1)), as well as to "maintain the social security system at a satisfactory level at least equal to that required for ratification of International Labour Convention No. 102" (Article 12(2)) and "to endeavour to raise progressively the system of social security to a higher level" (Article 12(3)). The Arab Charter on Human Rights, 2004, provides that States Parties shall ensure the right of every citizen to social security, including social insurance (Article 36).

391. ILO social security standards set requirements and provide guidance on the scope and level of income protection that should be guaranteed for persons in active age who are either employed, seeking employment or unable to work, in the event, for example, of sickness, maternity, employment injury, unemployment or invalidity.<sup>18</sup> In addition to providing protection against temporary or permanent loss of income from employment in the event of the various economic, social and life contingencies, social security for persons in working age is also instrumental in their reinsertion into employment following periods of unemployment, sickness, maternity or disability, and facilitates the mobility of labour

<sup>15</sup> Convention on the Rights of Persons with Disabilities, Art. 28.

<sup>16</sup> *ibid.*, Art. 28(2)(b).

<sup>17</sup> See also ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter the "2011 General Survey"), pp. 70–72.

<sup>18</sup> See the Income Security Recommendation, 1944 (No. 67); Convention No. 102, Parts III, IV, VI, VIII, IX and X; Convention No. 121 and Recommendation No. 121; Convention No. 128 and Recommendation No. 130; Convention No. 130 and Recommendation No. 134; Convention No. 168 and Recommendation No. 176; Convention No. 183 and Recommendation No. 191; and Recommendation No. 202.

between different jobs when the economy is restructuring.<sup>19</sup> This aspect is addressed, among others, in the Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121), which sets out the obligation to provide rehabilitation services and take measures to further the placement of persons with disabilities in suitable employment,<sup>20</sup> the Maternity Protection Convention, 2000 (No. 183), which contains provisions concerning employment protection and non-discrimination in the event of maternity,<sup>21</sup> and the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), which considers social security as part of a broader set of social policies aimed at the promotion of full, productive and freely chosen employment.<sup>22</sup> Convention No. 168 further highlights the importance of coordinating social security policy with economic, employment and labour policies, recognizing that income security cannot be secured through social security systems alone. Recommendation No. 202 follows a similar approach in calling for the most effective and efficient combination of social security measures in the national context, as well as close coordination with other social and economic policies in order to achieve at least essential health care and basic income security for all, allowing life in dignity.<sup>23</sup>

## 7.2. Personal coverage: Towards full social inclusion and participation

### Relevant provisions of Recommendation No. 202

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

(a) universality of protection, based on social solidarity;

...

(d) non-discrimination, gender equality and responsiveness to special needs;

(e) social inclusion, including of persons in the informal economy;

...

4. ... The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

...

(c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; ...

6. Subject to their existing international obligations, Members should provide the basic social security guarantees referred to in this Recommendation to at least all residents and children, as defined in national laws and regulations.

<sup>19</sup> ILO: *Social protection floors for social justice and a fair globalization*, Report IV(1), ILC, 101st Session, Geneva, 2012, para. 92.

<sup>20</sup> Convention No. 121, Arts 10(2) and 26(1)(b) and (c).

<sup>21</sup> Convention No. 183, Arts 8 and 9.

<sup>22</sup> 2011 General Survey, para. 27.

<sup>23</sup> See ch. 11 for a more detailed analysis of the relevant provisions of the Recommendation.

### 7.2.1. Social protection in active age

392. The Recommendation indicates that national social protection floors should ensure basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability (Paragraph 5(c)). The Recommendation does not define the term “active age”, nor does it refer to a definition in national laws. The notion of social protection over the life cycle (Paragraph 4) is the starting point for the determination of who should be protected, rather than age itself, since economic activity is not exclusively reserved in most national contexts for persons who are between the age which marks the end of childhood, as prescribed at the national level, and the pensionable age. This means that, for the purposes of the Recommendation, “persons in active age” implicitly means those who are neither dependent children nor older persons who do not have employment as a main source of income security. Persons in active age may therefore include economically active children under the age of 18 years, as well as economically active persons above the pensionable age, depending on the national context.

**393. The Committee notes that, in the spirit of the Recommendation, it is the responsibility of member States to ensure at least basic income security over the life cycle and that there are no gaps in protection between the different phases of life (Paragraph 5).**

394. The Committee notes that a number of countries, and particularly the Organisation for Economic Co-operation and Development (OECD) and European Union Member States, including *Australia, Austria, Canada* and *Germany*, report a high level of inclusiveness of social security systems, achieved either through the comprehensive personal coverage of their main social security schemes, or supplementary measures. However, in other countries, coverage is often limited to certain categories of persons and is conditional on the type of economic activity, sector of employment, legal status or other factors. For example, in *Morocco*, the benefits provided by the National Social Security Fund (CNSS) are delivered primarily to formal private sector employees, while others are left without coverage. The Governments of *Ecuador* and *Thailand* acknowledge the challenge of the absence of coverage for informal workers and seasonal workers in agriculture. In *Trinidad and Tobago*, the exclusion of the self-employed, who constitute around 15 per cent of the labour force,<sup>24</sup> is identified as one of the major gaps in protection. A lack of non-contributory social protection measures for people in active age is also reported in several countries, including *Central African Republic, Senegal* and *Tajikistan*.

395. The Committee is pleased to note that some countries have recently made efforts to extend the coverage of persons in active age, either through enhanced contributory social insurance or non-contributory measures. For example, the Government of *Ireland* indicates that recent developments in the social welfare system include the extension of coverage to new groups of workers, including part-time workers and the self-employed. In the *Dominican Republic*, consideration is being given to the coverage of new segments of the population by the contributory national social security scheme, including independent technical professionals, through a mixed subsidized contributory scheme. The Government of *Ecuador* notes that between 2007 and 2012 the proportion of full-time employees affiliated to the social security system rose from 39 per cent to over 62 per cent. In *Cambodia*, a Decree was adopted in 2017 establishing social security schemes covering occupational risks and contributory health-care schemes for public employees. The *International Trade Union Confederation (ITUC)* also notes that in *Cambodia* the

<sup>24</sup> ILOSTAT: [Labour force by sex and age: ILO modelled estimates](#), July 2017.

National Social Security Fund has introduced social insurance measures providing workers with benefits in the event of employment injury, retirement, invalidity, death and other circumstances, although access to social protection in the country remains limited or non-existent for workers with non-standard types of contracts, who are not able to meet contribution requirements, and workers in the informal economy.

**396. The Committee welcomes all the efforts made by member States to implement progressively their national social protection floors, either by extending the personal coverage of existing schemes or by developing new schemes to cover categories of persons who have hitherto not been protected.**

#### 7.2.2. Addressing the needs of categories of persons at high risk of exclusion

397. The Committee notes that characteristics such as gender, age, disability, origin, ethnicity and race exacerbate the risk of exclusion from the labour market and social security coverage in countries at all income levels.<sup>25</sup> This section reviews the needs of different categories of persons who are at special risk of poverty and social exclusion, as identified in international law.<sup>26</sup> **The Committee recalls that the achievement of the objective of universality of protection set out in the Recommendation requires social security systems to be non-discriminatory and inclusive, in both law and practice, and to address the special needs of the various population groups, and particularly the most vulnerable.**<sup>27</sup> **In accordance with the guidance set out in the Recommendation, the Committee invites member States to identify such needs carefully and to take all the necessary measures with a view to ensuring the coverage of the different population groups and the protection of their rights and dignity in the most adequate and responsive manner.** The Committee notes, from Government reports and the observations of the social partners, that particular attention is given to the following groups of the population in active age as part of the measures taken to extend coverage and enhance access to social security at the national level. The Committee, however, wishes to draw to the attention of member States the fact that other population groups, such as refugees, internally displaced people, LGBTQ2<sup>28</sup> and other minorities may also be at risk of exclusion and may require specific measures of protection.

#### *Women*

398. The access of women to social protection is affected by a series of economic and social factors which result in gender inequality and disparities in coverage, in law and practice. These gaps have their roots, among other causes, in interruptions in women's careers due to childbirth and caring for children and other family members, the fact that women are engaged more often than men under non-standard types of contracts, that they

<sup>25</sup> See, for example, ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, ILC, 100th Session, Geneva, 2011, para. 7; United Nations: *Promoting inclusion through social protection: Report on the World Social Situation 2018*, New York, 2018, pp. 109–111. The Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), recognizes as a leading principle the need to pay special attention to population groups and individuals who have been made particularly vulnerable by the crisis, “including, but not limited to, children, young persons, persons belonging to minorities, indigenous and tribal peoples, persons with disabilities, internally displaced persons, migrants, refugees and other persons forcibly displaced across borders” (Para. 7(h)).

<sup>26</sup> See ch. 2, section 2.1 and ch. 7, section 7.3, for country examples.

<sup>27</sup> See ch. 2 for a general explanation of the guidance contained in the Recommendation on the principles of non-discrimination, gender equality and responsiveness to special needs. See ch. 9, section 9.3.2, for a more detailed analysis of policy options.

<sup>28</sup> LGBTQ2 stands for lesbian, gay, bisexual, transgender, queer or questioning.



earn on average between 10 and 30 per cent less than men, and that they continue to bear more responsibility than men for unpaid care work.<sup>29</sup> In many countries, there is an absence of services and regulations to facilitate the work of both men and women relating to family responsibilities. This has a particular impact on women and often means that it is only through informal work that they can combine paid economic activity with unpaid household responsibilities.<sup>30</sup> In this regard, the Committee notes that current estimates for 89 countries show that women are 22 per cent more likely than men to live in extreme poverty during their prime reproductive years (between the ages of 25 and 34).<sup>31</sup> Moreover, the estimated global level of effective coverage by maternity protection is only 41 per cent, as maternity benefits are predominantly delivered by social insurance schemes, which do not cover women working in the informal economy and those who are self-employed.<sup>32</sup>

399. The Committee welcomes all measures aimed at enhancing the social security coverage of women. For example, in *South Africa*, social insurance has been extended to domestic workers, thereby allowing many women working in the sector to benefit from both unemployment allowances and maternity provisions. In *Guatemala*, the Special Protection Programme for Women Workers in Private Households (PRECAPI), created in 2009, provides maternity and work accident protection for women domestic workers. In *Nigeria*, the Government has established the National Women Empowerment Fund, which provides microcredit to women to enable them to participate in gainful entrepreneurial activity, which in turn provides them with contributory capacity.

400. The *ITUC* notes the low coverage of women by maternity benefits, largely as a result of reliance on contributory schemes, to which only a minority of women contribute in certain countries due partly to the high number of women engaged in the informal economy. The *Autonomous Confederation of Peruvian Workers (CATP)* observes that the design and implementation of social security programmes in *Peru* does not usually take into account existing inequalities in the workforce. It adds that public policies are most frequently predicated on formal male employment with secure long-term contracts, which generally by default discriminates against women workers and informal economy workers, persons with disabilities, rural workers, domestic workers and migrant workers, among others, who are more often in vulnerable employment.

**401. The Committee considers that the implementation of national social protection floors which guarantee basic income security to all persons in active age, through a combination of schemes and benefits best suited to the diversity of the circumstances of women, offers great potential to redress some of the obstacles faced by women in relation to social security coverage and access to contributory schemes, and in the**

<sup>29</sup> ILO: *Care work and care jobs for the future of decent work*, 2018, op. cit.; United Nations: *Report on the World Social Situation 2018*, 2018, op. cit., p. 17; and ILO: *World Employment and Social Outlook: Trends 2018*, op. cit., p. 49; *World Social Protection Report 2017–19*, 2017, op. cit., pp. 18–19; *Women at work: Trends 2016*, Geneva, 2016, p. 81; and *Workers with family responsibilities, General Survey of the Reports on the Workers with Family Responsibilities Convention (No. 156), and Recommendation (No. 165), 1981*, Report III (Part 4B), International Labour Conference, 80th Session, Geneva, 1993. The Workers with Family Responsibilities Convention, 1981 (No. 156), with a view to creating effective equality of opportunity and treatment for workers with family responsibilities, establishes the requirement in Art. 4(b) to take into account their needs in terms and conditions of employment and in social security.

<sup>30</sup> ILO: *Social protection floor for a fair and inclusive globalization*, Report of the Social Protection Floor Advisory Group, Geneva, 2011, p. 59.

<sup>31</sup> United Nations: *Turning promises into action: Gender equality in the 2030 Agenda for Sustainable Development*, UN Women 2018, p. 76.

<sup>32</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 27.

**absence of non-contributory benefits. To overcome these obstacles and enhance gender equality in accordance with the Recommendation, the Committee hopes that member States will develop and implement gender-responsive measures that take into account the specific circumstances and work patterns of women, in combination with employment policies that support women in their economic activities. The Committee also invites member States to assess regularly their social security provisions to ensure that progress is being made in ensuring gender equality in social protection.**

### *Young people*

402. Young people <sup>33</sup> aged 15 to 24 years accounted for 16 per cent of the world population in 2015, 20 per cent of the population in sub-Saharan Africa and 11 per cent in Europe. <sup>34</sup> The Committee wishes to emphasize that young people can be a force for development if they have opportunities to develop their skills and fulfil their potential. However, few income security schemes focus on young people, even though they are three times more likely to be unemployed than adults. <sup>35</sup> Although most unemployment benefit schemes are in principle available to young people, they require contributory payments, which constitutes an obstacle for the young because of their short or non-existent work histories. Moreover, young people are over-represented in vulnerable employment, often in the informal economy. <sup>36</sup>

403. The Committee notes that only 20 out of the 201 countries for which data are available provide unemployment benefits for first-time jobseekers. <sup>37</sup> For example, the Government of *Ukraine* reports that young first-time jobseekers who have completed or left their education, or who have been discharged from military or alternative (civilian) service, and who have registered as unemployed in accordance with the established procedure, are entitled to draw the unemployment benefits provided by the national social insurance scheme.

404. The *International Employers Organisation (IOE)* indicates that developing countries in particular face challenges with high youth unemployment rates caused by lack of adequate and sustainable investment in training, as well as lack of government commitment and continued efforts to combat this problem. The *Italian Confederation of Small and Medium-sized Private Enterprises (CONFAPI)* notes that, in order to address the problem of youth unemployment, the Government of Italy has implemented the National Guarantee Programme, which invests in active guidance, education, training and job placement measures for young people who are unemployed or attending school or a training course.

<sup>33</sup> The United Nations, for statistical purposes, defines “youth”, as those persons between the ages of 15 and 24 years, without prejudice to other definitions by member States. This definition was made during preparations for the International Youth Year (1985), and endorsed by the General Assembly (see A/36/215 and resolution 36/28, 1981). Within the category of “youth”, a distinction is also made between teenagers (13–19) and young adults (20–24). See: <https://www.un.org/development/desa/youth/what-we-do/faq.html>.

<sup>34</sup> United Nations: *Report on the World Social Situation 2018*, 2018, op. cit., p. 33.

<sup>35</sup> *ibid.*, p. 34

<sup>36</sup> According to ILO estimates, 77 per cent of young workers around the world are in informal employment, and 97 per cent in developing countries. ILO: *Global Employment Trends for Youth: Paths to a better working future*, Geneva, 2017, p. 21.

<sup>37</sup> ILO: *World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice*, Geneva, 2014, p. 37.

405. The lack of contributory capacity of young people and their high participation rates in the informal economy also result in significant gaps in their access to other forms of social security, and particularly health care, sickness benefits, old-age pensions and invalidity and employment injury benefits. Moreover, young parents living in poverty cannot afford to invest in the health and education of their children, which reinforces the cycle of intergenerational poverty. **In light of the above, the Committee invites member States to adopt specific measures to address the need of young people for income security through their social security systems, and through employment and labour market policies, with special attention to skills development.**

*Persons with disabilities*

406. It is estimated that around 15 per cent of the global population live with moderate or severe disabilities, and that around 80 per cent of them are in developing countries.<sup>38</sup> Persons with disabilities face multiple barriers which hinder their participation in social, economic and political life. In general, they have less access to education, poorer health and lower participation in the formal labour market than people without disabilities, and as a result are at considerable risk of poverty.<sup>39</sup> This in turn hampers their ability to earn enough income to cover the ordinary costs of living and disability-related expenses, which makes it harder to escape poverty and restricts their choices and opportunities.<sup>40</sup> Even so, only 27.8 per cent of persons with severe disabilities worldwide received disability benefits in 2015, with the percentage ranging from 9.4 per cent in Asia and the Pacific to 97.9 per cent in Eastern Europe.<sup>41</sup>

407. The Committee notes that a number of countries have made progress in this respect in recent years, particularly through the introduction and expansion of tax-financed disability benefits.<sup>42</sup> The improvements reported include an increase in *Kazakhstan* in recent years in the total amount of the universal State disability benefit and in social welfare disability payments, resulting in a considerable improvement in the level of coverage.<sup>43</sup> The Government of *Cambodia* reports that preparations are being made to extend the duration of benefits provided by the National Social Security Fund for survivors, children and invalidity.

**408. The Committee wishes to highlight the importance of securing in national legislation the right of persons with disabilities to basic income security, combined with support services designed to enable them to participate actively in education,**

<sup>38</sup> United Nations: *Report on the World Social Situation 2018*, 2018, op. cit., p. 59. It should be noted that definitions of disability vary significantly between countries, and global estimates should therefore be interpreted with caution.

<sup>39</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit.; Box 3.17, on international standards addressing social security for persons with disabilities; United Nations: *Report on the World Social Situation 2018*, 2018, op. cit., pp. 60–61.

<sup>40</sup> ILO: *Joint statement towards inclusive social protection systems supporting the full and effective participation of persons with disabilities*, as of 23 January 2018 endorsed by the ILO and the following organizations: International Disability Alliance (IDA), Global Coalition for Social Protection Floors, Australia Department of Foreign Affairs and Trade (DFAT), Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Japan International Cooperation Agency (JICA), International Centre for Evidence in Disability, Leonard Cheshire International–University College London (LCD–UCL), United Nations Development Programme (UNDP), United Nations Economic and Social Commission for Western Asia (UN ESCWA), United Nations Children's Fund (UNICEF) and the United Nations Research Institute for Social Development (UNRISD), United Nations Special Rapporteur on the Rights of Persons with Disabilities; ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 3, section 3.5.

<sup>41</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 70.

<sup>42</sup> *ibid.*, section 3.5, pp. 66–73. See also ch. 7, section 7.3.2, on country examples of disability benefits.

<sup>43</sup> United Nations: *Report on the World Social Situation 2018*, 2018, op. cit., p. 65.

**employment and society at large. The Committee welcomes the measures reported by member States to extend the social protection coverage of persons with disabilities and hopes for continuous progress in that direction. The Committee finally wishes to draw the attention of member States to the *Joint statement towards inclusive social protection systems supporting the full and effective participation of persons with disabilities*, endorsed by the ILO and other international agencies and non-governmental organizations (NGOs), which provides valuable guidance on the design and establishment of social protection schemes and benefits for persons with disabilities, in accordance with the Recommendation.**

### *Workers in the informal economy*

409. The Committee notes that informality is a very heterogeneous concept, and that the persons involved in the informal economy are not therefore a homogenous group of people in a similar situation.<sup>44</sup> Some may have started on the margins of society, but have expanded their enterprises and broken out of poverty. And there may be firms that are formal, but which choose to remain informal in some respects, such as omitting to declare income to the tax authorities or not registering their workers with the social security system. Nevertheless, most of those working in the informal economy are poor, earn low incomes and are outside state protective systems.<sup>45</sup>

410. The Committee recognizes the challenges faced at the national level in extending social security to workers in the informal economy, and notes the particular attention given in the Recommendation to this issue.<sup>46</sup> The Committee also wishes to refer to the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), which provides guidance on facilitating the transition of workers and economic units from the informal to the formal economy by: promoting the creation, preservation and sustainability of enterprises and decent jobs in the formal economy, and the coherence of macroeconomic, employment, social protection and other social policies; and preventing the informalization of formal economy jobs.

411. The Committee is pleased to note that efforts have been made in some countries to address these challenges by extending social insurance schemes to workers in the informal economy. For example, in *Thailand*, section 40 of the Social Security Act provides for a voluntary scheme for informal workers. In *Indonesia*, Law No. 40 of 2004 on the National Social Security System provides for the participation of informal workers. In *Chile*, the Act on Employment Accidents and Occupational Diseases establishes compulsory coverage for formal workers and extends protection to the self-employed on the basis of voluntary contributions. Similar provisions are reported in *Mexico*, *Peru* and *Togo*.

**412. The Committee welcomes these measures and hopes that member States will continue to promote the formalization of the status of enterprises and individuals in the informal economy and the inclusion of self-employed and informal workers and their employers in contributory social security schemes, in accordance with the guidance set out in the Recommendation. The Committee notes, based on national practices, that various measures can be considered with a view to achieving basic income security, including the reduction of the cost of affiliation to contributory schemes, the provision of state support in the form of social contribution subsidies,**

<sup>44</sup> ILO: *The informal economy and decent work: A policy resource guide supporting transitions to formality*, Geneva, 2013.

<sup>45</sup> *ibid.*, p. 6.

<sup>46</sup> Paras 3(e), 10(b) and (c) and 15.

**measures to cover all those with contributory capacity, and measures to strengthen labour inspection and law enforcement.**<sup>47</sup>

413. In this regard, the Committee welcomes the fact that a number of countries have established non-contributory means-tested benefits for persons in active age who are unemployed or not able to earn sufficient income, either in the formal or informal economy. For example, in *Zimbabwe*, the non-statutory Harmonized Social Cash Transfer Programme is implemented by the Government and donors to support the poor in labour-constrained households. In *Mauritius*, an income-tested social assistance scheme is available for families with low means. In certain other countries, allowances are provided for specific needs, such as the housing allowances which form part of the social assistance policies in *Kazakhstan* and *Montenegro*. In *Bosnia and Herzegovina*, *Islamic Republic of Iran* and *Myanmar*, among other countries, food benefits and nutrition assistance are provided for households in need. However, the Governments of other countries, including *Ecuador*, *Morocco* and *Trinidad and Tobago*, highlight the difficulties involved in reaching the informal economy. The Government of *Thailand* indicates that seasonal workers in the food industry, fisheries, forestry and livestock rearing are not covered by the social security system, while a multiplicity of agencies are responsible for the provision of benefits and there is a lack of portability of rights between social protection schemes.

**414. The Committee is pleased to note the progress achieved in several countries in expanding the coverage of schemes and benefits to ensure that basic income security goes beyond persons in formal employment relationships. However, despite these achievements, it observes a persistent worldwide coverage deficit for those working in the informal economy. The Committee recalls in this respect that closing this gap, in accordance with the Recommendation, is of the highest priority for equitable economic growth, social cohesion and decent work for all women and men.**<sup>48</sup>

*Migrants*

415. Over the past two decades, the number of people who choose or are forced to migrate to another country each year has increased globally from 173 million in 2000 to 258 million in 2017, of whom 42 per cent live in developing regions.<sup>49</sup> Due to restrictive entitlement conditions, migrant workers often have limited access to the social security system in their country of employment, and therefore to income support and health care in case of need.<sup>50</sup> At the same time, they risk losing their entitlement to social security benefits in their country of origin as a result of their absence. For example, the Government of *South Africa* indicates that migrants and undocumented foreign nationals are excluded

<sup>47</sup> On the various measures, see ILO: *World Employment and Social Outlook 2016: Transforming jobs to end poverty*, Geneva, 2016, p. 56.

<sup>48</sup> ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, 2011, op. cit., para. 8.

<sup>49</sup> United Nations: *Report on the World Social Situation 2018*, 2018, op. cit., p. 73. Attention should be drawn to the importance in this respect of SDG target 10.7, which aims to facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies, as well as the Global Compact for Safe, Orderly and Regular Migration (GCM), which is due to be adopted in December 2018.

<sup>50</sup> Several ILO Conventions set out the principle of equality of treatment between nationals and non-national residents, including the Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19), Art. 1; the Equality of Treatment (Social Security) Convention, 1962 (No. 118), Art. 3; the Migrant Workers (supplementary Provisions) Convention, 1975 (No. 143), Arts 9(1) and 10; and the Maintenance of Social Security Rights Convention, 1982 (No. 157). However, Convention No. 102, in Art. 68(1), allows for an exception to equality of treatment in the case of “benefits which are payable wholly or mainly out of public funds and in respect of transitional schemes”. See also ch. 2, section 2.2.

from basic social protection guarantees. In the *Republic of Korea*, citizens residing abroad, who do not report their permanent return from overseas under article 12 of the Emigration Act, are not covered when they return to the country.

416. The *IOE* notes that the mobility across countries involve complexities which may result in migrant workers not being covered by any social protection system. A possible action to address this issue would be to hold a tripartite discussion on the extent to which it would be possible to implement modernized, viable and sustainable social protection schemes with portable rights and global recognition.

**417. Noting that labour migration is one of the features of contemporary labour markets, the Committee recognizes the challenge faced by member States in ensuring the access of migrant workers to basic income security. The Committee invites member States to explore all possible approaches to facilitating the access of migrant workers and their families to basic income protection in accordance with national laws and regulations and their international obligations, and to creating a level playing field for national and migrant workers.<sup>51</sup> The Committee recalls the importance of concluding multilateral and bilateral agreements on the portability of benefits and of clarifying the situation of migrant workers originating from countries that are not covered by such agreements.<sup>52</sup>**

418. The Committee notes that migrant workers in an irregular situation are often entirely excluded from any social protection coverage and reiterates that, even if migrant workers have been unlawfully employed or are not lawfully resident in the country, they should enjoy equal treatment with migrant workers in a regular situation in respect of rights arising out of their past employment for which they have been affiliated to social security.<sup>53</sup> The Committee emphasizes that migrant workers whose rights are respected, who enjoy a decent standard of living and who can make use of their skills make a greater contribution to their countries of destination and of origin.<sup>54</sup>

### *Rural workers*

419. Rural workers are another category who are at high risk of exclusion from social protection.<sup>55</sup> The 2015 General Survey indicates that the informal economy accounts for

<sup>51</sup> The Revised Migration Policy Framework for Africa and Plan of Action (2018–27) (MPFA) of the African Union is an example of a regional policy which aims to establish effective governance of migration to reduce inequality. The MPFA contains the recommendations to “Ensure the portability of social security”, “Provide social protection and social security benefits ... for all labour migrants ... while working abroad and/or upon their return” and ensure an adequate protection of labour migrants experiencing job losses when States “have made arrangements to recruit migrant labour”. See also ILO: *Conclusions concerning fair and effective labour migration governance*, International Labour Conference, 106th Session, Geneva, 2017, para. 10: A level playing field between national and migrant workers can be created, inter alia, by “(a) negotiating multilateral or bilateral social security agreements to ensure the portability of migrants’ rights and benefits; (b) including social security provisions in labour migration arrangements; and (c) ensuring access of migrant workers and their families to national social protection systems, including social protection floors”.

<sup>52</sup> ILO: *Promoting fair migration, General Survey concerning the migrant workers instruments*, Report III (Part 1B), International Labour Conference, 105th Session, 2016 (hereinafter the “2016 General Survey”), para. 407; and C. van Panhuys, S.K. Aoul, and G. Binette: *Migrant access to social protection under bilateral labour agreements: A review of 120 countries and nine bilateral arrangements*, Extension of Social Security Working Paper No. 57, ILO, Geneva, 2017.

<sup>53</sup> 2016 General Survey, para. 313; Convention No. 143, Art. 9. See also ch. 2, section 2.2.

<sup>54</sup> United Nations: *Report of the Special Representative of the Secretary-General on Migration*, General Assembly, 71st Session, 2017 (A/71/728), para. 26.

<sup>55</sup> See ch. 5, section 5.2, on essential health care and the challenges of covering rural populations.

82.1 per cent of total rural employment and 98.6 per cent of agricultural employment.<sup>56</sup> Moreover, work in rural areas is relatively low paid and fewer than 20 per cent of agricultural workers have access to even basic social protection.<sup>57</sup> For example, the Government of *Burkina Faso* notes that the majority of economically active people are engaged in subsistence agriculture (70 per cent) and highlights the difficulties involved in lifting them out of poverty. The high number of vulnerable people is creating a need for increased expenditure on social protection, which is problematic for the Government because of the shortage of public resources.

420. The Committee wishes to highlight the example of *Sri Lanka*, where a special farmers' pension and social security scheme has been established to cover rural workers engaged in agriculture. The scheme is financed primarily by voluntary contributions, but also receives Government subsidies. The scheme was introduced in 1987 and has since become one of the major instruments in protecting persons at high risk of exclusion, along with the schemes for fishers and the self-employed. According to the data provided, the farmers' scheme currently covers over 950,000 people, or 44 per cent of the workers engaged in agriculture.<sup>58</sup>

**421. The Committee recognizes that guaranteeing income security for rural workers remains a major challenge for many countries,<sup>59</sup> and welcomes measures that provide at least basic income security for rural workers. Moreover, considering the importance of tripartite participation in identifying and addressing specific social protection deficits, the Committee emphasizes the importance of facilitating the establishment and development of rural workers' organizations, and promoting the involvement in social dialogue of all categories of rural workers.<sup>60</sup>**

#### *Indigenous and tribal peoples*

422. There are over 5,000 indigenous groups throughout the world with different cultures, practices, forms of social organization, concepts of well-being, values and beliefs which are profoundly embedded in their collective relationship with the lands and territories that they occupy or use.<sup>61</sup> They are among the poorest population categories and are often excluded from access to social security as a result of direct or indirect forms of discrimination, such as the imposition of eligibility conditions that they are unable to meet or inadequate access to information.<sup>62</sup> They also frequently live in geographically isolated areas, which limits their access to health services and other social programmes, and they are more likely to have only limited access to education and vocational training.<sup>63</sup> The great majority of indigenous men and women are engaged in occupations and informal

<sup>56</sup> ILO: *Giving a voice to rural workers, General Survey concerning the right of association and rural workers' organizations instruments*, Report III (Part 1B), International Labour Conference, 104th Session, Geneva, 2015, (hereinafter the "2015 General Survey"), para. 19.

<sup>57</sup> 2015 General Survey, para. 19.

<sup>58</sup> ILOSTAT: *Employment by sector: ILO modelled estimates*, May 2018.

<sup>59</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 132.

<sup>60</sup> See also the 2015 General Survey, ch. 4.

<sup>61</sup> *Social protection for indigenous peoples*, Social Protection for All Issue Brief, ILO, Geneva, April 2018.

<sup>62</sup> CESCR: "General Comment No. 19", 2008, op. cit., p. 11.

<sup>63</sup> United Nations: *Report on the World Social Situation 2018*, 2018, op. cit., pp. 95–97.

activities in rural and urban areas for which social security coverage is limited or unavailable.<sup>64</sup>

423. The Indigenous and Tribal Peoples Convention, 1989 (No. 169), in Article 24, provides that social security schemes shall be extended progressively to cover the peoples concerned, and applied without discrimination against them. In order to be sustainable and effective, strategies for the extension of social security coverage to indigenous peoples need to be based on respect for their collective and individual rights, and developed with their participation. Measures should meet their special needs, while respecting their cultural integrity and development aspirations. The Committee notes that a few countries report measures (both statutory and non-statutory) to help indigenous and tribal peoples find employment and maintain a decent level of income. In *Canada*, Employment and Social Development Canada provides labour market programmes targeted at the needs of indigenous peoples and special training services. The Indigenous Education Support Programme in *Mexico* offers scholarships for indigenous students at the upper secondary level and the Indigenous Rights Programme provides support in various areas, including the acquisition of land for cultivation, urban plots and materials for the construction of housing, and certain health-care services not covered by other programmes. In 2012, *Paraguay* introduced a means-tested old-age pension for all persons of 65 and over, in which indigenous women and men are exempted from the need to prove their poverty status. The measure is based on the acknowledgment of the specific vulnerabilities faced by these peoples in the country.<sup>65</sup> In *Brazil*, the public health system (SUS), which provides comprehensive, universal and free care for the entire population, includes indigenous care and specific health-care policies for the indigenous population.<sup>66</sup> In the *Philippines*, the Indigenous Peoples Master Plan (2012–2016) was developed, using an integrated strategy for development, recognition of land rights, cultural identity and self-government, while at the same time emphasizing “decent work principles which encompass the promotion of fundamental rights, income and employment generation, social protection and social dialogue”.<sup>67</sup> It paid particular attention to strengthening the provision of basic services such as health and education, and creating economic opportunity in indigenous communities, among others.<sup>68</sup>

**424. The Committee encourages all the member States concerned to take further action to effectively address, through sustainable and law-based income security measures, the specific circumstances of indigenous and tribal peoples. The Committee recalls the emphasis placed in the Recommendation on ensuring the participation of representatives of the persons concerned in the design of the schemes and benefits that give effect to the basic income security guarantees to ensure that their special needs and priorities are effectively addressed, as well as in monitoring the effectiveness of such measures to achieve the desired outcomes.**

#### *Other workers at risk of exclusion*

425. A number of ILO standards refer to the need to ensure social protection for specific categories of workers who may find themselves at risk of being excluded from coverage,

<sup>64</sup> ILO: *Indigenous & tribal peoples' rights in practice: A guide to ILO Convention No. 169*, Geneva, 2009, p. 154.

<sup>65</sup> ILO: *Social protection for indigenous peoples*, 2018, op. cit. p. 6.

<sup>66</sup> *ibid.*; WHO: *Country Cooperation Strategy at a glance: Brazil*, WHO/CCU/18.2/Brazil, 2018.

<sup>67</sup> Philippine National Commission on Indigenous Peoples, “National Indigenous Peoples Master Plan (2012–2016)”, p. 7, para. 4, Strategies.

<sup>68</sup> ILO: *Social protection for indigenous peoples*, 2018, op. cit. p. 6.



including homeworkers,<sup>69</sup> domestic workers,<sup>70</sup> nursing personnel (including volunteers and community workers),<sup>71</sup> workers in small and medium-sized enterprises<sup>72</sup> and part-time workers.<sup>73</sup> Other categories of workers at risk of exclusion include those working on digital platforms in the gig economy.<sup>74</sup> Due to the absence of an adequate legal framework, the responsibilities of workers and requesters on such platforms are frequently not clearly established, as a result of which the workers concerned often do not report their earnings, and consequently lack effective social security coverage.<sup>75</sup>

426. In this respect, the *ITUC* notes that the rise in non-standard forms of work and the adoption of reforms by governments to increase labour market flexibility have had a negative impact on the social protection coverage of the workers concerned in many countries, and that these developments have been further exacerbated by reforms of social protection.<sup>76</sup> It emphasizes that the global coverage gap for unemployment benefits is 78 per cent and notes that informal workers and workers in non-standard forms of employment are more exposed to the risk of exclusion due to difficulties in the collection of contributions.

427. The *IOE* remarks that social protection systems are not always sufficiently efficient to respond to more flexible forms of work and to support and prepare individuals transitioning from one form of work to another. It indicates that this is further complicated as the mobility of workers across different forms increases, including transitioning from one type of work in one country to a different type of work in another country, causing workers to be rarely covered by any social protection schemes. The *IOE* stresses that new systems will need to address those gaps in social protection across typical life events, including: periods of education, raising families, career gaps, retirement, and elderly care, and that they will need to provide enough flexibility to support individuals and bolster their resilience.

**428. The Committee encourages member States to identify and address the special needs of workers at risk of exclusion from social protection coverage, and refers in**

<sup>69</sup> The Home Work Convention, 1996 (No. 177), Art. 4, and the Home Work Recommendation, 1996 (No. 184), Paras 25 and 26.

<sup>70</sup> The Domestic Workers Convention, 2011 (No. 189), Art. 14, and the Domestic Workers Recommendation, 2011 (No. 201), Para. 20.

<sup>71</sup> The Nursing Personnel Convention, 1977 (No. 149), Art. 6, and the Nursing Personnel Recommendation, 1977 (No. 157), Para. 53.

<sup>72</sup> The Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), Para. 7(3)(c).

<sup>73</sup> The Part-Time Work Convention, 1994 (No. 175), Arts 6 and 8, and the Part-Time Work Recommendation, 1994 (No. 182), Paras 6 and 9.

<sup>74</sup> C. Behrendt and Q.A. Nguyen: *Innovative approaches for ensuring universal social protection for the future of work*, Future of Work Research Paper Series No. 1, ILO, Geneva, 2018, p. 25, according to which work on such platforms involves tasks that “are divided into micro-gigs and delegated to a large pool of virtual workers” who “tend to execute multiple jobs for multiple ‘employers’ in a single day”; OECD: *The Future of Social Protection: What works for non-standard workers?*, OECD Publishing, Paris, 2018; European Commission, Proposal for a Council recommendation on access to social protection for workers and the self-employed, Strasbourg, 13 Mar. 2018, COM (2018)132 final. As part of the implementation of the European Pillar of Social Rights, in 2018 the European Commission adopted a proposal for a Council recommendation on access to social protection for workers in non-standard forms of employment and self-employment, including platform workers, who, due to their employment status, are not sufficiently covered by social security schemes and thus are exposed to higher economic uncertainty.

<sup>75</sup> C. Behrendt and Q.A. Nguyen: *Innovative approaches for ensuring universal social protection for the future of work*, *ibid.*, p. 30.

<sup>76</sup> See also *ITUC: The Future of Work*, Brussels, 2017.

**this respect to several ILO standards which call for the special characteristics of these types of work to be taken into consideration in social security provisions. This can be achieved, for example, by facilitating the payment of social security contributions through voluntary participation in schemes, flexibility in contribution amounts or state subsidies, the reduction of threshold requirements for coverage, or the development of special schemes or funds.**<sup>77</sup>

429. The Committee also draws attention in this respect to the Employment Relationship Recommendation, 2006 (No. 198), which indicates that, with a view to the effective protection of workers, clear methods for the determination of the existence of an employment relationship should be established by national legislation (section II). The Committee recalls and once again emphasizes the need for social participation and the consultation of all stakeholders, who are best placed when it comes to knowledge of the particular needs of beneficiaries and the challenges encountered by businesses.<sup>78</sup>

### 7.3. Provision of basic income security for persons in active age through different approaches and combinations of benefits and schemes

#### **Relevant provisions of Recommendation No. 202**

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(d) non-discrimination, gender equality and responsiveness to special needs;

...

(f) respect for the rights and dignity of people covered by the social security guarantees;

...

(l) coherence with social, economic and employment policies;

...

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

...

(c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability;

...

9.

(1) In providing the basic social security guarantees, Members should consider different approaches with a view to implementing the most effective and efficient combination of benefits and schemes in the national context.

(2) Benefits may include ... sickness and health-care benefits, maternity benefits, disability benefits ... survivors' benefits, unemployment benefits and employment guarantees, and employment injury benefits as well as any other social benefits in cash or in kind.

(3) Schemes providing such benefits may include universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, public employment schemes and employment support schemes.

<sup>77</sup> See, for example, the Domestic Workers Recommendation, 2011 (No. 201), Para. 20(1); the Part-Time Work Recommendation, 1994 (No. 182), Para. 6(a); the Home Work Recommendation, 1996 (No. 184), Para. 26.

<sup>78</sup> 2011 General Survey, para. 558.

10. In designing and implementing national social protection floors, Members should:

- (a) combine preventive, promotional and active measures, benefits and social services;
- (b) promote productive economic activity and formal employment through considering policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and that promote education, vocational training, productive skills and employability; and
- (c) ensure coordination with other policies that enhance formal employment, income generation, education, literacy, vocational training, skills and employability, that reduce precariousness, and that promote secure work, entrepreneurship and sustainable enterprises within a decent work framework.

### 7.3.1. Use of a variety of schemes and benefits to achieve basic income security in active age

430. In accordance with the Recommendation (Paragraph 5(c)), national social protection floors should comprise basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability (whether or not resulting from employment injury). Paragraph 9 specifies that the benefits giving effect to this guarantee may include sickness benefits, maternity benefits, disability benefits, survivors' benefits, unemployment benefits and employment guarantees, employment injury benefits, as well as any other social benefits in cash or in kind.<sup>79</sup>

431. Paragraph 9 adds that a variety of schemes may be used to provide these benefits, including universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, public employment schemes and employment support schemes (Paragraph 9(3)). Furthermore, coherence with social, economic and employment policies is recommended in Paragraph 3(l), as well as a combination of preventive, promotional and active measures, benefits and social services (Paragraph 10(a)).

432. The Committee notes that economically active persons, those seeking employment and those incapable of work all have specific social protection needs.<sup>80</sup> These needs generally fall into four broad categories: income replacement for temporary or permanent loss of earnings; income support, where income is insufficient to avoid poverty or social exclusion; support to (re)enter the labour force; and health care.<sup>81</sup> In accordance with the Recommendation and the social security Conventions, these different needs should be addressed through comprehensive social security systems providing basic income security, as well as higher levels of protection, depending on the specific needs, the types of schemes concerned and the amount of contributions beneficiaries are able to pay.

433. The *IOE* points out that the future of work is an important issue to be considered when implementing basic income security in active age, as effective social protection systems must not only reflect the current but also the future labour market needs. It notes that the world of work is affected by important changes, namely: technology and innovation; the changing nature of work; climate change; and demographic change. It considers that understanding these changes and adapting social protection systems accordingly will allow societies to reap the benefits of future forms of work, while also to

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<sup>79</sup> See ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 2, for an extensive review of maternity protection, unemployment protection, employment injury protection and disability benefit, including country examples, opportunities and challenges.

<sup>80</sup> See ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 3.

<sup>81</sup> *ibid.*, pp. 24 and 25. See ch. 5 on health care.

mitigate any related costs and potential risks. The *IOE* furthermore finds involvement of the private sector in this adaptation process of the utmost importance and identifies various actions to be taken to address the changes in the world of work in the national context, including collecting information on different forms of work to better understand new developments in the labour market and to evaluate the necessity of the protection based on the characteristics of the type of employment.

**434. The Committee recalls the emphasis placed by the Recommendation on achieving the most effective and efficient combination of benefits and schemes to guarantee basic income security to all persons in active age. While acknowledging the complexity of providing and maintaining a coherent set of benefits and services that effectively guarantee adequate income security, the Committee emphasizes the importance of the careful coordination and alignment of all the schemes and benefits provided, as well as their coordination with other policies.**<sup>82</sup>

### 7.3.2. Contributory and non-contributory benefits as complementary components of social security

435. The Committee notes that, of the 111 Governments which responded to the questionnaire, 96 report schemes and measures that provide some form of social protection in working age, either contributory or non-contributory,<sup>83</sup> and which include benefits in kind, such as reimbursing the cost of health care, care services in the event of sickness or disability, and employment services in case of unemployment (figure 7.1). In many countries, one or more contributory income replacement schemes are in place that cushion the impact of the loss or absence of income from work. A smaller number of countries have established non-contributory schemes, whether or not in combination with social insurance schemes. The Committee wishes to emphasize that, in order to close social protection gaps, contributory social insurance schemes and non-contributory schemes are both essential components of national social protection floors, with a view to securing at least basic income security for all, including for persons without contributory capacity.<sup>84</sup> **In this regard, the Committee wishes to recall that, in order to effectively curb the spread of poverty, in accordance with the Recommendation, social insurance and social assistance benefits are best designed as complementary means of action, applying the respective indicators and thresholds, and are governed by the common objectives of the alleviation of poverty and social exclusion.**<sup>85</sup>

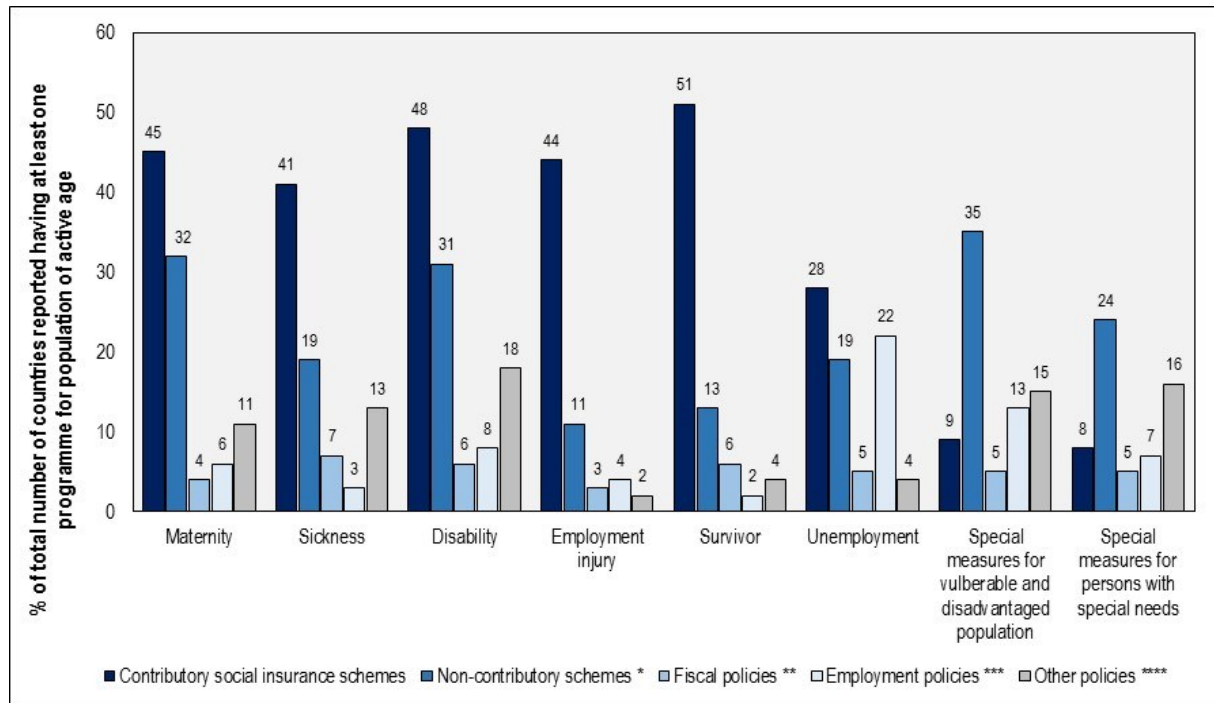
<sup>82</sup> See ch. 11 on policy coordination.

<sup>83</sup> See Introduction, section I.2, ch. 4, section 4.1.2, ch. 10, section 10.2 and Appendix VI, glossary, for definitions of the various schemes and benefits that may be implemented to give effect to the Recommendation, and an explanation of the distinction between contributory and non-contributory schemes and benefits.

<sup>84</sup> See, for example, the 2011 General Survey, paras 295–296 and 626; and ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 25.

<sup>85</sup> Council of Europe “Report and conclusions concerning the application of the European Code of Social Security and its Protocol”, Governmental Committee of the European Social Charter and the European Code of Social Security, 137th Meeting (23–27 April 2018), GC(2018)8, para. 36; 2011 General Survey, paras 295–296 and 626; and ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 25.

**Figure 7.1. Benefits, schemes and policies providing basic income security for persons in active age** (percentage of total number of countries reported having at least one programme for population in active age, by social protection function and by type of programme)



\* Universal schemes, social assistance, housing allowance, GMI, social safety nets, targeted anti-poverty programmes.

\*\* Negative income tax, tax incentives, etc. <sup>86</sup> \*\*\* Public works, employment support, vocational training, etc. <sup>87</sup> \*\*\*\* Services, care, education, economic policies (e.g. regional development), schemes supported by international donors and NGOs, other policies. <sup>88</sup>

### *Sickness benefits* <sup>89</sup>

436. Income-replacement cash benefits to compensate for temporary incapacity for work during periods of sickness are reported in 50 predominantly high-income countries, <sup>90</sup> and normally cover persons who are, or were previously in formal employment. Accordingly,

<sup>86</sup> For example: income tax exemptions for specific vulnerable groups; exemption of certain non-contributory benefits from income tax; negative income tax to unemployment benefits; tax reductions to support employment of certain groups.

<sup>87</sup> For example: employment programmes for specific groups; workforce development measures; training programmes for specific groups; work try-outs; job-related travel cost reimbursements; subsidies for employment of persons with disabilities.

<sup>88</sup> For example: home-help services; street teams and vocational workshops for homeless people; subsidies in cash for special needs; crisis centres and shelters; “back to education” allowances; women empowerment programmes; solidarity funds; UN development assistance frameworks.

<sup>89</sup> Standards for sickness benefit are set out in Convention No. 102, Part III, and in Convention No. 130. Art. 14 of Convention No. 102 defines this contingency as “incapacity for work resulting from a morbid condition and involving suspension of earnings”.

<sup>90</sup> Contributory sickness insurance in: Cambodia, Canada, Central African Republic, China, Colombia, Czech Republic, Estonia, Guatemala, Honduras, Hungary, Islamic Republic of Iran, Jamaica, Japan, Republic of Korea, Lithuania, Mali, Malta, Mexico, Morocco, Netherlands, Oman, Paraguay, Peru, Philippines, Poland, Portugal, Russian Federation, San Marino, Slovakia, South Africa, Spain, Syrian Arab Republic, Tajikistan, Thailand, Trinidad and Tobago, Tunisia and United Kingdom. Non-contributory sickness benefits in: Belarus, Côte d'Ivoire, Cuba, Denmark, Honduras, Mali, Malta, Mexico, New Zealand, Poland, Senegal, Syrian Arab Republic and United Kingdom.

benefits are provided to replace income during periods of sickness in only a small proportion of all countries worldwide. Loss of income and the absence of social protection coverage, compounded by the high cost of health care and/or significant out-of-pocket payments, can have the result of pushing whole families into poverty.<sup>91</sup>

437. The Committee notes that the conditions of entitlement and the duration and level of benefits reported vary considerably between countries. In *Finland*, the compulsory sickness insurance scheme covers all residents aged 16–67, including the unemployed, who receive unemployment benefits, along with non-resident employed and self-employed persons working in the country for at least four months. Similar inclusive eligibility requirements are reported in *Belgium*, *Denmark*, *Estonia*, *Germany* and *Netherlands*, among other countries, although they do not cover self-employed persons in the latter two countries.

438. In *Canada*, sickness benefits can be claimed under the employment insurance scheme if a worker is in insurable employment, has worked for 600 hours over the qualifying period and is experiencing a reduction of over 40 per cent of average weekly earnings as a result of sickness. The basic rate of the benefit is 55 per cent of average insurable weekly earnings, up to a maximum amount. The benefits are paid for 15 weeks, although the claimant may have these payments distributed over a 52-week period, as required. In *Morocco*, employees domiciled in the country who cease all activity following an illness or an accident not covered by the employment injury legislation may claim sickness benefit if they have paid contributions for at least 54 days during the six calendar months preceding the date of stoppage of work. The daily benefit amounts to two-thirds of the average daily wage, and is payable for a maximum of 52 weeks.

439. In *Kyrgyzstan*, a temporary incapacity insurance benefit is available to persons engaged under an employment contract, the self-employed and farmworkers. In *Tajikistan*, a benefit is payable to insured persons for a maximum period of four months, unless the recipient suffers from tuberculosis, in which case the period is extended to one year. The amount of the benefit varies depending on the person's employment history, family situation and other factors. Employees who have been in continuous employment for eight or more years, and those with three or more dependent children, are entitled to benefits equivalent to 70 per cent of their earnings. In *Thailand*, a sickness benefit of 50 per cent of the claimant's wage is paid for a maximum of 180 days, with the exception of persons suffering from a chronic disease, who are entitled to the benefit for 365 days. In the *Republic of Korea*, the existing schemes do not provide cash benefits, but benefits in kind to persons whose income is 40 per cent of the median or lower. Similarly, in *Madagascar*, medical care is provided by occupational medical services in the event of illness.

**440. The Committee notes that the right to cash benefits, providing income security during periods of sickness, is reported in a limited number of countries. Where legislation exists, coverage usually strongly favours workers in the formal economy, and in most countries workers in the informal economy are excluded from sickness benefits.<sup>92</sup> In this context, the Committee wishes to emphasize that sickness benefits and sick leave are crucial to address deteriorating health and health-related poverty and loss of productivity, and it hopes that member States will give due consideration to the adoption of such measures, in accordance with the guidance contained in the Recommendation.**

<sup>91</sup> X. Scheil-Adlung: *Paid sick leave: Incidence, patterns and expenditure in times of crisis*, Extension of Social Security Paper No. 27, ILO, Geneva, 2010.

<sup>92</sup> ILO: *World Social Protection Report 2014/15*, 2014, op. cit., pp. 106–107.

### *Maternity benefits*<sup>93</sup>

441. Of the 96 reports that responded to the relevant question, 67 include information on schemes and mechanisms that provide maternity cash benefits.<sup>94</sup> The information available to the Committee shows that, in the majority of countries, cash benefits replacing women's income during periods of maternity<sup>95</sup> are provided through social insurance schemes, which primarily cover women in formal employment, sometimes including self-employed women, with coverage being either compulsory or voluntary.<sup>96</sup> Social insurance is the only type of statutory scheme delivering maternity benefits in over 69 per cent of countries.<sup>97</sup>

442. In *Estonia*, the Health Insurance Fund provides a maternity benefit in the event of pregnancy for both employed and self-employed persons. The level of the benefit is 100 per cent of the woman's average daily income and is payable for 140 calendar days. The minimum level set in 2018 is €500 a month for employed and €470 a month for self-employed persons.<sup>98</sup> The maternity benefit has been supplemented by a parental benefit since 2016, payable for 435 days, which can be shared between the parents (the first 70 days can only be claimed by the mother). In *Tajikistan*, maternity benefit is payable at a level equal to the woman's earnings for the duration of maternity leave, which is set at 70 calendar days before and 70 calendar days after childbirth.

443. The Committee is pleased to observe that in a number of countries, including *Canada, Denmark, Germany, Mexico, Myanmar, Philippines, Poland* and *Ukraine*, mechanisms are reported for the voluntary participation in insurance schemes of women working in the informal economy. In some countries, including *Australia, Estonia, Malta, New Zealand, Poland* and *Portugal*, social assistance policies have been implemented to extend the coverage of maternity benefits beyond the scope of contributory schemes. These measures are normally means tested. For example, in *Portugal*, a parental allowance is payable to any resident who has a limited level of liquid assets and a monthly income less than or equal to 80 per cent of the social support index. In *Australia*, the provision of parenting

<sup>93</sup> Standards for maternity benefit are set out in Convention No. 102, Part VIII, and Convention No. 183. Art. 47 of Convention 102 defines this contingency as "pregnancy and confinement and their consequences, and suspension of earnings", and the benefits include both medical care and cash benefits. However, as the present chapter focuses on income security, only covers maternity cash benefits. For the related medical care, see ch. 5.

<sup>94</sup> *Antigua and Barbuda, Argentina, Belarus, Bosnia and Herzegovina, Burundi, Cambodia, Canada, Central African Republic, China, Colombia, Democratic Republic of the Congo, Côte d'Ivoire, Cuba, Czech Republic, Denmark, El Salvador, Estonia, Germany, Greece, Guatemala, Honduras, Hungary, Islamic Republic of Iran, Ireland, Israel, Jamaica, Japan, Jordan, Republic of Korea, Lithuania, Mali, Malta, Mexico, Montenegro, Morocco, Namibia, Netherlands, New Zealand, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Russian Federation, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Slovakia, South Africa, Spain, Sri Lanka, Syrian Arab Republic, Tajikistan, Thailand, Togo, Trinidad and Tobago, Tunisia, United Kingdom, Ukraine, Uzbekistan* and *Zimbabwe*.

<sup>95</sup> This period varies at the national level. See ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 3, section 3.2, for a global overview of national situations. It should be noted that the minimum period during which maternity cash benefits are to be paid (or paid maternity leave) is set at 12 weeks in Convention No. 102, Art. 52, and 14 weeks in Convention No. 183, Art. 4, including six weeks of compulsory paid maternity leave after childbirth.

<sup>96</sup> According to the Government reports and the observations of the social partners, as well as ILO: *World Social Protection Report 2017–19*, 2017, op. cit., section 3.2. In this regard, it should be noted that Convention No. 183 provides that where women do not meet the required qualifying conditions for social insurance, adequate benefits financed by social assistance funds should be provided, and that the liability of employers for the direct costs of benefits should be avoided.

<sup>97</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 30.

<sup>98</sup> The subsistence level for a person living alone or the first member of a family is €140 a month.

payments is subject to a means test, which is applied to determine both eligibility and the amount of the benefit.

**444. The Committee emphasizes that adequate maternity cash benefits are essential to promote gender equality in employment and ensure the income security of women during periods of maternity. In view of the substantial number of countries in which no type of maternity benefits are provided, and the limited personal coverage and/or low levels of the benefits in many other countries, the Committee invites member States to consider the implementation of universal and adequate maternity cash benefits, in accordance with the guidance contained in the Recommendation.**

#### *Employment injury benefits*

445. Employment injury benefits are of major importance in the world of work, and are covered by a number of standards adopted by the ILO from its earliest days.<sup>99</sup> Employment injury benefits mainly consist of medical and related care benefits, rehabilitation and cash benefits to replace the earnings lost when a worker is temporarily incapacitated for work, or loss of earnings capacity in the event of total or partial permanent disability, as well as the loss of income suffered by dependent family members in the event of the death of a worker.<sup>100</sup>

446. Of the 96 reports that answered the relevant question, 62 provide information on cash benefits in the event of employment injury.<sup>101</sup> The replies received indicate that the primary type of scheme used to deliver these benefits is social insurance. More specifically, over 72 per cent of the replies report the existence of social insurance schemes providing employment injury benefits. At the global level, such schemes operate in around 76 per cent of the countries for which the data are available.<sup>102</sup> However, they are rarely supplemented by additional measures. According to the available information, statutory non-contributory employment injury benefit schemes exist only in 5 per cent of countries.<sup>103</sup>

447. The Committee notes the significant variations reported in the personal coverage and conditions for participation in employment injury schemes. For example, in *Germany*, all persons who work or are in training are covered by statutory occupational accident insurance. Similarly, in *Austria*, accident insurance covers 6.2 million people, including all employees. In *Cambodia*, the occupational accident scheme is reported to cover only

<sup>99</sup> The standards recognized as still being up to date are the Workmen's Compensation (Agriculture) Convention, 1921 (No. 12), Convention No. 19, Convention No. 102, Part VI, and Convention No. 121, as well as the Social Insurance (Agriculture) Recommendation, 1921 (No. 17), the Equality of Treatment (Accident Compensation) Recommendation, 1925 (No. 25), and Recommendation No. 121.

<sup>100</sup> This comprehensive approach to employment injury benefits is reflected in Convention No. 102, Part VI, and Convention No. 121. See ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 3 section 3.4, for greater detail.

<sup>101</sup> *Argentina, Belarus, Burundi, Cambodia, Canada, Central African Republic, Chile, China, Colombia, Democratic Republic of the Congo, Côte d'Ivoire, Croatia, Cuba, Denmark, Georgia, Germany, Guatemala, Honduras, Islamic Republic of Iran, Ireland, Israel, Jamaica, Japan, Jordan, Republic of Korea, Lithuania, Mali, Malta, Mauritius, Mexico, Montenegro, Morocco, New Zealand, Nigeria, Oman, Pakistan, Paraguay, Peru, Philippines, Poland, Portugal, Russian Federation, Saint Vincent and the Grenadines, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Slovakia, South Africa, Spain, Sri Lanka, Syrian Arab Republic, Tajikistan, Thailand, Togo, Trinidad and Tobago, Tunisia, United Kingdom, United States, Uzbekistan and Zimbabwe.*

<sup>102</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 59.

<sup>103</sup> *ibid.*



1.1 million people, or fewer than 12 per cent of the estimated labour force.<sup>104</sup> In the *Republic of Korea*, the scheme established under the Industrial Accident Compensation Insurance Act is estimated to cover 18.4 million workers, or around 66 per cent of the economically active population.<sup>105</sup> In *Japan*, the workers' accident compensation insurance system covers approximately 57.5 million workers, which implies that some 14 per cent of the labour force are excluded.<sup>106</sup>

448. The Government of *Guatemala* notes that the scheme established by the national Social Security Institute (IGSS), while providing employment injury protection to workers in the formal economy, does not cover workers in the informal economy. Similar situations are observed, for example, in *Jamaica*, *Panama* and *Philippines*. In *Zimbabwe*, the National Social Security Authority Act of 1989, which establishes employment injury benefits, is reported to leave out most workers in the informal economy. The reports for *Morocco*, *Saudi Arabia* and *Trinidad and Tobago* also indicate that informal workers, especially migrants with an irregular legal status, are normally excluded from all social security schemes.

449. The Committee observes that employment injury benefit schemes exist in the majority of countries, generally in the form of social insurance schemes. However, effective coverage of workers is still very low in most low- and middle-income countries, due to the weak enforcement of the schemes.<sup>107</sup> Furthermore, workers in 36 countries, especially in Africa and Asia and the Pacific, are still dependent on direct employer liability compensation in case of injuries at work and in the absence of insurance systems.<sup>108</sup>

**450. The Committee observes that gaps still exist worldwide in the implementation of employment injury benefit schemes designed to ensure that victims of work-related accidents and occupational diseases and, in the event of their death, their dependants, benefit from income security, at least at a basic level. In this context, the Committee wishes to emphasize the importance of cash benefits to compensate loss of earnings due to temporary incapacity to work or the total or partial permanent loss of earnings capacity, and disability due to employment injury. It therefore invites member States which have not yet adopted appropriate provisions to consider their introduction, taking into account national circumstances, in accordance with the Recommendation, so that all workers, including those in the informal economy, benefit from such protection.**

**451. The Committee further emphasizes the importance of a comprehensive approach to employment injury benefits that includes cash and health-care benefits, as well as rehabilitation services, in accordance with the Recommendation, and it invites member States to consider this approach when designing the respective schemes.<sup>109</sup> It further invites member States to consider an integrated approach to employment injury protection policies, including employment injury benefits,**

<sup>104</sup> In 2017, the modelled ILO estimate of the total labour force of *Cambodia* was around 9.31 million: see [ILOSTAT](#).

<sup>105</sup> In 2017, the modelled ILO estimate of the total labour force of the *Republic of Korea* was around 27.89 million: see [ILOSTAT](#).

<sup>106</sup> In 2017, the modelled ILO estimate of the total labour force of *Japan* was around 66.5 million: see [ILOSTAT](#).

<sup>107</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 56.

<sup>108</sup> *ibid.*

<sup>109</sup> Paras 4, 5(a) and (c) of the Recommendation.

**occupational safety and health measures, inspection services and enforcement measures.**<sup>110</sup>

*Disability benefits*<sup>111</sup>

452. Of the 96 reports that contain information in response to the relevant question, 72 report schemes and measures that provide cash benefits in the event of disability.<sup>112</sup> According to the data contained in the *World Social Protection Report 2017–19*, statutory disability cash benefit schemes exist in around 91 per cent of countries worldwide. In some 61 per cent of these countries, the schemes are exclusively contributory, and in around 5 per cent they are exclusively non-contributory. The other 34 per cent of countries have both types of schemes.<sup>113</sup>

453. For example, in *Oman*, nationals employed in the private sector are covered against loss of income due to disability by the Social Security Law, which establishes a contributory social insurance scheme.<sup>114</sup> In *Mauritius*, the National Pensions Act 1976 makes provision for contributory and non-contributory benefits, including the payment of a universal basic benefit for all substantially disabled nationals, and for non-nationals who meet the residence requirements. The Act also provides for contributory disability benefits for insured persons.<sup>115</sup> In *Japan*, disability benefits are provided under the national pension system and the employees' pension insurance system. In addition, continued employment support programmes are available for persons with disabilities who remain economically active, but face challenges in finding work. In the *United States*, the Supplemental Security Income, a federal income supplement programme, provides assistance to elderly, blind and disabled persons with little or no income.

454. There are several schemes in *Portugal* that provide disability benefits, including an invalidity benefit under the social insurance scheme, a non-contributory invalidity benefit and special invalidity protection in the form of social assistance measures. The first scheme covers workers who have contributed for at least five years. The non-contributory invalidity benefit covers any resident who is incapable of working, not covered by any insurance scheme and whose household income is lower than a minimum level. If a person is suffering from a rapidly progressing disease that is expected to result in loss of independence, a means-tested special benefit is provided as well as, in certain cases, an additional dependency supplement to cover the cost of care or assistance services.

**455. The Committee notes these practices and draws the attention of member States to the importance of combining income security benefits with measures to ensure the**

<sup>110</sup> See, in particular, Para. 10 of the Recommendation.

<sup>111</sup> Standards for disability benefit are set out in Convention No. 102, Part IX, and Convention No. 128, Part II. Art. 54 of Convention No. 102 defines this contingency as the "inability to engage in any gainful activity, to an extent prescribed, which inability is likely to be permanent or persists after the exhaustion of sickness benefit".

<sup>112</sup> *Argentina, Azerbaijan, Belarus, Bosnia and Herzegovina, Burundi, Canada, Central African Republic, Chile, China, Colombia, Democratic Republic of the Congo, Côte d'Ivoire, Croatia, Cuba, Czech Republic, Denmark, El Salvador, Estonia, Georgia, Germany, Greece, Guatemala, Honduras, Hungary, Islamic Republic of Iran, Iraq, Ireland, Israel, Jamaica, Japan, Jordan, Kazakhstan, Republic of Korea, Latvia, Mali, Malta, Mauritius, Mexico, Montenegro, Namibia, Netherlands, New Zealand, Oman, Pakistan, Panama, Peru, Philippines, Poland, Portugal, Russian Federation, Saint Vincent and the Grenadines, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Slovakia, South Africa, Spain, Sri Lanka, Syrian Arab Republic, Tajikistan, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, United Kingdom, Ukraine, United States and Uzbekistan.*

<sup>113</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 68.

<sup>114</sup> The Social Security Law, section 1, art. 5.

<sup>115</sup> The National Pensions Act No. 44 of 1976, Part II.

**inclusion of persons with disabilities in the labour market and to remove any related barriers, in the spirit of the Recommendation.**

*Unemployment benefits*<sup>116</sup>

456. Of the 96 reports that responded to the relevant question, 55 provide information on schemes and mechanisms for the provision of cash benefits to replace income during periods of unemployment,<sup>117</sup> 29 of which are insurance schemes, predominantly in middle- and high-income countries. According to the data contained in the *World Social Protection Report 2017–19*, over 48 per cent of countries around the world have statutory schemes providing unemployment benefits. In the majority of these countries (84 per cent), the benefits are provided through social insurance schemes, while in a considerable number of countries (around 30 per cent) social assistance measures are the sole, or a supplementary, source of unemployment benefits.<sup>118</sup>

457. In *Canada*, the Employment Insurance Act of 1996 envisages the provision of temporary income support for insured workers while they are looking for a job, upgrading their vocational skills or taking time off work for specific life events, such as pregnancy, illness or to care for a new born or other family member. In *Austria*, unemployment insurance is open to the self-employed and to entrepreneurs who can contribute on a voluntary basis. The Government of the *Republic of Korea* adopted a scheme to support the social insurance premiums of low-paid workers in 2012 to encourage such workers in small businesses to register with the employment insurance scheme. The Government also reports that unemployment insurance coverage has recently been extended to cover the self-employed, and that coverage is also planned for workers engaged under non-standard contracts. However, according to the *Korea Employers' Federation (KEF)*, the current system, which is designed to protect full-time workers, has limitations in its coverage of contractors and the self-employed. The *KEF* emphasizes the need for tripartite dialogue on the planned expansion.

458. The *Democratic Confederation of Labour (CDT)* expresses concern regarding the functioning of the insurance scheme in *Morocco*, where it notes that in 2016 unemployment benefit claims were rejected in half of cases (10,744 beneficiaries were granted benefits out of a total of 23,949 claimants). In response, the Government of *Morocco* explains that this is due to the insufficiency of the days of contribution registered, the submission of incomplete claims and other reasons. Based on the results of an impact study, the Government is planning to modify the system. The Government of the *Netherlands* emphasizes that work is the best and quickest route out of poverty, and that high unemployment benefits can create a disincentive to finding a job, and that as a consequence measures have been taken to improve job mobility and reduce unemployment benefits. However, the *National Federation of Christian Trade Unions (CNV)*, the *Netherlands Trade Union Confederation (FNV)* and the *Trade Union Federation for*

<sup>116</sup> Standards for unemployment benefit are set out in Convention No. 102, Part IV, and Convention No. 168. Art. 20 of Convention 102 defines this contingency as “suspension of earnings, as defined by national laws or regulations, due to inability to obtain suitable employment in the case of a person protected who is capable of, and available for, work”.

<sup>117</sup> Contributory and non-contributory unemployment benefit in: *Argentina, Belarus, Bosnia and Herzegovina, Canada, Chile, China, Democratic Republic of the Congo, Croatia, Czech Republic, Denmark, El Salvador, Estonia, Finland, Germany, Hungary, Islamic Republic of Iran, Iraq, Ireland, Israel, Japan, Jordan, Republic of Korea, Latvia, Lithuania, Malta, Mauritius, Mexico, Montenegro, Morocco, Namibia, Netherlands, New Zealand, Nigeria, Oman, Pakistan, Philippines, Poland, Portugal, Russian Federation, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Slovakia, South Africa, Spain, Syrian Arab Republic, Tajikistan, Thailand, Trinidad and Tobago, Tunisia, United Kingdom, United States and Uzbekistan.*

<sup>118</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 44, figure 3.1.3.

*Professionals (VCP)* observe that this is a one-sided approach which is only valid for people who are able to work and have the opportunity to do so. It is not applicable in the case of persons who are not, or have a reduced capacity for work, for whom poverty is a threat.

459. In a number of countries, unemployed persons, especially the long-term unemployed, may receive social assistance or other types of means-tested benefits if they meet the eligibility conditions, as reported in *Croatia, El Salvador, Hungary, Iraq, Malta, Mauritius, Nigeria, Pakistan, Poland, Portugal, Serbia, Seychelles, South Africa, Spain, Syrian Arab Republic, Trinidad and Tobago* and *United Kingdom*. The means test generally takes into account the means of the unemployed person's household.

460. In some countries, there are non-contributory unemployment protection schemes without income tests or means tests targeted at specified categories of unemployed persons. This is the case, for example, in *New Zealand*, where the universal Jobseeker Support Scheme provides benefits for nationals and permanent residents who are actively looking for a job, including those who are in part-time employment and are seeking longer hours, or have a health condition which affects their ability to work. The benefits range between 27 and 62 per cent of the weekly minimum wage, depending on the family situation. A similar scheme is reported in *Denmark*. In *Estonia*, in addition to the Unemployment Insurance Scheme, there is a separate scheme established under the Labour Market Services and Benefits Act which provides unemployment allowances for persons who do not meet the requirements for unemployment insurance benefits. The benefit is provided for a maximum of 270 days, and its level is 35 per cent of the national minimum monthly wage.

461. The *Trade Union Confederation of Workers' Commissions (CCOO)* in *Spain* reports that workers' organizations have jointly proposed a law to establish a non-contributory minimum income benefit, which is currently under discussion in Parliament. The objective of the benefit is to fill the gaps in the unemployment protection system. The *Block of National Trade Unions (BNS)* reports changes in the unemployment scheme in *Romania* since the beginning of 2018. It explains that previously the health insurance contributions of the unemployed were paid by the National Employment Agency through the unemployment fund. Since January 2018, all persons receiving unemployment benefits have automatically been insured with the public health system, without paying contributions. However, not all unemployed persons are entitled to unemployment benefits. The *BNS* notes with concern that the situation has deteriorated since January 2018 for unemployed persons who are not entitled to unemployment benefits, as they are no longer insured and covered by the national health insurance system. If they need medical care, they only have access to a minimal package of health services.

462. The Committee observes that, although contributory income-replacement insurance schemes exist in many countries to compensate for loss of income in the event of one of the social risks, these schemes are often limited in their personal scope and leave many economically active persons unprotected, especially the self-employed and those engaged in the informal economy. Non-contributory benefits, either universal or means-tested, are only provided in a limited number of countries to ensure a basic level of protection for those without contributory capacity.

**463. The Committee notes that unemployment benefits can effectively reduce household vulnerability by cushioning the impact of loss of employment and it emphasizes that they can also play an important role in preventing unemployed**

workers from slipping into informality.<sup>119</sup> In accordance with the guidance contained in the Recommendation, measures may be considered to extend the coverage of contributory social insurance schemes to a broader group of workers, including those in non-standard forms of employment and at risk of exclusion from coverage due to the nature of their occupation. Such measures may include: the adjustment of thresholds for entitlement to benefits; the extension of contributory periods to allow for breaks in labour market activity; flexibility in the payment of contributions; subsidies for contributions; and the simplification of administrative procedures.<sup>120</sup> In countries in which a large proportion of the workforce is outside the formal economy, it is crucial to supplement social insurance unemployment benefits with non-contributory schemes and active labour market policies financed from general taxation to fill these gaps and ensure at least a basic level of income security in the event of unemployment.

### 7.3.3. Coordination of social security benefits and employment policies

464. The Recommendation establishes firm links in Paragraphs 3(1), 9(3) and 10 between income security in active age and employment policies.<sup>121</sup> The Committee draws attention in this respect to Convention No. 168, which highlights the importance of coordinating social security policy with economic, employment and labour policies, in recognition of the fact that income security cannot be secured through social security systems alone.<sup>122</sup> Moreover, the Decent Work Agenda promotes productive employment and decent work as key elements of poverty reduction,<sup>123</sup> and calls for the development of active labour market policies and employment services based on a range of measures.<sup>124</sup> **The Committee welcomes efficient synergies between social security and employment policies, and invites member States to consider different approaches to promoting decent employment accompanied by at least basic income security and, where possible, higher levels of protection.**

465. The implementation of employment policy measures is reported in many countries.<sup>125</sup> For example, in the *Czech Republic*, employment policies are used to align social security measures with the labour market situation. Cooperation mechanisms for social and employment policy have been developed at three levels: (1) the Labour Office; (2) coordination with other policies at both the national and regional levels; and (3) cooperation with the social partners, which is structured through “advisory councils”, composed of the key actors of the labour market – the State administration, self-government, employers and trade unions. The Labour Office, which is an independent institution under the Ministry of Labour and Social Affairs, is responsible for coordinating the implementation of social and employment policies, state social support and assistance

<sup>119</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 3 (section 3.3).

<sup>120</sup> *ibid.*, pp. 42–43.

<sup>121</sup> On the coordination of social protection and employment policies, see ch. 11.

<sup>122</sup> See ch. 7, section 7.1.2.

<sup>123</sup> ILO: *Social protection floors for social justice and a fair globalization*, 2012, op. cit., para. 12.

<sup>124</sup> ILO: *World Employment and Social Outlook 2016*, 2016, op. cit., para. 178.

<sup>125</sup> *Argentina, Belarus, Bosnia and Herzegovina, Burundi, Canada, China, Democratic Republic of the Congo, Côte d’Ivoire, Croatia, Cuba, Czech Republic, Finland, Germany, Islamic Republic of Iran, Ireland, Jamaica, Republic of Korea, Latvia, Mali, Mexico, Montenegro, Namibia, New Zealand, Nigeria, Pakistan, Poland, Russian Federation, Saint Kitts and Nevis, Serbia, Seychelles, Sri Lanka, Syrian Arab Republic, Trinidad and Tobago, United States and Uzbekistan.*

with material needs. The Government adds that measures relating to non-contributory benefits are linked in many ways to employment policy measures, for example, through the use of the Labour Office jobseekers' register and the obligation to participate in active employment policy measures.

466. The *IOE* indicates that social security should be complemented with active labour market policies, including vocational training or other measures, as deemed appropriate, and stresses the importance of developing a healthy and competitive economy to ensure an efficient, well-functioning labour market that promotes employment growth (throughout all its forms) and provides adequate security for individuals transitioning to and from unemployment.

467. The *ITUC* notes that strong institutional mechanisms exist in some countries linking social protection benefits and other policies, in particular employment and education policy, and highlights the value of coordinating unemployment benefits with well-designed active labour market policies (ALMP), such as job search assistance, skills training and lifelong learning measures. It emphasizes that, when personalized and of high quality, and combined with income support benefits, these policies can help workers to further develop their skills and can facilitate their transition to new jobs and reduce the duration of unemployment. However, the *ITUC* expresses concern that recent reforms of ALMPs in some countries have focused on pushing people into any type of job as fast as possible, rather than facilitating the improvement of their skills and/or finding long-term employment that suits their profile. It adds that it is worrying that ALMPs are in some cases viewed as an alternative to income support altogether.

468. The *New Zealand Council of Trade Unions (NZCTU)* observes that work requirements are imposed on beneficiaries in *New Zealand*, without monitoring whether the work is suitable for the individual, is likely to be long-term, provides an acceptable standard of living and some career prospects, or in other words whether it is decent work. It notes that only around 50 per cent of beneficiaries find work, and that only 29 per cent are in work after six months, suggesting that much of the work is short term and insecure. On the other hand, *BusinessNZ* considers that it is important to avoid the perverse effects of benefits and that unemployment benefit, for example, should be structured as a temporary measure until paid employment can be found. Job creation should therefore be the first priority.

**469. The Committee is pleased to note that a considerable number of countries are implementing active measures, such as employment support schemes, employment guarantees and public employment schemes, often in combination with cash benefits, and particularly unemployment, sickness and disability benefits. The Committee invites member States to seek the most effective and efficient combination of benefits and schemes in the national context, and refers to the various principles set out in the Recommendation, which are to be taken into account when designing and implementing social protection measures, including employment activation measures, with particular reference to the principles respecting tripartite participation and the rights and dignity of the persons protected.**

#### *Social security benefits and education and training policies*

470. Several reports indicate that labour force participation is enhanced and the return of the unemployed to the labour market is facilitated through education and training policies in combination with cash benefits. For example, in *Poland*, maintenance grants amounting to 120 per cent of the unemployment benefit are offered to unemployed persons who undertake training or apprenticeship. An activation benefit, equivalent to 50 per cent of the unemployment benefit, is also available to persons who take a temporary job during

their period of entitlement to unemployment benefit. In *Finland*, the unemployment allowance provided under the national social security system is accompanied by career and job coaching services, job search, and labour market training. Employment subsidies are also provided to employers to encourage them to recruit jobseekers. In the *Republic of Korea*, the National Basic Living Security scheme is supplemented by a vocational skills development programme and a lifelong learning account system, which offers higher and specialized education opportunities for disadvantaged categories of the population. Over 167,000 people benefited from the scheme in 2016.

471. In *Germany*, “needs-oriented continuing education” is considered to be a key priority of labour market policies, while emphasis is given in *Jamaica* to the crucial role of skills development in combating poverty. In *Croatia*, state agencies reimburse expenses incurred during on-the-job training (such as travel and accommodation) to encourage vocational development. In *Nigeria*, the Basic National Open Apprenticeship Scheme offers practical and theoretical training to the unemployed (especially to youth) in centres across the country to provide support for jobseekers. In *Iraq*, the national vocational and technical training and education strategy (2014–23) envisages the preparation of a national qualifications framework and the establishment of a national labour market observatory, among other measures.

472. The Government of *Iceland* notes the need for better synchronization of education, literacy, vocational training and employability measures. In response to the increasing number of young persons receiving benefits, a study carried out in 2016 on behalf of the Ministry of Welfare on the situation of young persons receiving disability or rehabilitation benefits showed that their situation is due, among other reasons, to the lack of prevention, early intervention and coordination between health, education and social services during their early life. The Government reports that the action plan on matters relating to people with disabilities addresses the coordination of school, training and employability. The Directorate of Labour plays a central role in promoting employment for persons with disabilities and for persons who are not in education, employment or training, especially in the aftermath of the 2008 financial crisis.

473. In *Mexico*, the Employment Support Programme implements measures to support labour market reintegration and training. The Government reports that an impact evaluation of the programme showed that it promotes access to formal employment and the payment of social security contributions. In the *Philippines*, the Department of Labor and Employment operates the Integrated Livelihood and Emergency Employment Program, which supports employment and entrepreneurship opportunities for vulnerable and marginalized workers, especially through the provision of training.

474. The *National Confederation of Trade Unions of Moldova (CNSM)* reports employment policy measures in the *Republic of Moldova* to stimulate access to a job, train the unemployed and support the start-up of businesses. Special educational measures for young people in *Austria* are reported by the *Federal Chamber of Labour (BAK)*, including the introduction in 2017 of compulsory training requirements for young persons under 18 years of age who have left school.<sup>126</sup>

475. The *IOE* emphasizes the need for up-skilling and reskilling the working population to keep pace with the demands of the new labour market and suggests that the education

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<sup>126</sup> By virtue of the Youth Training Act (*Jugendausbildungsgesetz*) and the Compulsory Education and Training Act (*Ausbildungspflichtgesetz*), applied since 1 July 2017, starting with those who left school at the end of the 2016–17 academic year.

sector should work closely with the business sector to design programmes that adequately develop skill sets necessary for future labour markets.

**476. The Committee welcomes the implementation of social security schemes in coordination with education or vocational training, skills development and retraining measures. Such integrated policies strengthen employability and therefore offer the potential of having a long-term effect and facilitating the return to employment.**

*Employment support and public employment schemes*

477. Paragraph 9(3) of the Recommendation includes employment support and public employment schemes among the mechanisms for the provision of benefits.<sup>127</sup> These types of schemes are intended to encourage and facilitate the (re-)insertion of the unemployed or informal economy workers into formal employment, and to help those who have a job to remain in sustainable employment or to find a more decent, remunerative and productive job.<sup>128</sup> The support provided includes training and skills development, job search assistance and temporary employment programmes. For example, in *Finland*, the Government offers temporary employment, rehabilitative work experience and career coaching among labour market integration measures. In *Latvia*, the State Employment Agency offers access to active labour market measures, including subsidized employment, public works, career guidance and training stipends.<sup>129</sup>

478. In *Argentina*, the transition programme to the supplementary social wage, established in 2017, has the objective of promoting “socio-productive entrepreneurship” through the provision of a financial supplement for those working in the so-called “popular economy”. The benefit is equivalent to 50 per cent of the minimum living wage. However, the Government indicates that protection gaps have been identified, including the lack of health coverage for the self-employed and informal workers, and that policies are being developed to close the coverage gaps. In the *Philippines*, the Integrated Livelihood and Emergency Employment Program, referred to above, offers employment and entrepreneurship opportunities to displaced, disadvantaged and unemployed workers. The measures available include entrepreneurship development assistance and wage employment for between ten and 30 days. The Government of the *United States* considers that earlier welfare-to-work experiments have not demonstrated that such programmes reduce poverty, as the incomes of the participants remained below the poverty level. It concludes that, while work or work-based benefits are usually necessary to avoid poverty, work alone is not always sufficient to do so.

479. The *Independent and Self-Governing Trade Union “Solidarnosc”* reports that in *Poland* the Government is proposing a reduction in the financing available for active employment policy measures and expresses concern at a possible deterioration in public employment services. It also notes a reduction in the National Training Fund and emphasizes that these changes cannot be justified by the favourable situation of the Polish labour market, as the main objectives of the Fund are to support persons who are already employed to improve their qualifications and prevent them from losing their jobs.

**480. In giving effect to the Recommendation, the Committee emphasizes that combinations of employment policies and social security benefits should be based on**

<sup>127</sup> On public employment schemes, see ch. 11.

<sup>128</sup> See, for example, ILO: *Unemployment protection: A good practices guide and training package: Experiences from ASEAN*, Geneva, 2017, p. 19.

<sup>129</sup> Under the Law on support for unemployed persons and persons seeking employment, 2002.



**the appropriate balance between activation measures, on the one hand, and the provision of benefits and services, on the other. With a view to identifying the most efficient combination of measures in the national context, the Committee encourages member States to monitor this balance carefully and to avoid the erosion of effective social protection by a tightening of entitlement conditions or the strengthening of sanctions.**<sup>130</sup> **The Committee recalls in this respect that any coercion to perform labour under the menace of the withdrawal of unemployment benefit in the event of refusal to accept unsuitable work, or to participate in an unsuitable labour market programme, is not admissible.**<sup>131</sup>

#### 7.3.4. The role of tax measures in contributing to basic income security

481. Paragraph 9(3) of the Recommendation refers to negative income tax schemes among the mechanisms for ensuring basic income security. Around 15 per cent of the reports referred to the application of such schemes.<sup>132</sup> For example, the Working Tax Credit in the *United Kingdom* provides tax credits for people with low incomes who work for a certain number of hours a week. Additional credits are also available for specific categories, including persons with disabilities and single parents.<sup>133</sup> Tax measures are also used in other countries to contribute to income security for specific vulnerable categories of persons. For example, in *Turkey*, persons with disabilities who have private businesses, and people who have dependent relatives with disabilities, benefit from lower tax rates. In *South Africa*, an employment tax incentive entitles employers to a tax reduction for the employment of young workers for a 24-month period.<sup>134</sup> The Tax Code of *Turkmenistan* envisages tax benefits for certain groups of persons, including certain categories of persons with disabilities and persons who are classified as veterans.

482. Tax measures can also take the form of tax deductions, which allows the exclusion of certain types of income from taxable earnings. For example, in *Jordan*, income tax exemption is used as a means of supporting survivors and persons with total disability as a result of an employment injury. In *Portugal*, income from non-contributory benefits is exempt from taxation. In *Belgium*, targeted reductions of social security contributions are an important element of employment policy with the aim of increasing job creation.

**483. The Committee notes that schemes that take the form of in-work tax credits have been shown to provide effective support to the working poor and, depending on their situation, may act as an incentive for workers to move from the informal to the formal economy.**<sup>135</sup> **Other tax measures, as noted above, play a similar role to social**

<sup>130</sup> For example, in its comments on the application of Conventions Nos 102 and 168, the Committee has raised the issue of whether the obligation to participate in activation measures is in compliance with ILO social security instruments and whether the officials responsible for the imposition of penalties have gone beyond the limited list of cases in which benefits may be suspended, as set out in ILO Conventions. See also *Guide to the concept of suitable employment in the context of unemployment benefit*, adopted by the Committee of Experts on Social Security of the Council of Europe at its fourth meeting (Strasbourg, 24–26 March 2009).

<sup>131</sup> 2011 General Survey, pp. 95–99.

<sup>132</sup> Including *Belarus, Belgium, Bosnia and Herzegovina, China, Côte d'Ivoire, Jordan, Latvia, Portugal, San Marino, Saudi Arabia, South Africa, Syrian Arab Republic, Trinidad and Tobago, Turkey, Turkmenistan, United States, United Kingdom and Uzbekistan*.

<sup>133</sup> Tax Credits Act 2002.

<sup>134</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 126.

<sup>135</sup> See, for more details and examples, ILO: *World Employment and Social Outlook 2016*, 2016, op. cit., pp.170–172.

**security benefits by increasing the available income of persons with special needs, such as persons with disabilities. The Committee notes that, while tax measures can be a useful element of national social protection floors, they should be used to complement social security benefits, as the very poor and those in the informal economy, who usually do not pay direct taxes, do not benefit from such measures.**

### 7.3.5. Coordination with other policies

484. Paragraph 10(c) of the Recommendation calls upon member States, in designing and implementing social protection floors, to ensure coordination with other policies, outside the immediate policy area of social security, which are also aimed at reducing poverty, inequality and social exclusion.<sup>136</sup> At least 20 per cent of the reports received refer to the coordination of social security measures with other policies that contribute to income security for persons in active age. For instance, the Government of *Bosnia and Herzegovina* seeks to coordinate contributory social security schemes with various employment programmes and housing benefits, among others. In *Finland*, unemployment benefits and housing allowances are coordinated, in the sense that it is permitted to work and earn up to €300 a month while maintaining the right to receive both a housing allowance and unemployment benefits. This is particularly helpful for people who accept temporary work contracts. In the *United States*, the Department of Housing and Urban Development (HUD) administers a number of programmes and initiatives to help families break out of poverty and become self-sufficient. One of the main housing assistance programmes offers a voucher to help pay rent in privately owned buildings that meet specific criteria. In addition to rental assistance, this allows families to move out of high-poverty high-crime neighbourhoods and access better schools, jobs, health care and other opportunities.

485. Some reports indicate the need for better coordination. For example, the Government of the *Republic of Korea* recognizes that low-income groups are finding it increasingly difficult to maintain their basic livelihood, as many blind spots still exist in the welfare system resulting, for example, in a deterioration of elderly poverty rates and income distribution indicators. In response, several ministries established a task force in 2017 to promote and establish the First Comprehensive Plan for Basic Living Security, the aim of which is to expand the coverage of all types of benefits, including health care, housing and education benefits, and to increase the number of jobs so as to enable people to become self-sufficient.

486. In *Costa Rica*, efforts are being made to improve the coordination of national economic, employment and fiscal policies with a view to developing a comprehensive policy response to informality. For example, various institutions, including the Ministries of the Economy, Industry and Trade, are jointly designing a strategy to promote micro-enterprises through a reduction of insurance contributions. The Ministry of Agriculture and Livestock and the Costa Rica Coffee Institute (ICAFE) are also collaborating on the design of a strategy to promote social insurance for seasonal workers, including coffee harvesters.

487. The *Confederation of Trade Unions of Montenegro (CTUM)* reports that, in *Montenegro*, due to the high unemployment rate, workers often agree to be insured with minimal contribution levels and receive the rest of their pay “in an envelope”, which has a major effect on the level of benefits to which they are entitled, as well as the State budget and solidarity in financing. It notes that the Government has adopted several measures to

<sup>136</sup> On policy guidance, see ch. 11.

address this type of informal work, including increasing the minimum wage, as proposed by the *CTUM*.

**488. The Committee is pleased to note these examples of coordinated policies which contribute to income security for persons in active age and hopes that member States will further develop integrated approaches in line with the Recommendation. The Committee recalls the need for social dialogue to identify challenges and identify innovative ways of addressing them.**

## 7.4. Level of benefits

### Relevant provisions of Recommendation No. 202

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(c) adequacy and predictability of benefits;

...

(f) respect for the rights and dignity of people covered by the social security guarantees;

...

4. ... The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

...

8. When defining the basic social security guarantees, Members should give due consideration to the following:

(a) persons in need of health care should not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care. ...

(b) basic income security should allow life in dignity. Nationally defined minimum levels of income may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice, and may take into account regional differences;

(c) the levels of basic social security guarantees should be regularly reviewed through a transparent procedure that is established by national laws, regulations or practice, as appropriate; and

(d) in regard to the establishment and review of the levels of these guarantees, tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured.

489. The Recommendation indicates in Paragraph 8(b) that basic income security should allow life in dignity. It further specifies that minimum levels of basic income security should be nationally defined and that they may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice (Paragraph 8(b)).<sup>137</sup> This means that the benefits provided with a view to the implementation of this provision need to be adequate and sufficient to allow life in dignity for all persons in active age who are unable to earn sufficient income. Giving effect to this provision also entails that benefits should be paid throughout the contingency, that is until the person is able to earn sufficient income and the need for benefits ceases (Paragraphs 4

<sup>137</sup> See ch. 4, section 4.2.

and 5(c)). The Committee further notes that, in light of the objective of national social protection floors to prevent and alleviate poverty and vulnerability, in accordance with the Recommendation, the term persons “who are unable to earn sufficient income” may refer to both individuals and to the households in which they live, as poverty and the need for basic income support are usually measured on the basis of combined household incomes.

490. In this regard, the Committee draws attention to the minimum requirements set out in Convention No. 102 with regard to the level of cash benefits to be provided, which are similar to those contained in the Recommendation. As noted above, the requirement established in Convention No. 102 that “the total of the benefit and any other means ... shall be sufficient to maintain the family of the beneficiary in health and decency” (Article 67(c)) is similar to the benchmark contained in the Recommendation, in accordance with which “income security should allow life in dignity” (Paragraph 8(b)). Other similarities between the two instruments include their flexibility with regard to the schemes which may be implemented to achieve these “minimum” (Convention No. 102) or “basic” (Recommendation No. 202) levels, namely schemes that are contributory or non-contributory, universal or for specific categories, income-based or means-tested.<sup>138</sup>

491. The Committee therefore invites member States to take into consideration the provisions of Convention No. 102 respecting the minimum benefit rates to be ensured for the various contingencies that are likely to arise when defining the levels of basic income security for persons in active age that should be guaranteed under national social protection floors. Conversely, as noted previously by the Committee, benefits provided under national social protection floors that are adequate and allow life in dignity may also meet the minimum standards set out in Convention No. 102.<sup>139</sup>

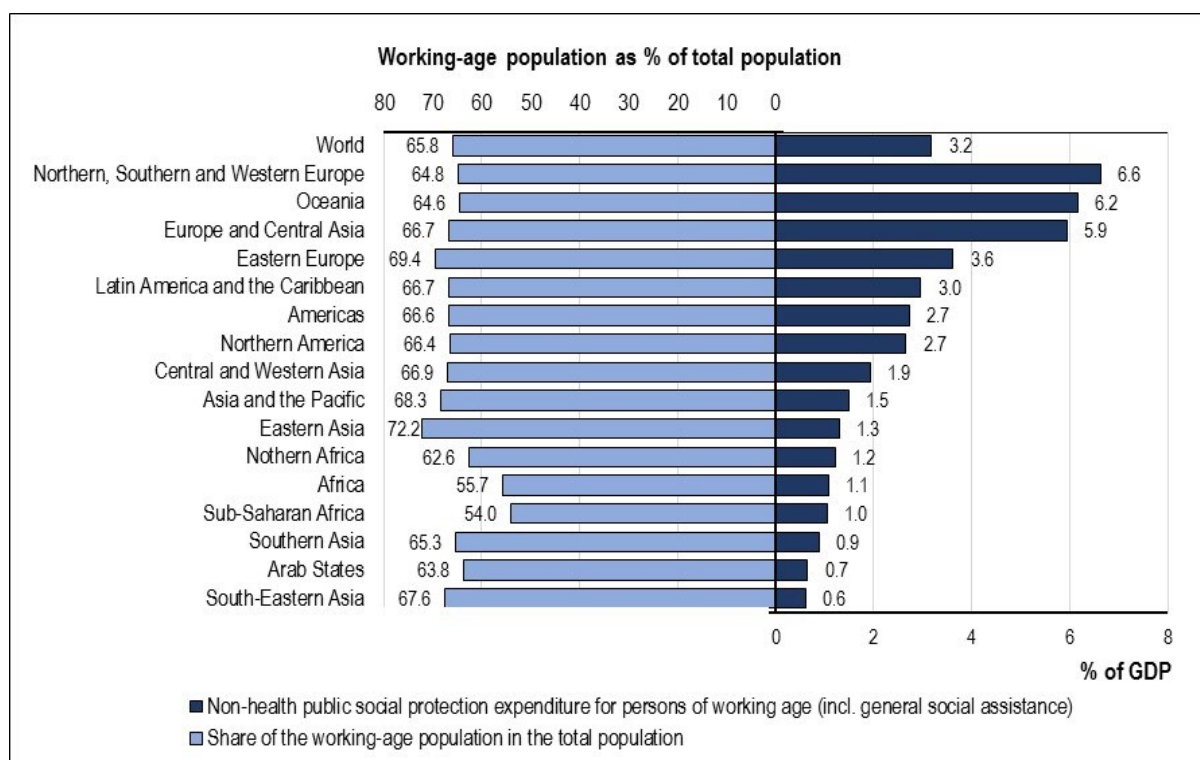
492. The information and statistics contained in the replies to the questionnaire do not provide an adequate basis for a comprehensive analysis and assessment of the adequacy of benefit levels in member States. The data contained in the *World Social Protection Report 2017–19* show that public social protection expenditure (excluding health) on people of working age ranges between 0.2 and 6.9 per cent of GDP in high-income countries, 0 and 5.1 per cent of GDP in middle-income countries and 0 and 0.7 per cent of GDP in low-income countries (see figure 7.2).<sup>140</sup>

<sup>138</sup> Convention No. 102, Arts 65–67. On the setting of minimum standards in accordance to Convention No. 102, see the 2011 General Survey, paras 60–69.

<sup>139</sup> Council of Europe: “Report and conclusions concerning the application of the European Code of Social Security and its Protocol”, 2018, op. cit., para. 31.

<sup>140</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 26.

**Figure 7.2. Public social protection expenditure (excluding health) on people of working age (percentage of GDP) and share of working-age population (15–64) in total population, (percentage), latest available year**



Source: ILO: *World Social Protection Report 2017–19*, 2017, op. cit.

493. As indicated in chapter 4, member States adopt different methods and benchmarks for the determination of minimum income levels and in setting the level of the various benefits, taking into account national characteristics, including the economic, demographic and geographical situation. The level of benefits for persons in working age reported by governments varies significantly. For example, in *South Africa*, the level of the disability benefit is equivalent to 140 per cent of the Upper Bound Poverty Line. However, in several of the countries for which relevant information has been provided, the minimum levels are below the national subsistence levels or poverty lines.

494. **The Committee emphasizes that, in accordance with the comprehensive approach set forth in the Recommendation, in order to assess the adequacy of basic income security it is necessary to take into account the whole set of social protection measures that contribute to income security for the persons concerned and their families, and their effective implementation.**

495. The Committee emphasizes the need to set and regularly review the levels of the social security guarantees through a transparent and well-established procedure, in accordance with Paragraph 8(c) of the Recommendation.<sup>141</sup> Many of the reports received (56) indicate that a procedure for the regular revision of benefit levels exists at the national level, and 33 of the reports confirm that the procedure involves tripartite participation and consultation with other relevant and representative organizations.<sup>142</sup> For example, in

<sup>141</sup> See ch. 4, section 4.2.3.

<sup>142</sup> *Belgium, Burkina Faso, Burundi, Canada, Czech Republic, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Iraq, Jamaica, Jordan, Republic of Korea, Latvia, Morocco, Netherlands, Nigeria, Paraguay, San Marino,*

*Estonia*, the unemployment allowance and unemployment, sickness and maternity benefits are dependent on the rate of the minimum monthly wage, which is established by the Government after negotiation with the *Estonian Trade Union Confederation (EAKL)* and the *Estonian Employers' Confederation (ETTK)*. The level of the unemployment allowance is 35 per cent and the minimum unemployment benefit is 50 per cent of the minimum wage. In the *Russian Federation*, the level of temporary incapacity benefits, maternity benefits and the monthly childcare allowance is based on average earnings. For persons who have not been gainfully employed for two years prior to the year in which the contingency occurred, average earnings are considered to be the minimum wage. In the *United States*, social security benefits have been subject since 1975 to automatic annual cost-of-living adjustments (COLA), with a view to ensuring that the purchasing power of Social Security and Supplemental Security Income benefits is not eroded by inflation. The adjustment is based on the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Work (CPI-W). If there is no increase in the CPI-W, there is no adjustment of benefit levels.

**496. The Committee emphasizes that minimum income levels cannot be considered adequate if they are below the national poverty line or do not cover the value of the set of goods and services defined as necessary. The Committee also wishes to highlight the importance of not only providing benefits at a level that is equal to or slightly above the poverty line, but also, and in particular, of providing support to help people obtain higher levels of income security, for example, by combining benefits with employment support measures to help persons in active life find decent employment and escape from poverty.**

**497. The Committee also recalls the importance of tripartite participation and consultation with other representative organizations of persons concerned, including workers in the informal economy and other generally under-represented categories, when defining and regularly reviewing adequate levels of protection for the various categories of persons.**

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*Senegal, Seychelles, Slovakia, Syrian Arab Republic, Tajikistan, Thailand, Trinidad and Tobago, Ukraine, United Kingdom, Uruguay, Uzbekistan and Zimbabwe.*

# Chapter 8

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## Basic income security for older persons

### Guidance set out in Recommendation No. 202 on key aspects of basic income security for older persons

#### Objectives

- Basic income security, at least at a nationally defined minimum level, for older persons (Paragraph 5(d))

#### Key principles

- Universality of protection (Paragraphs 3(a) and 6)
- Adequacy and predictability of benefits (Paragraphs 2, 3(c), 4, 5 and 8)
- Non-discrimination, gender equality and responsiveness to special needs (Paragraph 3(d))
- Respect for the rights and dignity of people covered by the social security guarantees (Paragraph 3(f))
- Social dialogue and social participation (Paragraphs 3(q) and (r) and 8(d))

#### Main provisions

- Old-age benefits, as well as any other social benefits, in cash or in kind (Paragraph 9(2))

#### Financing

- Solidarity in financing (Paragraph 3(h))
- Diversity of financing mechanisms and delivery, including universal benefit schemes, social assistance schemes, negative income tax schemes (Paragraphs 3(i) and 9(3))

#### Complementary policies

- Coherence with social, economic and employment policies (Paragraph 3(l))
- Policies that promote employability (Paragraph 10(b) and (c))
- Coordination with other policies (Paragraph 10(c))

#### Closely related Social Development Goals

- On ending poverty – SDG 1
- On ensuring healthy lives and promoting well-being for all – SDG 3
- On achieving gender equality and empowering women – SDG 5
- On reducing inequalities – SDG 10
- On peaceful and inclusive societies – SDG 16

## 8.1. General considerations

### 8.1.1. Global income security deficits for older persons

498. Social security plays a particularly important role as a main source of income security for older persons who, as they become more elderly, rely less and less on income from employment. At the same time, due to demographic, economic, social and cultural developments, the income and other types of support provided by younger generations within extended families, which older persons have traditionally been able to rely on, is weakening worldwide.<sup>1</sup> Adequate old-age pensions are therefore essential to ensure the right to at least basic income security and life in dignity in old age and are a major component of national social security systems in terms of the numbers of persons protected, beneficiaries and expenditure.<sup>2</sup>

499. In many countries, people are living longer as a result of medical progress and innovations, gradually increasing access to health care, clean water and adequate sanitation, as well as safer workplaces. At the same time, when societies become wealthier, people tend to have fewer children. These developments are resulting in the demographic ageing of populations. It is projected that the number of persons worldwide aged 60 or over will rise from 962 million in 2017 to 2.1 billion in 2050,<sup>3</sup> and that the share of the older population will increase more rapidly in the future in developing than in developed regions. By 2050, older persons, age 60 and over, are expected to account for 35 per cent of the population in Europe, 28 per cent in northern America, 25 per cent in Latin America and the Caribbean, 24 per cent in Asia, 23 per cent in Oceania and 9 per cent in Africa.<sup>4</sup>

500. With demographic ageing and the increasing share of older persons in the population, action to ensure at least basic income security is becoming increasingly important and challenging. At the global level, only 68 per cent of persons above retirement age receive some form of pension, either contributory or non-contributory.<sup>5</sup> The Committee notes with concern that nearly one third of the elderly are not covered by old-age pensions of any kind and, of those who are covered, 52 per cent do not benefit from adequate coverage.<sup>6</sup> In many low-income countries, fewer than 20 per cent of older persons over the statutory retirement age are in receipt of a pension.<sup>7</sup>

501. The ageing of the population is reported in several countries as being one of the major structural challenges to be addressed, including in *Finland*, *Iceland*, *San Marino* and *Trinidad and Tobago*. Increased poverty rates among older persons are reported in the *Republic of Korea*, while the Government of *Guatemala* emphasizes the overall

<sup>1</sup> United Nations: *Promoting inclusion through social protection: Report on the World Social Situation 2018*, New York, 2018, ch. IV.

<sup>2</sup> For an extensive overview, see: ILO: *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017, ch. 4; United Nations: *Report on the World Social Situation 2018*, op. cit., ch. IV; ILO: *Social protection for older persons: Key policy trends and statistics*, Social Protection Policy Paper No. 11, Geneva, 2014.

<sup>3</sup> United Nations: *World Population Prospects: The 2017 revision: Key findings and advance tables* New York, 2017, para. 10.

<sup>4</sup> United Nations: *World Population Ageing 2017: Highlights*, New York, 2017, p. 1.

<sup>5</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 75. An old-age pension for the purposes of the present General Survey refers to a long-term periodical payment to which a person becomes entitled from the time he or she reaches a certain prescribed age and/or completes a determined period of contribution or residence until death.

<sup>6</sup> ILO: *World Employment and Social Outlook: Trends 2018*, Geneva, 2018, p. 48.

<sup>7</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 75.



insufficiency of pension levels to prevent poverty effectively. The Government of *Germany* considers that the increasingly ageing society represents the greatest challenge, not only in terms of the capacity of the pension system to provide adequate income security, but also for the design and implementation of mechanisms to secure access to essential health care and long-term care.

502. The *International Organisation of Employers (IOE)* identifies demographic change as one of the major challenges for the implementation of the Recommendation in both developed and developing countries, as it greatly affects the sustainability of social protection systems, impacting on the size of the labour force, as well as on the demand for social protection. It warns that in the absence of policy levers anticipating these demographic changes, rapid growth of ageing population could lead to a negative impact to both the economy and the social conditions, particularly regarding social protection schemes.

503. The implications of demographic ageing are also emphasized by workers' organizations, such as the *Central Organization of Finnish Trade Unions (SAK)*, the *Confederation of Unions of Professional and Managerial Staff in Finland (AKAVA)* and the *Finnish Confederation of Professionals (STTK)* in Finland. The *International Trade Union Confederation (ITUC)* observes that some countries are struggling with the sustainability of public pension systems due to the pressure of demographic ageing and fiscal constraints. It urges governments, when endeavouring to address this issue through measures which may lead to reduced benefits, an increase in retirement ages or restrictions on other eligibility conditions, not to lose sight of the initial objective of these schemes, which is to prevent poverty in old age.

**504. The Committee emphasizes that demographic developments and the gaps in the coverage of pensions and in social protection for older persons require long-term social protection policies in all member States, which should aim to progressively achieve universal coverage and guarantee at least essential health care and basic income security for all older persons, as set out in the Recommendation. In this regard, the Committee recalls that the determination of the levels of these guarantees should be guided by the objective of establishing and maintaining adequate old-age benefits which, together with other social benefits and services, should be sufficient to ensure access to the goods and services defined as necessary and allow life in dignity.**<sup>8</sup>

### 8.1.2. International legal framework

505. Several international human rights instruments recognize old age as one of the social contingencies that require special protection under national law,<sup>9</sup> and the Committee on Economic, Social and Cultural Rights (CESCR) has adopted a general comment on the rights of older persons based on the universal right to social security.<sup>10</sup> With regard to income security for older persons, the CESCR indicates that non-contributory old-age benefits, social services and other assistance should be provided for all older persons who do not have sufficient income, particularly when they are not entitled to an insurance-

<sup>8</sup> See ch. 4.

<sup>9</sup> Universal Declaration of Human Rights, Art. 25; Convention on the Elimination of All Forms of Discrimination against Women, Art. 11(e).

<sup>10</sup> CESCR: General Comment No. 6: The Economic, Social and Cultural Rights of Older Persons, 8 Dec. 1995, E/1996/22. The right to social security is set out in Art. 9 of the International Covenant on Economic, Social and Cultural Rights (ICESCR).

based old-age pension.<sup>11</sup> Furthermore, social services should be provided to support families with elder care responsibilities, especially for low-income families where elderly people remain at home.<sup>12</sup>

506. The right to social protection for older persons is also set out in several regional instruments.<sup>13</sup> For example, the African Charter on Human and Peoples' Rights, 1981, provides for the right of the aged and the disabled to "special measures of protection in keeping with their physical or moral needs" (Article 18(4)). Furthermore, in accordance with Article 22 of the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa, States Parties shall undertake to "provide protection to elderly women and take specific measures commensurate with their physical, economic and social needs as well as their access to employment and professional training" and ensure the right of elderly women to freedom from "discrimination based on age and the right to be treated with dignity". The Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights, 1988, (the Protocol of San Salvador) includes the provision that "Everyone shall have the right to social security protecting him from the consequences of old age and of disability which prevents him, physically or mentally, from securing the means for a dignified and decent existence." (Article 9(1)).

507. A number of ILO standards provide guidance and set standards for income security in old age. In particular, Convention No 102 and Convention No. 128, and its accompanying Recommendation No. 131, set out minimum requirements for national pension schemes to meet minimum and higher standards of protection, respectively. These include the pensionable age, qualifying period, scope of coverage and the form, duration and level of benefits.<sup>14</sup> In accordance with these instruments, old-age benefits can be provided through earnings-related contributory schemes or non-contributory schemes, whether or not means-tested, or a combination of these schemes. The guaranteed minimum level of the benefits, comprising the total of the benefits and any other available means, has to be sufficient to maintain the family of the beneficiary in health and decency.<sup>15</sup> These provisions are now supplemented by Paragraph 3(f) of the Recommendation, which sets out the principle of respect for the rights and dignity of people covered by the social security guarantees; Paragraph 4, which provides that the basic social security guarantees should secure effective access to goods and services defined as necessary at the national level; and Paragraph 8(b), which calls for basic income security to allow life in dignity.<sup>16</sup>

<sup>11</sup> CESCR: General Comment No. 19: The right to social security (Art. 9), 4 Feb. 2008, E./C.12/GC/19, para. 15; "General Comment No. 6", 1995, op. cit., para. 30.

<sup>12</sup> CESCR: "General Comment No. 6", 1995, op. cit., para. 31.

<sup>13</sup> See also ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter the "2011 General Survey"), table 5, pp. 70–72.

<sup>14</sup> For a comprehensive discussion of these instruments, see the 2011 General Survey and ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 79

<sup>15</sup> Convention No. 102, Art. 66(4)(a), provides that the minimum benefit should in no case fall below an amount corresponding to 40 per cent of the wage of a person deemed typical of unskilled labour in the country concerned. Other benchmarks are set for fixing the minimum level of earnings-related and flat-rate benefits in Arts 65 and 66, respectively.

<sup>16</sup> On the links between the Recommendation and Convention No. 102, see ch. 4, section 4.2.3.

## 8.2. Personal coverage: Basic income security for all older persons

### Relevant provisions of Recommendation No. 202

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

(a) universality of social protection, based on social solidarity;

...

(d) non-discrimination, gender equality and responsiveness to special needs;

(e) social inclusion, including of persons in the informal economy;

...

4. ...The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

...

(d) basic income security, at least at a nationally defined minimum level, for older persons.

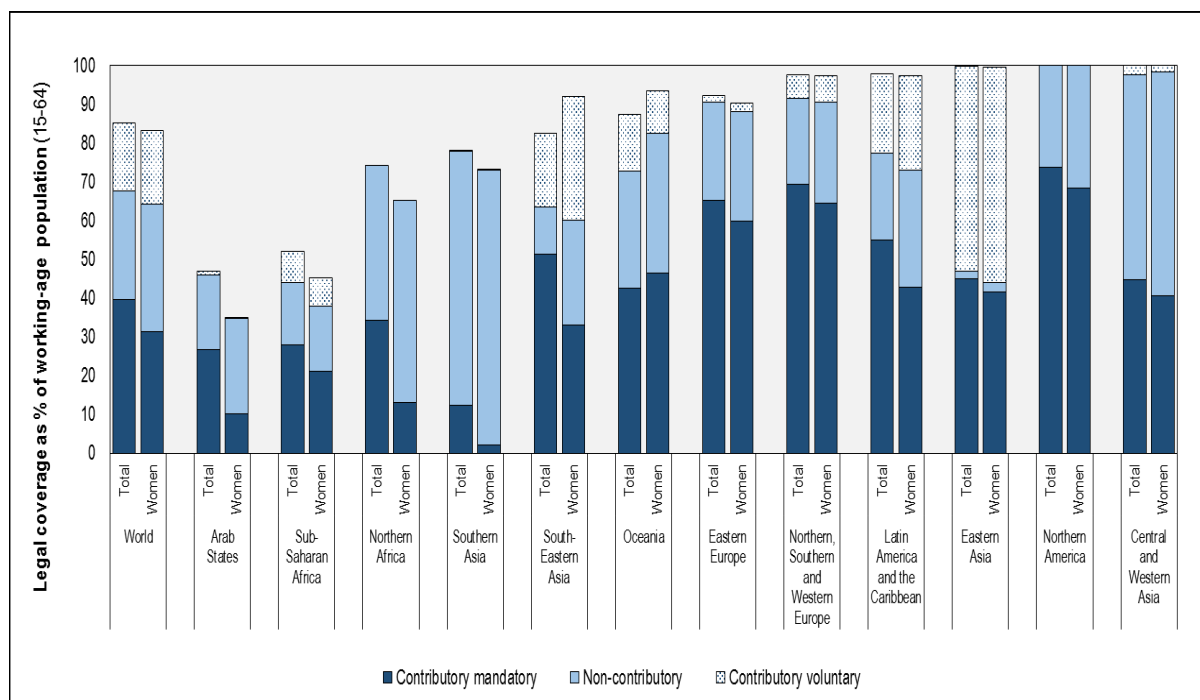
6. Subject to their existing international obligations, Members should provide the basic social security guarantees referred to in this Recommendation to at least all residents and children, as defined in national laws and regulations.

### 8.2.1. Social security for older persons

508. Paragraphs 4, 5(a) and (d) and 6 of the Recommendation provide that the basic social security guarantees should, at a minimum, comprise essential health care and basic income security for all older persons. As in the case of “children” and “persons in active age,” there is no definition of “older persons” in the Recommendation, and member States can define the pensionable age in accordance with their national situation, demographic characteristics and international obligations.<sup>17</sup> In this respect, the Committee wishes to emphasize that, for national social protection floors to be complete (or fully established), essential health care and basic income security has to be ensured “over the life cycle” (Paragraph 4), which leads to the presumption that there should be no gap in protection between the different phases of people’s lives. Accordingly, the notion of protection over the life cycle should be the starting point for defining the coverage of or entitlement to the respective benefits that give effect to the basic social security guarantees of which social protection floors are comprised, and particularly the age of entitlement to an old-age pension, or the pensionable age.

<sup>17</sup> For example, if a country has ratified the respective parts of Convention No. 102, Convention No. 128 or the European Code of Social Security.

**Figure 8.1. Old-age pensions' legal coverage: Percentage of the working-age population covered by existing law under mandatory contributory and non-contributory old-age pensions, by region and type of scheme, latest available year**



Note: Regional and global estimates weighted by working-age population.

Source: ILO: *World Social Protection Report 2017–19*, 2017, op. cit., 2017.

### *Defining the statutory pensionable age in a changing world*

509. The Committee notes the guidance provided in other ILO social security standards on the determination of the pensionable age. In particular, Convention No. 102 provides in Article 26(2) that the pensionable age “shall be not more than 65 years or such higher age as may be fixed by the competent authority with due regard to the working ability of elderly persons in the country concerned.” Article 15(2) of Convention No. 128 is more flexible and provides that the prescribed age shall be not more than 65 years or such higher age as may be fixed by the competent authority “with due regard to demographic, economic and social criteria, which shall be demonstrated statistically”. Article 15(3) adds that if “the prescribed age is 65 years or higher, the age shall be lowered, under prescribed conditions, in respect of persons who have been engaged in occupations that are deemed by national legislation, for the purpose of old-age benefit, to be arduous or unhealthy”.<sup>18</sup> The Committee also notes the guidance provided by the CESCR that the pensionable age should be established depending on the occupation and the working ability of elderly persons, with due regard to demographic, economic and social factors.<sup>19</sup>

510. Certain of the reports received indicate the age of entitlement to an old-age pension under the national pension scheme,<sup>20</sup> and show considerable variation between countries

<sup>18</sup> Recommendation No. 131, which accompanies Convention No. 128, contains further provisions on the protection of persons at a lower age when they are unfit for work, unemployed or in the case of other justified social grounds (Paras 6 and 7).

<sup>19</sup> CESCR: “General comment No. 6”, 1995, op. cit., para. 28.

<sup>20</sup> For an indication of the statutory pensionable age in countries worldwide, see ILO: *World Social Protection Report 2017–19*, 2017, op. cit., table B.9.

in the statutory pensionable age. In *Cambodia* and *Thailand*, the pensionable age is 55 years. In *Burundi*, *Madagascar*, *Morocco*, *Senegal*, *Suriname*, *Trinidad and Tobago* and *Zimbabwe*, the benefits provided by the main old-age schemes are normally available after the beneficiary reaches the age of 60 years. In the *Republic of Korea*, the age of eligibility for an old-age pension is 61, while it is 62 in *Saint Kitts and Nevis*, 63 in *Estonia* and *Seychelles*, and 65 in *Bosnia and Herzegovina*, *Canada*, *Costa Rica*, *Denmark*, *New Zealand*, *Peru* and *Spain*. Finally, two European countries reported the age of eligibility for the main old-age schemes to be above 65, namely *Greece* (67) and *Iceland* (67).

511. The Committee notes from the reports received that increasing the statutory retirement age is one of the measures taken in many countries in response to the improved health, longer lives, ageing of the population and/or increasing cost of the provision of pensions and the resulting deficits of social security systems. For example, the Government of the *Russian Federation* has recently adopted a draft law to gradually raise the pensionable age from 60 to 65 for men and from 55 to 60 for women. In *Belarus*, the age of eligibility for the main old-age pension will rise from 61 to 63 years for men and from 56 to 58 years for women by 2022. In *Poland*, most early retirement provisions have been gradually phased out and a gradual increase was introduced in the pensionable age from 60 and 65 for women and men, respectively, to 67 for both by 2040. However, this increase was not accepted by the trade unions and the legislation has been changed, resulting in the statutory pensionable ages returning to 60 and 65 for women and men, respectively, since October 2017. In the *United States*, retirement age is gradually being raised from 62 in 1999 to 67 in 2022. In *Belgium*, *France*, *Germany* and the *Netherlands*, a gradual increase is currently under way from 65 to 67 years. In the *Netherlands*, from 2022, the retirement age will be linked to life expectancy. In *Denmark*, the statutory pensionable age will rise to 67 during the period 2019–22 and then to 68 in 2030.

512. The *IOE* remarks that countries are enhancing measures to encourage working at an older age to alleviate the challenges of high old-age dependency ratios and to enable enterprises to benefit from the experience and skills that the older generations possess. In this respect, however, the *IOE* notes that for a large portion of the elderly population, especially in emerging and developing countries, continuing to work after retirement age is not a choice, but the only way to escape poverty because they are often not covered by any type of pension or social protection scheme in place. The *IOE* stresses the need to reflect on how current social protection systems can respond to the labour force of today, as well as that of tomorrow.

513. The *ITUC* notes that, when eligibility requirements are raised, for example by increasing the pensionable age, it is important to bear in mind healthy life expectancy, which may be lower for some categories, such as manual workers. The same applies to raising the number of required contributory years, which has a greater effect on persons with contribution gaps, such as women, migrant workers, rural workers, workers in the informal economy and workers on non-standard contracts.

**514. The Committee recognizes that the improved health status of populations, increasing life expectancy and the ageing of the population may justify raising the statutory pensionable age to reflect the fact that people live longer, stay in good health longer and are therefore both able and willing to continue in employment longer. The Committee wishes to recall in this respect its previous comments on the relevant provisions of Conventions Nos 102 and 128, and observes that increases in the pensionable age above the age of 65 should be justified not only by a rise in the average life expectancy of society as a whole, but should also take into account differences between the various groups of the population in health status, life**

expectancy, working ability and the labour market opportunities of those concerned.<sup>21</sup>

515. The Committee invites member States to phase in increases in the pensionable age through the establishment of a transitional period that is sufficiently long to attenuate the impact of such increases, notably on women. Member States should also combine such increases with measures to facilitate a longer working life, as appropriate in the national context, in such areas as: access to adequate lifelong learning; the increased employability of older generations; the possibility of a gradual transition between work and retirement, depending on circumstances; appropriate care services, since many people, and particularly women, need to retire earlier due to family care obligations; and measures to prevent age discrimination and promote a change of attitude by employers towards older workers. The Committee reminds member States that reforms of the pensionable age should be designed through tripartite social dialogue, taking into account the interests and concerns of all stakeholders.

516. In this regard, the Committee emphasizes the importance of ensuring the financial equilibrium of pension schemes to ensure their sustainability and capacity to pay benefits in the long term. For this purpose, it is necessary to ensure a balance between the duration of working lives and of pensions in payment. In the absence of such a balance, benefits may have to be reduced or contributions increased, supplemented by subsidies from the general state budget.<sup>22</sup>

#### *Differences in pensionable age on the basis of gender*

517. In many countries, the legislation sets different pensionable ages for men and women, granting women entitlement to old-age benefits several years earlier than men. Examples include *Belarus, Bulgaria, El Salvador, Honduras, Kazakhstan, Lithuania, Panama, Poland, Russian Federation, Serbia, Switzerland, Tajikistan* and *Uzbekistan*.<sup>23</sup> The difference is often five years, such as in *Poland, Honduras* and *Uzbekistan*, where the main old-age pension is accessible to men at 65 years and women at 60, or in *Kazakhstan* and *Tajikistan*, where the ages are 63 and 58, respectively, or *Panama*, where they are 62 and 57 years. In some countries, the difference is smaller, and many countries are in the process of equalizing retirement ages for both sexes. For example, in *Switzerland*, the difference is one year, at 64 years for women and 65 for men. In *Bulgaria* and *Serbia*, the difference is gradually being reduced, and both countries have announced that the pensionable age will be 65 years for both men and women by the late 2030s. In *Montenegro*, as noted by the *Confederation of Trade Unions of Montenegro (CTUM)*, the gradual process of raising and equalizing the retirement ages of men and women at 67 years started in 2011 and will be completed in 2025 for men and 2041 for women.

518. The Committee notes that a shorter period of employment limits the accumulation of entitlement to an old-age pension and thus places at risk the adequacy of personal

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<sup>21</sup> CEACR: Convention No. 102 – *United Kingdom*, direct request, 2016; CEACR: Convention No. 128 – *Netherlands*, direct request, 2017, in which the Committee explains that the work capacity and employability of the elderly could be measured by the healthy life expectancy indicator (HLE), which pertains to life spent in good health, and the disability-free life expectancy indicator (DFLE), which corresponds to being free of a limiting chronic illness or disability.

<sup>22</sup> See ch. 10.

<sup>23</sup> Based on the information contained in the reports received and ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 92.

income following the cessation of employment.<sup>24</sup> In that context, an unequal statutory pensionable age for men and women often places women at a disadvantage, preventing them from building entitlement to higher pensions. The Committee notes that in some countries where different pensionable ages apply, earlier retirement is optional for women. **The Committee recalls that, in view of the principle of equality of treatment, Governments should either set the same retirement age for men and women, or make earlier retirement for women optional, while allowing and facilitating the extension of gainful employment for them and ensuring that they benefit from equal career development opportunities.**<sup>25</sup>

519. **The Committee wishes to emphasize the importance of addressing the gender bias in access to social security as a result of which many women have not been able to consistently and sufficiently contribute to pension insurance schemes during their working lives.**<sup>26</sup> This may be due to various reasons, such as gender inequalities in access to the labour market, career gaps due to maternity or care for a family member, the unequal sharing of care responsibilities between men and women, the persistent gender gap in earnings, and a higher exposure to informality and non-standard forms of employment.<sup>27</sup> Measures that redress such imbalances, such as credited social insurance contributions to make up for career gaps and ensure that benefit entitlements are protected despite periods of leave due to maternity or care of a family member, are of the utmost importance in this regard. The Committee further underlines the important role played by non-contributory pensions, both universal and means-tested, in ensuring basic income security and preventing poverty for older women who do not qualify for a contributory old-age pension, or whose benefits from contributory pensions are too low to ensure life in health and dignity.

#### *Improving employability in older age*

520. Many older persons are willing and able to be economically active in older age, even after the statutory pensionable age. However, they often face employment discrimination on the basis of their age, and are unable to continue or find employment, or have to accept lower remuneration or terms of employment that are inferior in other respects.<sup>28</sup> As income from work is the main means of income security, the Committee wishes to recall the importance of policies that facilitate employment in older age and prevent all forms of age discrimination. The Employment Policy Recommendation, 1964 (No. 122), addresses the risk of age discrimination by identifying older workers as one of the categories of persons who encounter special difficulties in changing their occupation and calling for efforts to be made to meet their particular needs (Paragraph 16).

521. One of the specific challenges faced by older persons is to keep up with changing technologies, and the resulting changes in skills requirements and the need for the

<sup>24</sup> This is the case in particular for defined contribution pension schemes and defined benefit schemes in which pension entitlements depend on whole career earnings.

<sup>25</sup> 2011 General Survey, paras 222–223.

<sup>26</sup> See further ch. 6, section 6.2.2, ch. 7, section 7.2.2 and ch. 8, section 8.2.2.

<sup>27</sup> ILO: *Employment and social protection in the new demographic context*, Report IV, International Labour Conference, 102nd Session, Geneva, 2013, pp. 53–55. See also ILO: *World Employment and Social Outlook: Trends for Women 2018: Global snapshot*, 2018; ILO: *Women, gender and work* (Vol. 2), *Social choices and inequalities*, Geneva, 2017.

<sup>28</sup> ILO: “Combating prejudice and age discrimination against older workers”, Geneva, 2011; N. Ghosheh: *Age discrimination and older workers: Theory and legislation in comparative context*, Conditions of Work and Employment Series No. 20, ILO, Geneva, 2008.

continuous upgrading of their skills and qualifications over time. There is therefore a need to ensure that everyone has access to lifelong learning and continuing education facilities and services. However, the Committee notes that education and training programmes are usually focused on children and younger people, and that age limits are often applied to access to vocational guidance and training facilities.<sup>29</sup> This issue is addressed by the Human Resources Development Recommendation, 2004 (No. 195), which calls for the promotion of education, training and lifelong learning for people with special needs, including older workers (Paragraph 5(h)). The Older Workers Recommendation, 1980 (No. 162), calls for equality of opportunity and treatment for older workers, in particular in terms of access to vocational guidance and placement services, employment of their choice, vocational training facilities and paid educational leave (Paragraph 5).

522. The Committee is pleased to note certain of the examples reported of the manner in which countries are addressing the need to facilitate employment for older persons. In the *Republic of Korea*, the Employment Success Package Programme provides training support for low-income elderly persons up to 69 years of age to facilitate the extension of gainful employment. The Workers' Vocational Skills Development Programme is also available to both young and older workers to ensure that they can upgrade their knowledge and skills, regardless of age. Similarly, in *Cuba*, a special university for older persons (*Universidad del Adulto Mayor*) enables them to take classes, participate in workshops and enhance their vocational skills. The Government of *Japan* indicates that it actively encourages older jobseekers, particularly through the aged jobseeker benefit, which provides financial support for unemployed persons who choose to remain active and look for work after the age of 65 years. In *El Salvador*, there are government subsidies and regulatory measures to facilitate the public and private recruitment of older persons. In *Malta*, one of the objectives of the recent reform of the pension system is to encourage older people to remain active and contribute to national economic and social development. Measures were introduced in 2008 to ensure that persons of pensionable age, but who are still under the age of 65, are able to work without losing their pension entitlements, irrespective of their earnings. Older people can therefore potentially increase their disposable income, and therefore reduce the at-risk-of-poverty rate in old age.

**523. The Committee invites member States to take action to address the needs of older workers, both through social security and employment policies, and to take into account the guidance provided in the relevant ILO instruments and the examples provided by several countries. With a view to creating equal opportunities for everyone, and preventing and combating poverty in old age, the Committee emphasizes the importance of facilitating longer working lives through an effective and efficient combination of measures, including the development and diversification of skills and lifelong education, that are responsive to the special needs of both employed and unemployed older workers.**

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<sup>29</sup> ILO: *An inclusive society for an ageing population: The employment and social protection challenge*, Paper contributed by the ILO to the Second World Assembly on Ageing, 2002, para. 18.



### 8.2.2. Addressing the needs of particularly vulnerable categories of older persons

524. Characteristics such as gender, disability, origin, ethnicity and vulnerable (former) employment exacerbate the risk of exclusion from social security and labour in both high- and low-income countries.<sup>30</sup> This section examines the needs of various categories of older women and men who are at special risk of poverty and social exclusion. These needs should be addressed through different schemes and benefits, which are discussed in greater detail in section 8.3 below. **The Committee wishes to emphasize that, with a view to extending social security to all older persons, the Recommendation calls for social security systems to be non-discriminatory and inclusive, in both law and practice, and to address specifically the needs of particularly vulnerable social groups.**<sup>31</sup> **The Committee invites member States to identify carefully such vulnerable groups of older persons and to take all the necessary measures to progressively establish basic social security guarantees for all.**

#### *Older women*

525. Relative to the total population, the proportion of women covered by pension systems is lower than that of men, and older women therefore tend to face a higher risk of poverty (see figure 8.1 above).<sup>32</sup> Because of gendered discrimination patterns throughout their life, women are often in a situation in which they are excluded from the labour market and have accumulated less wealth than men. Cultural practices of early marriage and the longer life expectancy of women worldwide also result in a situation in which women are more likely than men to be widowed, which also places older women at greater risk of poverty.<sup>33</sup> As indicated in chapter 7, women are more represented than men in the informal economy and more often undertake unpaid care responsibilities for children and older or sick household members. As a result, it is not possible for them to accrue pension rights on an equal basis with their male counterparts, resulting in lower pension insurance coverage among women. These disparities are compounded by the persistent pay gap between women and men,<sup>34</sup> other forms of discrimination against women in employment and differences in the statutory retirement age.<sup>35</sup>

526. The *ITUC* emphasizes that women in older age face an increased risk of poverty and social exclusion in many countries, largely due to their lower contributory pension coverage, lower pension contributions accumulated during their (shorter) working lives and thus their lack of pension benefits or lower benefit levels. The *ITUC* reports, for example, that the percentage of women over 65 at risk of poverty or social exclusion is 52 per cent in *Bulgaria*, compared with 36.5 per cent of men, and that the figure is 13.1 per

<sup>30</sup> See, for example, ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, ILC, 100th Session, Geneva, 2011, para. 7; United Nations: *Report on the World Social Situation 2018*, op. cit., ch. IV.

<sup>31</sup> See ch. 2 for a general explanation of the guidance contained in the Recommendation on the principle of non-discrimination, gender equality and responsiveness to special needs. See ch. 9 for a more detailed analysis and policy options.

<sup>32</sup> Data from the OECD Gender Portal show that, in European OECD member States and the *United States*, pension payments to persons aged 65 and over are on average 28 per cent lower for women than for men.

<sup>33</sup> United Nations: *Report of the independent expert on the question of human rights and extreme poverty*, General Assembly, 31 March 2010 (A/HRC/14/31), paras 19–21.

<sup>34</sup> United Nations: *The World's Women 2015: Trends and Statistics*, New York, 2015.

<sup>35</sup> 2011 General Survey, paras 222–223. See also ch. 8, section 8.1, on gender-related pensionable ages.

cent of women over 65 in the *Czech Republic*, compared with 5 per cent of their male counterparts.

527. With a view to addressing these persistent disparities, the Committee highlights the importance of gender equality policies and measures during working age, including: the provision of childcare services; the enhanced take-up of parental and similar forms of leave by men; the promotion of workplace and employment solutions to facilitate the combination of employment and family responsibilities; the inclusion for purposes of pension entitlement of periods of childcare or care for other family members; the allocation and funding of pension contributions for these periods; and measures to address the gender pay gap and promote the participation of women in the labour market.<sup>36</sup> The Committee welcomes all measures that facilitate and promote the access of women to contributory old-age pensions and which, as a result, improve their well-being in older age. The Committee also wishes to emphasize that, in view of the current coverage gap in contributory pensions, the establishment of non-contributory pensions is vital to ensure at least a minimum level of income security for women in old age.

528. For many women who are not entitled to an old-age pension in their own right, a survivors' pension is their main or only source of income following the death of the family breadwinner.<sup>37</sup> The provision of survivors' benefits is reported in many countries. Of the 96 reports that provide information in response to the relevant questions, 67 refer to schemes providing survivors' benefits. In the majority of the countries concerned, the benefits are delivered primarily or exclusively through social insurance schemes. In some countries, the scheme has broad coverage, or the insurance scheme is supplemented by support through other public programmes and policies. For example, in the *Netherlands*, the General Surviving Relatives Act establishes an insurance scheme that covers all residents and provides benefits to dependent partners below retirement age if they are pregnant, have a child under 18 or are incapacitated for work. The level of the benefit depends on whether the surviving partner lives alone or is in a joint household, and amounts to 70 or 50 per cent of the minimum wage, respectively. To stimulate labour participation where possible, income from work is only partly deducted from the benefit. In *Kazakhstan* and *Portugal*, in addition to the insurance scheme, there is a non-contributory scheme that provides income-tested survivors' benefits.

529. Where survivors' benefits are exclusively provided through social insurance schemes, large segments of the population are often excluded from protection. For example, in the *Central African Republic* and *Morocco*, the social security schemes only cover formal private and public sector employees. In *Saudi Arabia*, national social security schemes are reported to be available only to nationals, which implies that some 32.3 per cent of the population<sup>38</sup> have limited or no access to the basic income security provided by the national social security system. In the *Republic of Korea*, benefits are available, under prescribed conditions, to the dependent family members of persons who have been insured under the national pension insurance scheme.

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<sup>36</sup> See also ch. 7, section 7.2.2.

<sup>37</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 78.

<sup>38</sup> United Nations Population Division: [Trends in total migrant stock](#): 2008 revision.

*Older persons with age-related disabilities and illnesses*

530. The capacity to work generally declines with age. As people grow older, they also become increasingly vulnerable to chronic and other illnesses and age-related disabilities.<sup>39</sup> Leaving the labour market, dependency within the household and deteriorating health are risk factors that threaten the well-being and dignity of older persons. While life expectancy is rising in many parts of the world, age-related disabilities and multiple chronic illnesses are also increasing the need for long-term care. As noted in chapter 5, the inclusion in social protection systems of long-term care for older persons is often overlooked, as it falls between health care and social services. The lack of care and support has a negative impact on the social integration of older persons, among whom the incidence of poverty is increased by the high cost of long-term care, even if it is provided by (female) family members.<sup>40</sup> The worldwide fall in co-residence can further diminish social interaction and compel older persons to rely exclusively on support from outside the household.<sup>41</sup>

531. In order to respond adequately to the long-term care needs of older persons, while at the same time preventing the related costs from placing them in financial insecurity, a comprehensive social security system should include social services, such as preventive care, assisted living, adult day care, long-term care, nursing care, hospice care and home care. Long-term care insurance schemes have been set up in some countries, such as the *Netherlands*, *Denmark*, *Czech Republic* and *Germany*. In the *Netherlands*, in particular, the Long-Term Care Act establishes a statutory social insurance scheme covering all residents, under which no income- or means-test is applied, but beneficiaries have to pay an income-related contribution for the care package received. Entitlement to care under the Act is limited to persons who are in need of intensive care and support around the clock. The scheme covers various types of care, including personal care and support, nursing care, medical treatment and residence in an institution providing comprehensive care. Patients can choose to receive the care in kind, or to purchase care themselves through a personal budget. For persons with less severe limitations, personal care and support, including day-care facilities and home care, are provided under the Social Support Act at the municipal level.<sup>42</sup>

532. In *Denmark*, social services assistance is available for all persons legally resident in the country who suffer from permanent impairment of their physical or mental functions. The assistance includes advisory and counselling services, support for necessary additional costs, personal help and care, aids and consumer durables, support for the purchase of a car and residential accommodation. The value of the services provided is reported to vary depending on the regulations adopted by local municipalities, and the needs and circumstances of beneficiaries. In the *Czech Republic*, a long-term attendance allowance is available, including a cash benefit for up to 90 calendar days for persons caring for a household member in need of all-day care. In *Germany*, a mandatory long-term care insurance scheme provides a range of benefits for insured persons, including financial support (the amount of which depends on the level of care), nursing aid (such as a nursing care bed), subsidies of up to €4,000 for modifications to the home

<sup>39</sup> United Nations: *Report of the independent expert on the question of human rights and extreme poverty*, 2010, op. cit., paras 13–18.

<sup>40</sup> See ch. 5.

<sup>41</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 47.

<sup>42</sup> For a comprehensive discussion of these schemes, as well as of those in *Germany*, *Czech Republic* and other European countries, see U. Becker and H.-J. Reinhard (eds): *Long-term care in Europe: A juridical approach*, Springer, 2018.

to accommodate nursing needs, and free nursing care courses for relatives and volunteer carers. The Government reports that in 2016 the scheme had over 55 million contributors, amounting to around 67 per cent of the population.

533. In the *United Kingdom*, an income-tested attendance allowance is provided for persons aged 65 or over with physical or mental disabilities to help with the additional costs of necessary personal support. There is also a carer's allowance for persons providing care for at least 35 hours a week, on condition that the recipient of the care is entitled to the attendance allowance or another specified allowance. Persons providing care for at least 20 hours a week can benefit from a carer's tax credit to fill gaps in their national insurance contribution record. In the *United States*, grants are provided to states under the Independent Living Services for Older Individuals Who Are Blind (OIB) for support services for persons aged 55 or over with severe visual impairment. To qualify for benefits, blindness must prevent the person from either holding a job or from functioning independently. The grants can be used to provide independent living services. There is also an increased standard tax deduction for the blind, and an income-tested tax credit for those aged 65 or over, or who are retired due to permanent and total disability and who have received taxable disability income in that year.

534. In the *Islamic Republic of Iran*, an allowance is provided for care and rehabilitation for elderly persons with disabilities by non-governmental daily, boarding and day-care centres, as well as a medical treatment and rehabilitation assistance allowance for disabled elderly persons in need. In *Jamaica*, the National Health Fund and the Jamaica Drugs for the Elderly Programme provide subsidies for prescription drugs and services for persons aged 60 and over, representing 79 per cent of the population of older persons. In *Ecuador*, persons who qualify for an old-age pension are also entitled to health care from the Social Security Institution (IESS) at the same level as persons who are affiliated and contributing actively. In *Morocco*, a national action plan for older persons includes primary, secondary and tertiary health-care measures adapted to the needs of older persons. Other support measures include: the programme for rural nutrition throughout the life cycle, which also covers older persons; the rural health plan to increase equity and improve health services for the rural population; the national plan against violence towards woman, including older women; and a national mental health plan.

**535. Although the schemes referred to vary greatly in scope, both in terms of their legal coverage and the services provided, the Committee hopes that these examples will act as a source of inspiration for other member States for the development of schemes and policies to facilitate access to at least essential health care, including long-term care for older persons with chronic illnesses or disabilities.**

#### *Older persons affected by HIV/AIDS*

536. In addition to the need for long-term care for older persons living with HIV/AIDS, it has been shown that the HIV/AIDS epidemic, particularly in the worst affected areas, can impact older persons in two other ways. First, the majority of fatalities from the disease are middle aged, leaving older persons without the care and support of their children.<sup>43</sup> Second, many of them become the primary caregivers for their orphaned grandchildren. Sub-Saharan Africa is one of the areas of the world most severely affected by the epidemic, as it is where 26 million of the 40 million persons living with HIV/AIDS worldwide are resident.<sup>44</sup> As a consequence, it is also the region with the highest number of households

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<sup>43</sup> United Nations: *Report of the independent expert on the question of human rights and extreme poverty*, 2010, op. cit., para. 24.

<sup>44</sup> *ibid.*, para. 25.

with a generation gap. For example, in *Namibia*, *South Africa* and *Zimbabwe*, 60 per cent of AIDS orphans live with their grandparents.<sup>45</sup> **The Committee hopes that member States which are severely affected by the HIV/AIDS epidemic will ensure that older persons in HIV/AIDS-affected families are effectively protected under existing pension schemes and will adopt additional measures specifically ensuring the protection of this category of older persons who are at high risk of social exclusion and poverty.**

#### *Older persons in rural areas*

537. The Committee also notes considerable inequality in the pension coverage of people living in rural areas, compared with those in urban areas, mainly due to the low rate of formal employment in agriculture. This gap is once again larger for women than for men.<sup>46</sup> The *Single Confederation of Workers of Colombia (CUT)* and *Confederation of Workers of Colombia (CTC)* express concern that only 36 per cent of the working population in *Colombia* is paying, or has paid pension insurance contributions, and that the rate is even lower in the rural sector, where it falls to 14 per cent of rural workers. The Committee encourages member States to develop policies to ensure effective pension coverage rates in rural areas, both by expanding contributory schemes to include agricultural and rural workers and through the establishment of non-contributory schemes, as appropriate in the national context.

538. The Committee is pleased to note that some countries have achieved substantial pension coverage in rural areas. For example, in *Sri Lanka*, rural workers engaged in agriculture or fishing may obtain coverage through the farmers' and fishers' pension schemes, which provide pensions from the age of 60 years. The Government reports that over 1.02 million persons are currently insured under these schemes, which is equivalent to around 47 per cent of the total number of workers in agriculture.<sup>47</sup> The Government of *China* reports that a new system of old-age insurance for rural residents has been established to secure the basic livelihood of poor elderly persons. The system combines individual and collective contributions and government subsidies, and provides monthly pensions from 60 years of age. In *Austria*, the Farmer's Social Insurance Act (No. 559/1978) established a pension insurance scheme for self-employed agricultural and forestry workers, which also protects their dependants. Similar schemes also operate and are financially supported by the State in such countries as *France*, *Germany* and *Poland*.

#### *Older persons in non-agricultural informal employment*

539. Several governments refer to the exclusion of informal workers from coverage by pension schemes as a major challenge for the implementation of a social protection floor. For example, the Government of *Guinea* acknowledges that persons who have been employed in the formal economy receive old-age benefits, while those who have worked in the informal economy are left stranded or without resources, and therefore face a much higher risk of income deprivation in old age. Similar concerns are raised by the Governments of the *Central African Republic*, *Democratic Republic of the Congo* and *Namibia*. The Government of *Pakistan* also expresses concern at the need for coverage of informal workers, especially for old age and invalidity, despite certain policy initiatives to provide cash grants for artists in need, which are to be launched in two provinces. In

<sup>45</sup> *ibid*; United Nations: *Report on the World Social Situation 2018*, op. cit., p. 49.

<sup>46</sup> ILO: *Social protection for older persons: Key policy trends and statistics*, 2014, op. cit. pp. 20–21.

<sup>47</sup> ILOSTAT: *Employment by sector: ILO modelled estimates*, May 2018.

*Tajikistan*, persons working in the informal economy without the necessary documentation to receive a pension lack full coverage, with the children of refugees, migrants, stateless persons and persons living with HIV/AIDS being particularly affected.

540. The *Confederation of Workers of Argentina (CTA Workers)* notes that one of the main issues relating to pensions in *Argentina* is that a large number of workers (about 34 per cent) are engaged in informal work, and are therefore excluded from the pension system. The *Confederation of Labour of Niger (CNT)* and the *National Union of Independent Trade Unions of Togo (UNSI)* add that informal workers in *Niger* and *Togo*, respectively, still benefit from very little protection, even though there have been some legislative improvements.<sup>48</sup>

**541. The Committee invites member States to identify carefully and address discriminatory elements in their social security systems, as well as the special needs of particularly vulnerable persons in older age. The Committee recalls the importance of the social participation and consultation of all persons concerned in addressing inequalities and special needs through well-coordinated policies and measures.**

### 8.3. Basic income security in old age through a variety of schemes and benefits

#### Relevant provisions of Recommendation No. 202

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(d) non-discrimination, gender equality and responsiveness to special needs;

...

(f) respect for the rights and dignity of people covered by the social security guarantees;

...

(l) coherence with social, economic and employment policies;

...

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

...

(d) basic income security, at least at a nationally defined minimum level, for older persons.

...

9. ...

(2) Benefits may include ... health-care benefits, ... disability benefits, old-age benefits, survivors' benefits ... as well as any other social benefits in cash or in kind.

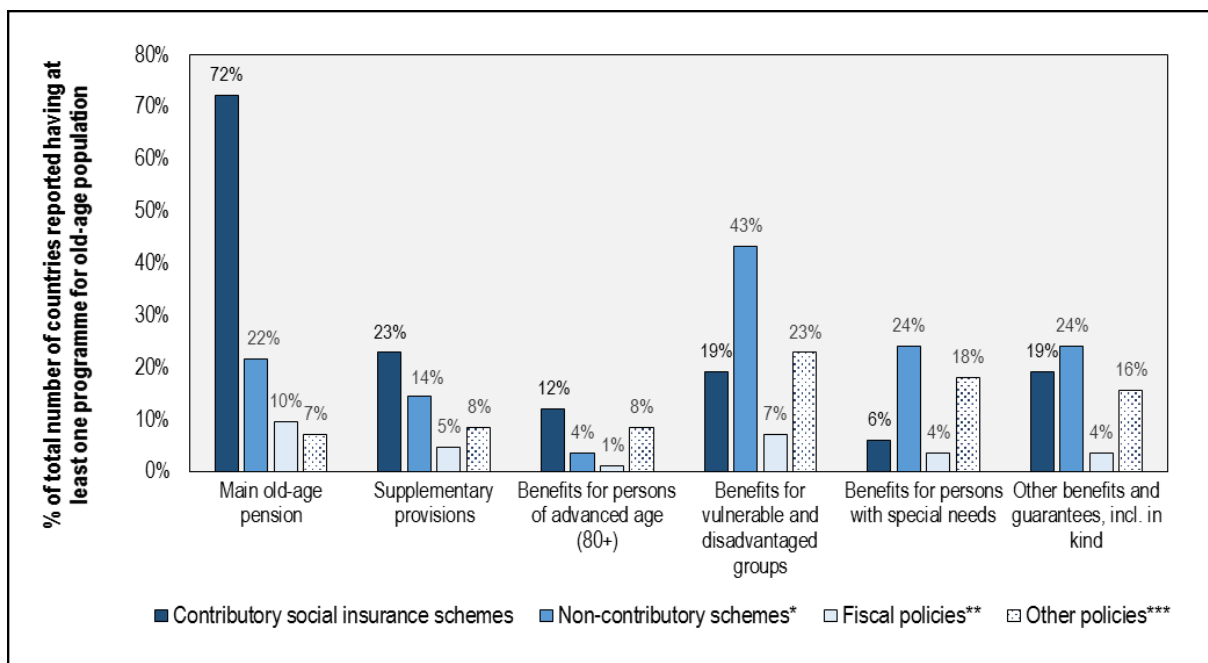
(3) Schemes providing such benefits may include universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, ... .

<sup>48</sup> For example, in *Niger*, the “Les Nigériens nourrissent les Nigériens” initiative has been implemented to ensure the effectiveness of food self-sufficiency and a draft law determining the fundamental principles of social protection was adopted by the National Assembly on 21 April 2018, which aims to ensure social protection for people at risk of vulnerability and vulnerable persons in accordance with the National Social Protection Policy. Regarding *Togo*, the *UNSI* indicates that Act No. 2011-006 of 21 February 2011 on the Social Security Code aims at extending social security to “self-employed workers”, “apprentices”, “workers in the informal economy” and that employees can now declare themselves directly. It notes, however, that so far, the practical arrangements for the implementation of these provisions by the National Social Security Fund (*Caisse Nationale de Sécurité Sociale*) have not been taken.

10. In designing and implementing national social protection floors, Members should:
- ...
- (b) promote productive economic activity and formal employment through considering policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and that promote education, vocational training, productive skills and employability; and
  - (c) ensure coordination with other policies that enhance formal employment, income generation, education, literacy, vocational training, skills and employability, that reduce precariousness, and that promote secure work, entrepreneurship and sustainable enterprises within a decent work framework.

### 8.3.1. The various types of pension schemes and benefits

**Figure 8.2. Benefits, schemes and policies providing basic income security for older persons aged 65+ (percentage of total number of countries reported having at least one programme for older persons, by social protection function and by type of programme)**



Note: A total of 83 governments reported having at least one programme for population in old age – many countries provide more than one. \* Universal schemes, social assistance, housing allowance, GMI, social safety nets, targeted anti-poverty programmes. \*\* Negative income tax, tax incentives, etc. <sup>49</sup> \*\*\* Services, care, education, employment support, economic policies (e.g. regional development), schemes supported by international donors and NGOs, other policies. <sup>50</sup>

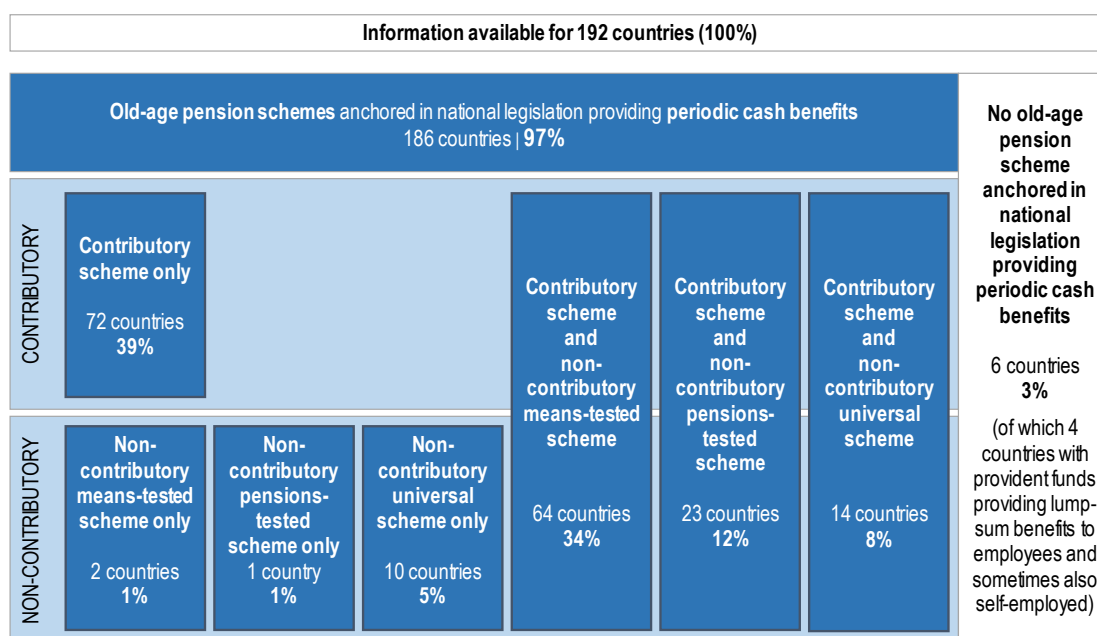
Source: Government reports for the General Survey on Social Protection Floors 2019, table 3.

<sup>49</sup> For example: income tax exemption of pensions; exemptions from taxes on certain services; corporate tax reduction on old-age insurance contribution.

<sup>50</sup> For example: home care and residential home care; education for the elderly; welfare services; elderly homes; facilitation of public and private hiring of the elderly in decent jobs; nutrition programmes; voluntary labour policies; pension supplements.

542. Of the 111 reports received, 83 refer to at least one scheme providing old-age benefits/pensions. Figure 8.2 shows that the most commonly reported type of old-age scheme is contributory pension insurance,<sup>51</sup> with over 70 per cent of reports indicating that such schemes are used to provide benefits for older persons. Non-contributory schemes, in the form of universal schemes, social assistance or social safety nets, are reported less frequently. In many (40) countries, there are both contributory and non-contributory pension schemes.<sup>52</sup> Figure 8.3 provides a more comprehensive overview of the incidence of the various types of old-age pension schemes worldwide and other measures that contribute to income security in old age, such as tax measures, social services, and employment policies.<sup>53</sup> The Committee wishes to highlight the importance of designing and implementing social insurance and social assistance benefits as complementary means of action, and of carefully coordinating and aligning schemes and benefits, with the common objective of alleviating poverty and social exclusion.<sup>54</sup>

**Figure 8.3. Overview of old-age pension schemes, by type of scheme and benefit, 2015 or latest available year**



Source: ILO: *World Social Protection Report 2017–19*, 2017, op. cit.

<sup>51</sup> See ch. 4, section 4.1.2, ch. 10, section 10.2 and Appendix VI, glossary for a definition of the various schemes and benefits which may be implemented to give effect to the Recommendation, and an explanation of the distinction between contributory and non-contributory schemes.

<sup>52</sup> *Antigua and Barbuda, Argentina, Belarus, Bosnia and Herzegovina, Canada, China, Democratic Republic of the Congo, Côte d'Ivoire, Czech Republic, Denmark, El Salvador, Estonia, Hungary, Islamic Republic of Iran, Jamaica, Japan, Republic of Korea, Latvia, Mali, Malta, Mauritius, Mexico, Nigeria, Pakistan, Paraguay, Poland, Portugal, Russian Federation, San Marino, Senegal, Serbia, Slovakia, Spain, Sri Lanka, Syrian Arab Republic, Tajikistan, Trinidad and Tobago, Tunisia, United Kingdom, United States, Uzbekistan and Zimbabwe.*

<sup>53</sup> See also ch. 4, section 4.1.2.

<sup>54</sup> Council of Europe: "Report and conclusions concerning the application of the European Code of Social Security and its Protocol", Governmental Committee of the European Social Charter and the European Code of Social Security, 137th Meeting (23–27 April 2018), GC(2018)8, para. 36; ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 25. See also ch. 7, section 7.3 and ch. 11 on policy coordination.



### 8.3.2. Contributory pensions

543. Of the countries in which social insurance schemes are reported, more than one insurance scheme exists in several countries, often covering different sectors. For example, in *Austria*, although pensions themselves are regulated by the General Pensions Act, the qualifying conditions for specific groups of insured persons are set out in different acts and the benefits are administered by various insurance institutions, including schemes for employees, farmers, workers engaged in the liberal professions and the self-employed. In *Sri Lanka*, there are different schemes for public sector workers, private sector workers, farmers, fishers and the self-employed. In the *Central African Republic*, a social insurance scheme for private sector employees was established by the Act issuing the Social Security Code, while insurance for public sector employees is regulated by Act No. 09.014 of 2009. The Government of the *Republic of South Africa* indicates that one of the fundamental missing elements of the social insurance system is a mandatory (national) contributory social insurance pension scheme in which all workers participate. A number of reform initiatives are being considered to improve the system.

544. The qualifying periods for entitlement to the pensions provided by insurance schemes vary greatly, but are generally aligned with the minimum standards of Convention No. 102.<sup>55</sup> In *Cambodia* and *Suriname*, the required contributory period is five years. In the *Republic of Korea*, it is ten years. Ten years of contributions to national insurance are also necessary for eligibility for the State pension in the *United Kingdom*, although persons in certain circumstances are granted national insurance credits. In *Thailand*, the old-age pension is payable after at least 15 years (180 months) of contributions. In *Ukraine*, the minimum qualifying period is 15 years, although it is envisaged that a longer period will apply in future. In *Panama*, contributions have to be paid over a period of 20 years (240 months) for entitlement to an old-age pension. The *National Confederation of Trade Unions of Moldova (CNSM)* reports that in 2018 in the *Republic of Moldova* 34 contribution years have to be completed for a full pension for men (whose retirement age is 62 years and eight months) and 31 years for women (whose retirement age is 58 years). A reduced benefit is available after 15 years of contribution.

545. The Committee emphasizes the importance of contributory pension schemes as a fundamental element of income security in old age, as they provide pensions that are related to previous earnings, and may therefore constitute a better form of income security than pensions provided under non-contributory, means-tested or universal schemes. Nevertheless, the Committee notes that the level of contributory pensions in certain cases is not above the national poverty line, and that they do not therefore allow life in dignity on their own, especially for low wage earners and persons with short employment records. Furthermore, non-contributory pension schemes play an important role, alongside contributory schemes, in ensuring that persons who are not, or are not sufficiently covered by the latter benefit from at least basic protection.

### 8.3.3. Non-contributory pensions

546. The Committee is pleased to note that an increasing number of countries have implemented non-contributory publicly financed pension schemes, sometimes in parallel with contributory schemes.<sup>56</sup> Of the 105 reports that provide information in this regard, around 30 per cent indicate the existence of some non-contributory old-age schemes,

<sup>55</sup> In accordance with Art. 29 of Convention No. 102, a qualifying period may be prescribed of 30 years of contributions or employment (or 15 years for a reduced benefit), or 20 years of residence for employees.

<sup>56</sup> See also United Nations: *Report on the World Social Situation 2018*, op. cit., pp. 54–55; ILO: *World Social Protection Report 2017–19*, 2017, op. cit., pp. 80–83.

including both means-tested and non-means-tested schemes.<sup>57</sup> The Committee wishes to draw attention to the national pension scheme established in *Namibia*, which covers 98.4 per cent of all citizens aged 60 years and over, and provides a pension that is above the national poverty line.<sup>58</sup> In *Antigua and Barbuda*, in addition to old-age insurance, under prescribed conditions, a non-contributory means-tested benefit is provided for persons aged 65 and over whose annual income is less than 5,000 East Caribbean Dollar (XCD), which is twice the amount of the reported extreme poverty line in the country. The scheme covers about 20 per cent of the population aged 65 and over.<sup>59</sup> In *Argentina*, the universal pension for the elderly (PUAM)<sup>60</sup> provides old-age benefits for persons aged 65 years and over. The Government indicates that the benefit is intended to guarantee a social protection floor for the elderly by providing pensions for those who are not covered by the contributory pension scheme because they do not have sufficient years of service with the required contributions. In *Cabo Verde*, there is a non-contributory pension for persons in, or at risk of poverty or social exclusion. It consists of a basic pension, an invalidity pension and a survivors' pension and in total covers about 43 per cent of the population over 60 years of age. This programme has been recognized by the ILO as a key measure in advancing towards a social protection floor.<sup>61</sup> In *Chile*, Act No. 20255 established a basic old-age solidarity pension in 2008 for persons who are in the 60 per cent of the poorest families and are aged 65 or over. In *South Africa*, although the old-age grant is income-tested, in practice it covers the majority of older residents.

547. In *Myanmar*, a social pension is provided through a non-contributory non-means-tested scheme which in principle covers all citizens once they reach the age of 90 years. The benefit amounts to 10,000 Burmese Kyat (MMK), which is equivalent to 61 per cent of the US\$1.90 a day poverty line. In *Kazakhstan*, a publicly financed basic state pension is reported to cover over 2.1 million recipients, which implies nearly universal coverage. Its level used to be a flat rate for all beneficiaries, although a different approach has been applied since July 2018, under which the level of the pension depends on the length of participation in the pension system. Participation during the first ten years involves work experience, followed by contributory years. Those who have ten or fewer years of work experience (including persons with no participation at all) are entitled to 54 per cent of the subsistence level. Those who have participated for longer than ten years, and therefore contributed to the scheme, receive a 2 per cent increment for each year of participation, until the benefit reaches the full subsistence level.

548. In *Cuba*, there is a means-tested old-age assistance pension, which is provided to persons who have not completed 30 years of employment to qualify for the full main old-age pension, or 20 years to qualify for a partial pension. The Government also reports a number of social programmes to support older persons in specific situations, including the national assistance programme for the elderly and the food programme. In *El Salvador*, a basic pension has been established to provide financial support for low-income elderly

<sup>57</sup> See also ILO: *World Social Protection Report 2017–19*, op. cit., p. 78, indicating that non-contributory schemes exist in around 60 per cent of countries worldwide. In almost 79 per cent of these countries, where such schemes are anchored in law, the schemes are either income- or pension-tested, and in 21 per cent they are universal.

<sup>58</sup> United Nations: *Human Development Report 2015: Work for human development*, New York, 2015, p. 49; M. Nyenti: "Namibia National Pension Scheme", in T. Dijkhoff and G. Mpedi (eds): *Recommendation on social protection floors: Basic principles for innovative solutions*, Kluwer Law International, 2018, pp. 237–259.

<sup>59</sup> [Pension Watch: Country file, Antigua and Barbuda](#).

<sup>60</sup> Act No. 27/260.

<sup>61</sup> F. Durán-Valverde, J. Borges, I. Ortiz and V. Schmitt: "Universal social protection: Universal pensions in Cabo Verde", Universal Social Protection Brief, ILO, Geneva, 2016.

persons above the age of 70 who are excluded from coverage by any other scheme and have no contribution history. The Government of *Paraguay* indicates that, in accordance with Act No. 3728 of 2009, every national over 64 years of age in a situation of need can apply for a means-tested benefit which is provided under the subsistence pension programme, the minimum level of which is set at a quarter of the minimum wage. In *Portugal*, older persons in economic hardship benefit from the solidarity supplement (CSI) and the emergency solidarity supplement, which are monthly means-tested cash benefits provided to older persons with low incomes. The amount payable under the CSI is reported to be close to the poverty income line. In the *Russian Federation*, a social pension supplement is provided in addition to the normal pension when the pensioner's overall financial security is below the subsistence level.<sup>62</sup>

549. In *New Zealand*, the non means-tested New Zealand Superannuation covers citizens and permanent residents over 65 years of age who are normally resident in the country at the time of application. To be entitled to the benefit, the applicant must have lived in *New Zealand* for at least ten years since the age of 20, with five of those years being since the age of 50. The benefit for a couple, both of whom are qualified to receive it, amounts to between 65 and 72.5 per cent of the net average wage. In addition, all recipients of New Zealand Superannuation receive a SuperGold card, which provides access to a range of subsidized or discounted services and products. In the *Netherlands* and *United Kingdom*, there are similar universal non-means-tested schemes based on years of residence.

**550. The Committee emphasizes the effectiveness of non-contributory pension schemes for poverty reduction,<sup>63</sup> on condition that the benefits, together with other support measures, are not below the accepted poverty line or the monetary value of a set of necessary goods and services. The Committee encourages member States that have not yet established such schemes, to examine the possibility of developing non-contributory schemes within their national social security system to provide basic income security for all older persons who do not qualify for contributory pension insurance benefits or whose pension insurance benefit is not sufficient to prevent poverty and allow life in dignity. Such schemes can be supplemented by measures such as tax deductions, rebates or other incentives for persons looking after older family members. In accordance with the Recommendation, the Committee recalls the importance of coordination with other policies, such as non-discrimination measures, public health-care programmes, economic and fiscal policies, and employment policies.**

<sup>62</sup> Act on the subsistence level, 1997, section 4(4).

<sup>63</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., pp. 80–84; see also ch. 9.

## 8.4. Level and duration of benefits to achieve adequate protection

### Relevant provisions of Recommendation No. 202

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(c) adequacy and predictability of benefits;

...

(f) respect for the rights and dignity of people covered by the social security guarantees;

...

4. The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

...

8. When defining the basic social security guarantees, Members should give due consideration to the following:

(a) persons in need of health care should not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care. ...

(b) basic income security should allow life in dignity. Nationally defined minimum levels of income may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice, and may take into account regional differences;

(c) the levels of basic social security guarantees should be regularly reviewed through a transparent procedure that is established by national laws, regulations or practice, as appropriate; and

(d) in regard to the establishment and review of the levels of these guarantees, tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured.

551. In accordance with Paragraphs 4 and 8 of the Recommendation, and as discussed in section 4.2.3 above, essential health care and basic income security for older persons should ensure effective access to the goods and services defined as necessary at the national level and allow life in dignity. Pensions should also comply with the principle of adequacy and predictability.<sup>64</sup>

552. For guidance on the setting of adequate pension levels, the Committee wishes to refer to the minimum standards set out in Convention No. 102, and particularly Article 67(c), which provides “that the total of the benefit and any other means ... shall be sufficient to maintain the family of the beneficiary in health and decency, and shall be not less than the corresponding benefit calculated in accordance with the requirements of Article 66”.<sup>65</sup> The Committee recalls in this respect its previous comments on the links between the Recommendation and Convention No. 102 and emphasizes that, even where the minimum replacement rates provided for in the Convention are applied, in the case of vulnerable categories of workers who have not been able to accrue sufficient pension insurance benefits, minimum pensions, which are in compliance with Article 67 of

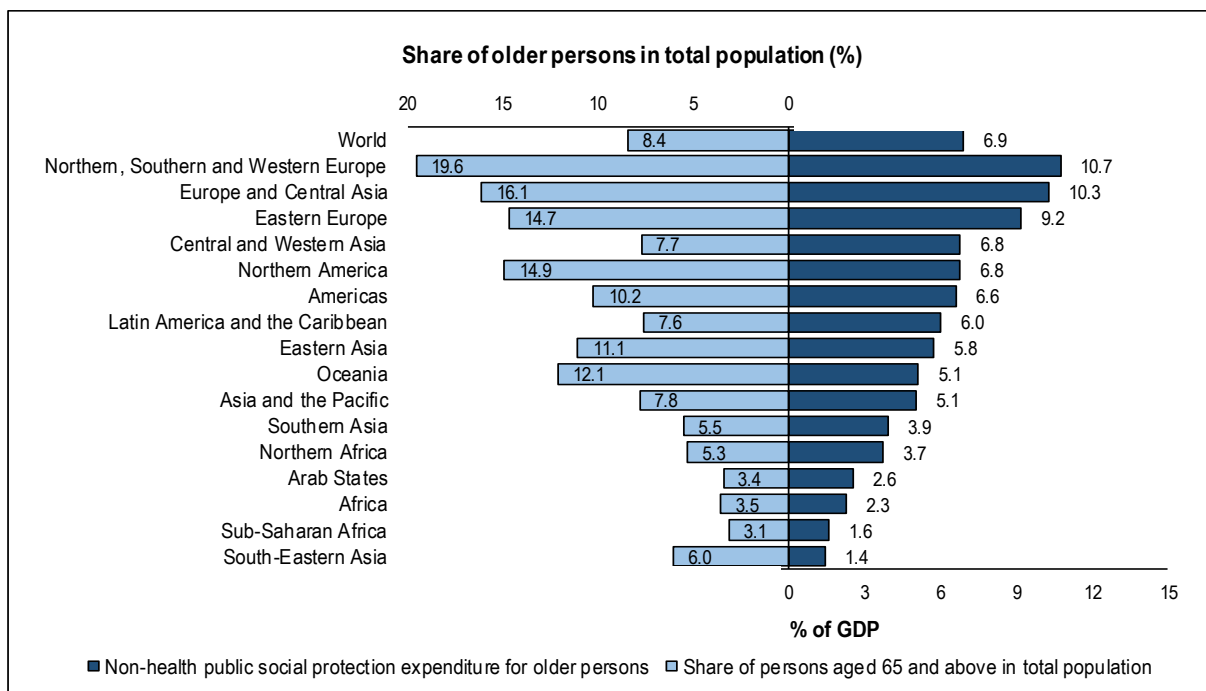
<sup>64</sup> For a benefit to be predictable, the level and duration of the benefit should be defined by law (see ch. 3, section 3.2), the financing should be sound and sustainable (see ch. 10, section 10.3), and the level of the benefit should be reviewed regularly through transparent and pre-established procedures (see ch. 4, section 4.2.3).

<sup>65</sup> On the setting of minimum standards in accordance with Convention No. 102, see the 2011 General Survey, paras 60–69. See also ch. 4, section 4.2.3.

Convention No. 102 or with the Recommendation, often offer better protection.<sup>66</sup> The Committee also notes that both the Recommendation and Convention No. 102 call for social security systems, with their respective schemes and benefits, that are adequate in terms of achieving policy objectives, while being financially sustainable and based on solidarity (Paragraph 3h).<sup>67</sup>

553. **The Committee further notes that contributory old-age benefits are often too low to cover the cost of living due to the insufficient accrual of pension rights,<sup>68</sup> and are not therefore adequate to allow life in dignity. This is especially true for women, for whom contributory pensions are generally lower than for men due to a variety of reasons.<sup>69</sup>** According to the data contained in the *World Social Protection Report 2017–19*, the level of public expenditure on pensions and other benefits, excluding health, for persons above the statutory pensionable age does not, in the majority of the countries, exceed 5 per cent of GDP (figure 8.4), which is rather low in the context of the growing need to support ageing populations. Indeed, in nearly all low-income countries and almost half of middle-income countries, the level of public expenditure is less than or equal to 2 per cent of GDP.<sup>70</sup>

**Figure 8.4. Public social protection expenditure on pensions and other benefits, excluding health, for persons above statutory pensionable age (percentage of GDP), and share of older population 65 and above in total population (percentage), latest available year**



Source: ILO *World Social Protection Report 2017–19*, 2017, op. cit.

<sup>66</sup> Council of Europe: “Report and conclusions concerning the application of the European Code of Social Security and its Protocol”, 2018, op. cit., para. 31.

<sup>67</sup> On social sustainability, see: A.G. Grech: *The social sustainability of pensions in Europe*, Scholars’ Press, Saarbrücken, 2015; see also ch. 10.

<sup>68</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 90.

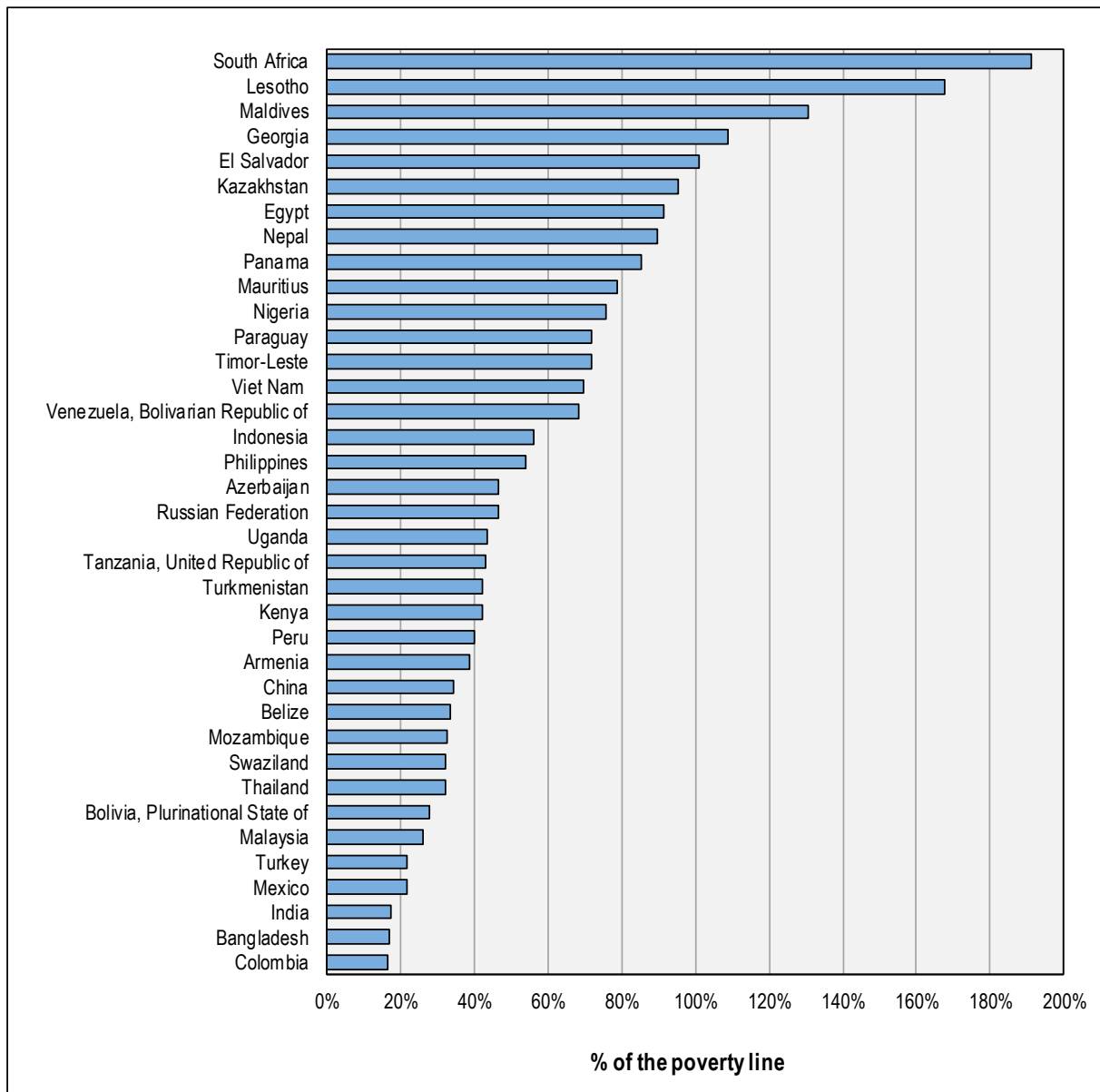
<sup>69</sup> See ch. 6, section 6.2.2, ch. 7, section 7.2.2 and ch. 8, section 8.2.2.

<sup>70</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 86.

554. The Committee also notes the concerns expressed by several workers' organizations with regard to the insufficiency of benefit levels. In the view of the *ITUC*, the allocation of adequate and predictable financing for social protection is a particular challenge. It notes that many countries are facing considerable fiscal constraints in the wake of lending obligations, with the international financial institutions exerting pressure on countries to reduce the value and coverage of social protection through policy recommendations or lending conditionality, rather than the expansion of these systems. It also emphasizes that demographic changes in some countries are jeopardizing the long-term sustainable financing of social protection, due to a reduced share of the working age population relative to the elderly, in a context of increased demand for old-age pensions and health care.

555. The *CTA Workers* indicates that in *Argentina* the Government is reducing both the coverage and level of non-contributory pensions through the application of stricter requirements for eligibility to the benefit. The *Confederation of Independent Trade Unions in Bulgaria (KNSB/CITUB)* also reports that the minimum pension in *Bulgaria* is below the official poverty line, and does not therefore contribute to reducing poverty among pensioners. A similar situation is reported by the *Canadian Labour Congress (CLC)* in *Canada*, where the lack of indexation of the Old Age Security benefit to the average wage has allowed relative poverty to triple over the past 20 years. Poverty among single seniors therefore remains a particularly significant problem, even if the Canada Pension Plan played a significant role in reducing old-age poverty prior to the past two decades. The *German Confederation of Trade Unions (DGB)* voices concern at the current situation and future of public pensions in *Germany* in view of the continuing fall in their level, which is expected to be reduced to 43 per cent of the previous average wage by 2045. The *DGB* reports that the Government has set up a pension reform group composed of various social stakeholders, but that so far there is a lack of political will and dedication to address this problem. The *Trade Union Confederation "Nezavisnost"* emphasizes that the minimum pension in *Serbia* does not cover basic subsistence needs and has not been increased for several years, meaning that it does not prevent beneficiaries from falling into poverty.

**Figure 8.5. Non-contributory pensions as a percentage of the national poverty line, single person, latest available year**



Source: ILO: *World Social Protection Report 2017–19*, 2017, op. cit.

556. The Committee is pleased to note that in some countries where the economic situation is recovering after the years of crisis, which resulted in a contraction of social expenditure, the level of benefits is being improved. This is the case, for example, in *Portugal*, where current public policy is seeking to reverse the previous downward trend in benefit levels and is aiming to strengthen social protection, particularly for the most disadvantaged, by increasing the level of pensions, as well as of some non-contributory benefits, including the solidarity supplement for older persons (CSI). The Government of *Ireland* reports that the return to economic growth has enabled the country to enhance levels of social protection in recent budgets, including an increase in the weekly payments to social welfare recipients. The Governments of the *Islamic Republic of Iran* and *Qatar* also report an increase in social spending and the level of funding allocated to social benefits and pensions.

*Need for the regular review of benefit levels*

557. The Recommendation calls for the levels of the basic social security guarantees to be *regularly reviewed* through a transparent procedure that is established by national laws, regulations or practice, and provides in this context that tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured (Paragraph 8(c) and (d); see also chapters 10 and 4.2). In *Germany*, the standard rates are recalculated every five years, and are adjusted annually based on a rate established in accordance with an inflation and wage index (a mixed index). The Federal Statistical Office is responsible for calculating the annual rate of adjustment. The *New Zealand Council of Trade Unions (NZCTU)* reports that the universal pension is increased in line with wage levels in *New Zealand*. The *Trade Union Confederation of Workers' Commissions (CCOO)* indicates that, between 1996 and 2012, an adjustment formula guaranteed the purchasing power of pensions in *Spain*. However, since 2013, the adjustment of all pensions has been limited to 0.25 per cent, with the result that pensions have lost purchasing power in each year that inflation has been higher than that level.

558. The risk of the relative impoverishment of older persons is also due to the fact that their income usually grows more slowly than that of persons who are active in the labour market. The indexation of pensions often aggravates this situation, since in many countries, it may result in their level lagging well behind the growth of average real incomes. Indeed, if pensions are indexed at all, it is increasingly common for them to be adjusted only to the consumer price index. Moreover, in times of rapid technological change, the prices of innovative goods and services which can improve standards of living usually increase more than the average rise in price levels. This makes new technologies and innovations less accessible for older persons, whose incomes at best only follow the rise in average prices, which can result in the gradual impoverishment, marginalization and social exclusion of older segments of society.<sup>71</sup>

**559. The Committee hopes that all member States will establish and maintain transparent procedures for the regular review of the basic social security guarantees, as set out in the Recommendation. Tripartite participation, as well as consultation with the representatives of persons concerned, should be ensured in this context.**

**560. The Committee observes that the adequacy of pensions does not only depend on the level of cash benefits provided, but also on the cost of essential services, such as health care, food, housing and transport. In this regard, the Committee wishes to place special emphasis on the linkages between pension benefits and health care, and it reminds member States of the importance of ensuring that any out-of-pocket payments that are required for care, and particularly long-term care, do not jeopardize adequate income security. The Committee once again emphasizes in this context the importance of an efficient and effective combination of social security schemes and benefits, and their effective coordination with other policy areas.**

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<sup>71</sup> M. Adler: "Can economic growth save social security", in *Challenge*, 2001, Vol. 44, No. 5, Sep.–Oct.), pp. 88–94. Convention No. 102 provides that long-term benefits shall be reviewed following substantial changes in the general level of earnings where these result from substantial changes in the cost of living (Art. 65(10)).



## **Part III. The policymaking process for the establishment of social protection floors within comprehensive social security systems**

### **Chapter 9**

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#### **Formulation and implementation of integrated policies and strategies for the extension of social security**

##### **Guidance set out in Recommendation No. 202 on key aspects of basic income security for children**

###### **Main provisions**

...

13. (1) Members should formulate and implement national social security extension strategies, based on national consultations through effective social dialogue and social participation. National strategies should:

- (a) prioritize the implementation of social protection floors as a starting point for countries that do not have a minimum level of social security guarantees, and as a fundamental element of their national social security systems; and
- (b) seek to provide higher levels of protection to as many people as possible, reflecting economic and fiscal capacities of Members, and as soon as possible.

(2) For this purpose, Members should progressively build and maintain comprehensive and adequate social security systems coherent with national policy objectives and seek to coordinate social security policies with other public policies.

14. When formulating and implementing national social security extension strategies, Members should:

- (a) set objectives reflecting national priorities;
- (b) identify gaps in, and barriers to, protection;
- (c) seek to close gaps in protection through appropriate and effectively coordinated schemes, whether contributory or non-contributory, or both, including through the extension of existing contributory schemes to all concerned persons with contributory capacity;
- (d) complement social security with active labour market policies, including vocational training or other measures, as appropriate;
- (e) specify financial requirements and resources as well as the time frame and sequencing for the progressive achievement of the objectives; and
- (f) raise awareness about their social protection floors and their extension strategies, and undertake information programmes, including through social dialogue.

15. Social security extension strategies should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality, and should be consistent with, and conducive to, the implementation of the social, economic and environmental development plans of Members.

16. Social security extension strategies should ensure support for disadvantaged groups and people with special needs.

17. When building comprehensive social security systems reflecting national objectives, priorities and economic and fiscal capacities, Members should aim to achieve the range and levels of benefits set out in the Social Security (Minimum Standards) Convention, 1952 (No. 102), or in other ILO social security Conventions and Recommendations setting out more advanced standards.

18. Members should consider ratifying, as early as national circumstances allow, the Social Security (Minimum Standards) Convention, 1952 (No. 102). Furthermore, Members should consider ratifying, or giving effect to, as applicable, other ILO social security Conventions and Recommendations setting out more advanced standards.

...

### **Key principles**

All principles, in particular:

- the overall and primary responsibility of the State (Paragraph 3)
- universality of protection, based on social solidarity (Paragraph 3(a))
- entitlement to benefits prescribed by national law (Paragraph 3(b))
- social inclusion, including of persons in the informal economy (Paragraph 3(e))
- progressive realization, including by setting targets and time frames (Paragraph 3(d))
- solidarity in financing while seeking to achieve an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes (Paragraph 3(h))
- consideration of diversity of methods and approaches, including of financing mechanisms and delivery systems (Paragraph 3(i))
- financial, fiscal and economic sustainability with due regard to social justice and equity (Paragraph 3(k))
- coherence with social, economic and employment policies (Paragraph 3(l))
- coherence across institutions responsible for delivery of social protection (Paragraph 3(m))
- high-quality public services that enhance the delivery of social security systems (Paragraph 3(n))
- tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned (Paragraph 3(r))

### **Complementary of policies**

- coherence with social, economic and employment policies (Paragraph 3(l))
- policies that promote productive economic activity and formal employment, including policies that promote secure work, entrepreneurship and sustainable enterprises (Paragraphs 10(b) and (c) and 15)
- public services, including health-care services (Paragraph 3(n))
- policies to support the formalization of enterprises and employment (Paragraph 15)

### **Closely related Social Development Goals (SDGs)**

- On ending poverty – SDG 1
- On decent work and economic growth – SDG 8
- On reducing inequalities – SDG 10
- On building effective, accountable and inclusive institutions at all levels – SDG 16

## 9.1. General considerations

### 9.1.1. The importance of national policies and strategies in extending social security

561. The development of comprehensive national social protection strategies and policies with a view to achieving progressively the core objective of universal social protection through the extension of coverage is at the heart of Recommendation No. 202. Part III of the Recommendation is entirely devoted to the development of policies and strategies for the extension of social protection and calls on Members to “formulate and implement national social security extension strategies, based on national consultations through effective social dialogue and social participation” (Paragraph 13(1)). Pursuant to Paragraph 13(1), these policies and strategies should aim to secure at least “basic social security guarantees” throughout the life cycle for “all in need of protection”, but also seek to provide higher levels of protection to as many people as possible, reflecting the economic and fiscal capacities of Members, and as soon as possible (Paragraph 13(1)(b)). Members that do not yet have a basic level of social security guarantees in place should design and adopt strategies and policies that prioritize the implementation of social protection floors as a starting point (Paragraph 13(1)(a)).

562. The Committee observes that the design and implementation of comprehensive national social protection policies and strategies is the optimal manner of achieving this objective, adopting a holistic approach and making full use of the entire range of social protection mechanisms, with a view to creating effective social security systems, including social protection floors, adapted to national situations and needs.

563. In a context characterized by limited coverage and resources, the design and implementation of a national social protection policy has the potential to place social protection high on the political and development agenda, on a par with other social, economic and financial policies, and to build coherence and convergence. The Committee notes that the adoption of Recommendation No. 202 enshrined a new dynamic policy paradigm for the development of universal, comprehensive and adequate social protection systems, also referred to as the two-dimensional approach to the extension of social security, in which priority is given to national social protection floors as a fundamental element of social protection systems to eradicate and prevent poverty, while at the same time calling for action to secure higher levels of protection.<sup>1</sup>

564. The Committee notes that the high levels of fragmentation that frequently characterize social policy interventions require greater harmonization and coordination through the development of strategic policy frameworks in pursuit of overarching national objectives. The process of developing strategic social protection policy frameworks is not only a means, but also becomes an end in itself with a view to building comprehensive and coordinated social security systems, including social protection floors, and ensuring mutual support and coherence with other public policy objectives. These are key instruments in bringing together the interests of all stakeholders, coordinating action and designing effective policy responses with a view to closing existing gaps and addressing the needs and challenges faced by each society. When organized and structured in an inclusive and participatory manner, such processes encourage the discussion of all the challenges faced in the national context, and foster the development of innovative and consensual solutions. **The Committee therefore observes that effective strategic policy**

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<sup>1</sup> The two-dimensional approach was already reflected in the *Conclusions concerning the recurrent discussion on social protection (social security)*, International Labour Conference, 100th Session, Geneva, 2011, paras 6–14.

**frameworks are essential for the extension of social protection coverage through contributory, non-contributory and other mechanisms through the development of comprehensive and universal social security systems.**

### 9.1.2. National consultations through effective social dialogue and social participation

565. Recommendation No. 202 insists that the process or policy formulation and implementation should be “based on national consultations through effective social dialogue and social participation” (Paragraph 13(1)). The importance of broad, inclusive and effective social dialogue, as also reflected in Paragraph 3(r), is discussed in chapter 1. In accordance with Paragraph 3(r), such consultations should include in particular tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

566. The Committee notes that the monitoring of progress has been promoted by the ILO through its technical assistance with a view to facilitating national dialogues and building good practices, especially in Asia and the Pacific and Africa (for example, through assessment-based national dialogues in *Belize, Mongolia, Niger, Thailand, Togo* and *Viet Nam*). Based on these experiences, the Committee considers that consultation at an early stage through continuous dialogue and the collaborative endorsement of policies by the social partners, as well as other relevant and representative organizations of persons concerned, makes implementation smoother and ensures greater success in the achievement of policy objectives. For example, in *Myanmar*, following several rounds of assessment conducted through national dialogue with the strong involvement of the social partners, the social protection strategy that was adopted in 2014 includes eight recommendations to establish new or reform existing schemes.<sup>2</sup> In *Tajikistan*, following a similar assessment, the social protection priorities identified through tripartite consultations were included in the draft National Social Protection Strategy. In *Mongolia*, the recommendations made on the basis of the assessments supported the universal Child Money Programme and called for it to be set out in law and adjusted in line with inflation. The Programme itself appears to switch between being targeted and universal, depending on the fiscal circumstances, but the Government and the social partners have a strong will to keep it universal. Similar tripartite assessments were conducted in *Mozambique* and *Malawi*, where five-year social protection strategies are being developed. The quality of social dialogue, with the inclusion of representatives of protected persons, is a determining factor in attaining widely accepted and understood policies that are then easier to implement. The Governments of *Australia, Burkina Faso, Canada, Egypt, Namibia* and many others report regular consultations to discuss social protection policies. For example, in *Australia*, the Government holds consultations with a broad range of bodies and interested organizations, including civil society groups, such as the Australian Council of Social Service and its state affiliates, as well as non-governmental organizations. In *Germany*, the Social Advisory Council, which advises the federal Government, particularly on old-age security and pensions, is composed of 12 members, namely four representatives each of employees and employers, three academic members (from economic and social science faculties) and one member representing the Deutsche Bundesbank. In *South Africa*, the National Economic Development and Labour Council (NEDLAC) is the forum through which the Government, labour, business and community organizations seek to cooperate, through problem-solving and negotiation, on economic, labour and development issues. Parliamentary hearings and traditional gatherings

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<sup>2</sup> Myanmar National Social Protection Strategic Plan, 2014.

(including *indabas* and *imbizos*) are also avenues for engaging and interacting with the social partners and the public.

567. Other countries are intending to introduce or strengthen national consultations. In *Saint Vincent and the Grenadines*, the Government is planning a programme of regular consultations, and in *Thailand* national consultations on social security may be introduced in addition to existing consultation procedures for persons with disabilities and older persons.

568. The Committee considers that shared values, trust and mutual expectations are essential elements of a sustainable policy development process and emphasizes the importance of ensuring the participation of representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned. **However, the Committee notes that the institutional framework for social dialogue is often inadequate to support sufficiently representative and effective national dialogue processes.**

569. Complex and comprehensive policies for the development of national social security systems based on the principle of universality require full recognition and observance of the underlying principles of social dialogue, including the need for broad consultations that include civil society actors representing those to be protected, as advocated by the Recommendation. Inclusive social dialogue from the diagnostic phase of social protection policy development helps to strengthen dialogue throughout society, and therefore reinforces social cohesion. **The Committee therefore considers that the efforts made to organize and implement participatory, inclusive and meaningful social dialogue represent a worthy investment resulting in broad social and political support and consensus on the resulting policy choices, and that they accordingly also generate substantial positive economic outcomes.**

## 9.2. Major steps in the policy formulation process

570. The guidance in Recommendation No. 202 on the formulation and implementation of national social security extension strategies follows a sequential approach (Paragraph 14):

- (a) set objectives reflecting national priorities;
- (b) identify gaps in, and barriers to, protection;
- (c) seek to close gaps in protection through appropriate and effectively coordinated schemes, whether contributory or non-contributory, or both, including through the extension of existing contributory schemes to all concerned persons with contributory capacity;
- (d) complement social security with active labour market policies, including vocational training or other measures, as appropriate;
- (e) specify financial requirements and resources as well as the time frame and sequencing for the progressive achievement of the objectives; and
- (f) raise awareness about their social protection floors and their extension strategies, and undertake information programmes, including through social dialogue.

571. This sequential approach ensures a process of policy formulation and implementation that has its foundations in a careful assessment of the national situation based on the evidence generated by effective monitoring processes (see chapter 12). Linkages with other policy areas, and particularly active labour market policies (see

chapter 11), are taken into account and possible policy options are assessed carefully, including with regard to financing (see chapter 10).

572. National practice shows the important role played by national policies and strategies in the extension of coverage. The majority of governments report that they are in the process of formulating or implementing such a strategic framework. Based on the responses to the questionnaire, national social protection plans, programmes, policies or strategies are currently being implemented in 41 countries, including *Azerbaijan, China, Lithuania, Thailand* and *Zimbabwe*. For example, a social protection strategy was adopted in *Jamaica* in 2014, while in the *Czech Republic* the Social Inclusion Strategy 2014–20 was also approved in 2014, alongside the Employment Policy Strategy and the National Plan for the Promotion of Equal Opportunities for Persons with Disabilities 2015–20. National strategies are currently being formulated in 12 other countries, including *Costa Rica, Islamic Republic of Iran, Paraguay* and *Sri Lanka*, and strategies are planned in seven more countries, including *Georgia, Peru* and *Suriname*. In 18 countries, including *Austria, Mauritius* and *Saint Kitts and Nevis*, there is already a comprehensive social security system, while in four countries (*Finland, Italy, Switzerland* and *United Kingdom*) a strategy is being implemented of fiscal consolidation and the contraction of social spending.

**573. The Committee notes the relevance of the sequential approach set out in Recommendation No. 202 which provides guidance to member States in the progressive realization of the right to social security and in building and maintaining comprehensive and adequate national social security systems that are coherent with national policy objectives (Paragraph 13(2)). This guidance is a core element of the outcome-oriented approach endorsed by the Recommendation. The Committee notes in particular the value of regularly reviewing and updating national social protection policies, based on effective social dialogue and participation. A systematic cycle of policy formulation, implementation and monitoring ensures that countries are in a position to constantly measure progress and adjust policies, where necessary.**

#### 9.2.1. Setting objectives that reflect national priorities and identifying gaps in, and barriers to, protection

574. In accordance with the Recommendation, the formulation of national social security extension strategies should start with the setting of objectives that reflect national priorities (Paragraph 14(a)) and the identification of gaps in, and barriers to, protection (Paragraph 14(b)). Through this process, national strategies can be formulated on the basis of an informed assessment of existing social protection needs and gaps.

575. In general, this type of initial diagnosis requires the mapping of existing schemes, programmes and other mechanisms, their scope and ability to achieve the objectives set, and the identification of their shortcomings. This requires the compilation and analysis of statistical data on the schemes and programmes, as well as on the situation of poverty and vulnerability in the country, and the target groups in need but not yet covered by existing programmes. Such assessments provide the necessary elements for the formulation of a strategy that can reduce the social protection deficits identified more effectively. For example, the introductory chapter of the 2011 National Social Protection Strategy in *Rwanda* assesses the poverty and inequality levels for different groups in society as a basis for setting the objective of poverty reduction as the rationale for social protection.<sup>3</sup> In *Cambodia*, recognizing that poverty remains widespread, leaving many people vulnerable

<sup>3</sup> *Rwanda*, National Social Protection Strategy, 2011, Ministry of Local Government.

and excluded, the first step in the development of the national social protection strategy included scoping and mapping to assess the current state of existing protection mechanisms and the risk of leaving people vulnerable to food and economic crises.<sup>4</sup> Similarly, an assessment was carried out in the *Philippines* of social welfare and protection programmes in terms of the progress made in poverty reduction prior to the formulation of the national social protection framework and strategy.<sup>5</sup>

### 9.2.2. Closing gaps in protection through appropriate and effectively coordinated schemes, including the extension of contributory schemes to all persons with contributory capacity

576. The Committee considers that the design process in the formulation of comprehensive social protection strategies and policies is a key element in the identification of gaps in, and barriers to, protection, the setting of objectives which reflect the national priority to close the gaps (Paragraph 14) and the development of synergies and coherence across the institutions responsible for the delivery of social protection, as well as with other social, economic and employment policies (Paragraph 3(l) and (m); see chapter 11). Based on the initial diagnosis, the Recommendation encourages States to formulate strategies to “close gaps in protection through appropriate and effectively coordinated schemes, whether contributory or non-contributory, or both, including through the extension of existing contributory schemes to all concerned persons with contributory capacity” (Paragraph 14(c)). This builds on the holistic overview resulting from the assessment of existing social protection mechanisms and involves examination of how to build and improve systemic coherence in light of a set of parameters adapted to the specific social, political and economic context in which each social protection system operates. As during the diagnosis phase, it is crucial to ensure an inclusive and participatory process during the policy design phase, when the main policy components are determined.

577. In relation to the specific mechanisms to be adopted, the Recommendation recognizes that there is no one-size-fits-all approach to the development of social security systems, but that each Member “should consider different approaches with a view to implementing the most effective and efficient combination of benefits and schemes in the national context” (Paragraph 9(1)). This acknowledges that the design of a comprehensive social security system generally requires careful analysis of the historical, social, political and economic context in which it is to be implemented. In this respect, the Recommendation emphasizes the need to have recourse to the full range of social protection mechanisms, particularly to reach out to those left outside the scope of protection. Indeed, in view of the differences in the needs and capacities of excluded persons, who may include subsistence farmers, street vendors, own-account workers and those operating micro- and family businesses, it is critical to use multiple protection mechanisms organized in “the most effective and efficient combination of benefits and schemes” (Paragraph 9(1)). These may include non-contributory basic social security guarantees for the most destitute members of society and higher levels of protection whenever affordable and practicable (see section 9.3.1). For example, while unconditional cash transfers may be best suited to cover the basic needs of subsistence farmers, subsidized social insurance contributions may be more appropriate for the urban self-employed and workers in micro- and small enterprises.

<sup>4</sup> Cambodia, National Social Protection Strategy for the Poor and Vulnerable, 2011.

<sup>5</sup> F. Villar: *The Philippine social protection framework and strategy: An overview*, Manila, 2013.

578. For example, in *Myanmar*, the National Social Protection Strategic Plan envisages flagship programmes throughout the stages of the life cycle, some of which are already in place (such as civil service pension schemes), while others are to be developed (such as a cash allowance for the maintenance of children aged 3–15 years).<sup>6</sup> In *Mali*, the National Social Protection Policy and its accompanying plan of action seeks to secure the right to social protection for all citizens, and particularly vulnerable groups, through a life-cycle approach, in line with the Constitution, including the development of mechanisms to address humanitarian crises. Its objectives include improving coordination between the various components of the social protection system and consolidating the various medical schemes with a view to moving towards universal health protection. In *Cambodia*, under the National Social Protection Policy Framework 2016–25, a social assistance system will be established in response to natural disasters and will focus on skills development, vocational training and welfare of the vulnerable, and the social security system will be organized to provide social insurance, including pension, health care, occupational risk, unemployment and disability benefits. Social protection strategies also often contain specific chapters on institutional matters, specifying the roles and responsibilities of the actors responsible for leadership, coordination, implementation and delivery of the various programmes that make up the national social protection system. For example, the National Social Protection Policy Framework in *Cambodia* contains specific recommendations for the revision of the institutional structure to ensure a clear division of duties at the policy, regulatory and operational levels, particularly through the establishment of a National Social Protection Council for policy coordination. In *Jamaica*, Vision 2030 Jamaica and the National Social Protection Strategy endorse the rights-based approach to social security for all citizens. The national strategy contains a chapter outlining the need for a strong collaboration network and institutional framework to ensure the coherence of the various contributory and non-contributory schemes and benefits.

579. According to the *International Trade Union Confederation (ITUC)*, the State has an essential role to play in combining social insurance and social assistance schemes to achieve the objective of comprehensive social protection in line with Convention No. 102 and Recommendation No. 202. Policies to achieve both the horizontal and vertical extension of coverage are therefore necessary to protect excluded groups, for example, by extending benefits to informal workers and workers with atypical contracts, while at the same time expanding the adequacy and comprehensiveness of social security systems. In general, the *ITUC* therefore supports ILO technical cooperation through its flagship programme to assist countries to identify shortcomings in their social security systems, facilitate social dialogue on social protection and provide advice on reform processes. However, it considers that the ILO could do more to provide targeted policy advisory support to governments to counter the ill-founded advice provided by the international financial institutions to retrench social protection and that it should promote greater coherence between international organizations in the field of social protection. The *International Organisation of Employers (IOE)* indicated that the general principles set out in Paragraph 3 of the Recommendation<sup>7</sup> are key in designing and implementing social security extension strategies and allow flexibility to achieve the desired policy objectives and supports the steps suggested by paragraph 14 of the Recommendation in implementing social security extension strategies. The *IOE* believes that, when implementing the Recommendation, governments should: (i) engage with employer organizations at an early

<sup>6</sup> *Myanmar*, National Social Protection Strategic Plan, 2014.

<sup>7</sup> The principles (h) to (k) and the first part of (r) are particularly important for employers, especially if employers are a major funder for social protection measures. Similarly, coherence with social, economic and employment policies (principle (l)) is important as it links with the economic field.



stage to ensure that implementation does not impinge the sustainability of enterprises; (ii) encourage sufficient due diligence prior to any decision made on implementation, including thorough research on the current social security situation, cost-benefit analyses of the proposed changes, examination of the potential impact and consequences, as well as consideration of realistic priorities; (iii) create possible options for prioritising actions to achieve maximum effectiveness and impact over time; and (iv) maintain a comprehensive understanding of national legal systems and practices to effectively and efficiently act in accordance with current practice. *BusinessNZ* indicates that it does not support the development of overall national strategies, as needs are seldom static and changing times will require changing responses. Flexibility is required to allow reasonably rapid responses, although speed is not necessarily inherent in State provision and private sector input can sometimes help to fill unmet needs.

580. The Committee notes that, pursuant to the Recommendation, in order to ensure that all in need of protection benefit from at least the basic social security guarantees throughout the life cycle, tax-financed social protection mechanisms, in combination with other types of social services and schemes, should be implemented in parallel with contributory schemes, and should be based on equitable and sustainable financing mechanisms. Tax-financed schemes are an important means of implementing the basic social protection guarantees as a fundamental element of comprehensive social protection systems, and are instrumental in achieving the transition from floor level to higher levels of protection. Most countries have embarked on the development of national social protection strategies and policies using tax-financed benefits to achieve their nationally defined social protection floor. Such mechanisms are crucial in the transition from safety net mechanisms, which provide only remedial and residual help to those in need, to an enabling approach that supports individuals, families and communities to protect their livelihoods and build a better future.

**581. The Committee is of the view that the creation of effective bridging mechanisms between tax-financed income security schemes which provide floor levels of protection towards higher levels of protection through contributory protection mechanisms is a complex process which has to be commenced at the macro policy level, as it requires significant changes in the scope and focus of existing contributory and non-contributory programmes. This process involves building synergies between existing programmes with a view to achieving the transition “as soon as possible” from basic to higher levels of income security. For this purpose, effective gateways need to be developed already at the policy design stage between floor level and higher levels of protection, and should have their basis in the national legal framework. This can only be achieved through measures to promote systemic coherence in a context of overall coordination with other economic and social policies.** The Committee notes with concern the indication by the *ITUC* in its report that over 100 governments worldwide are considering a reduction of welfare spending, often targeting the social protection of the most vulnerable groups, and that social protection is often seen merely as a cost which hinders competitiveness. The *ITUC* therefore urgently calls for the reversal of austerity measures and the avoidance of further cuts to prevent an increase in poverty and social exclusion and to support sustainable and inclusive economic growth. Social assistance schemes financed through progressive taxation can help to ensure the necessary fiscal space and solidarity to achieve universal social protection.

582. When designing the tax-financed components of comprehensive social protection policies and systems, the Committee therefore calls on member States to give careful consideration, from the policy design stage, to the full range of potential mechanisms and to evaluate whether the policy should merely target the establishment of a safety net for

the most vulnerable and marginalized, or rather a comprehensive and rights-based social security system aimed at protecting every member of society from living in, or falling into, poverty, as advocated by the Universal Declaration of Human Rights, and the realization of their right to social security through an appropriate combination of mechanisms. **In this regard, in line with the international human rights framework, the Committee encourages member States to realize progressively universal social protection for all, based on social solidarity, and to establish the necessary policy, legal and financing frameworks for this purpose in accordance with the Recommendation.**

9.2.3. Specification of financial requirements and resources, as well as the time frame and sequencing, for the progressive achievement of the objectives

583. In view of their importance already at the policy level, the Recommendation calls on Members to “specify financial requirements and resources, as well as the time frame and sequencing for the progressive achievement of objectives” (Paragraph 14(e); see chapter 10). It emphasizes the importance of setting time frames for the implementation of policy objectives, as well as the order in which the objectives and the corresponding measures are to be taken. In this respect, the Committee notes that the National Social Protection Strategy in *Lesotho*, launched in 2015, includes an implementation plan setting out an annual schedule for the expansion of the various programmes between 2014 and 2015 and 2018 and 2019. In recognition of the importance of financing issues, and with a view to ensuring an informed policy-formulation process, based on transparency and accountability, a costing of the various policy options under consideration should normally be undertaken during the design phase, ideally combined with an ex ante assessment of their expected impact. Clearly, this is closely related to the principle that social protection policies and systems should be based on “solidarity in financing while seeking to achieve an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes” (Paragraph 3(h)). In this respect, member States are encouraged to consider a “diversity of methods and approaches” to financing (Paragraph 3(i)), which should be subject to “transparent, accountable and sound financial management and administration” (Paragraph 3(j)), in accordance with the principle of “financial, fiscal and economic sustainability with due regard to social justice and equity” (Paragraph 3(k)).<sup>8</sup>

584. Due consideration of financing, timing and sequencing issues is clearly essential for the effective design of social protection policies and systems, and many policies and strategies are based on an elaborate consideration of the manner in which the costs of individual programmes and the system as a whole will be financed through a combination of taxes and employee and employer contributions. For example, the National Social Protection Strategy in *Lesotho* is based on the findings of an elaborate micro-simulation model which considers the potential effect of different social protection systems on poverty and their associated costs. The Government of *Burkina Faso* indicates that, with a view to the implementation of the National Social Protection Policy, a national social protection fund will be created, financed by the state budget, the private sector, civil society and various development partners. In *Uzbekistan*, the Action Strategy on the Five Priority Areas for Development 2017–21 specifies the time frames and financial resources required for the progressive achievement of its objectives. Similarly, in *Montenegro*, annual action plans have been developed setting out the specific measures to be taken for the implementation of the 2018–22 Strategy for the Development of the Social and Child

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<sup>8</sup> See also ch. 10.

Care System. Funding for the implementation of the measures is planned from the central and municipal budgets. For example, funding from the state budget is allocated for the implementation of the Law on Social and Child Protection on the basis of the number of current and projected beneficiaries. Benefits are reported to be paid regularly on a monthly basis, due largely to the effective financial planning. In contrast, some framework documents do not cover this issues, but merely refer to the need to undertake costing at a subsequent stage. A number of strategies also consider accountability mechanisms, including monitoring and evaluation (see chapter 12).

**585. With a view to enabling the stakeholders involved in policy design and implementation to make informed decisions, and to ensure transparency and accountability, the Committee emphasizes the importance of conducting cost assessments, and ideally also ex ante assessments of the expected impacts, together with studies assessing financial (including actuarial) and institutional feasibility, and of ensuring that their results are reflected in the policy and strategic frameworks.<sup>9</sup> In this respect, the Committee also notes the importance of the specification of time frames and sequencing as a basis for translating the concept of the progressive realization of the right to social security into concrete guidance for the policy formulation and implementation process, supplemented by the monitoring of progress and, where appropriate, the necessary adjustments.**

#### 9.2.4. Raising awareness of social protection floors and extension strategies, and undertaking information programmes, including through social dialogue

586. Paragraph 14(f) calls on Members to “raise awareness about their social protection floors and their extension strategies, and undertake information programmes, including through social dialogue”. In many cases, a lack of awareness of rights and entitlements, as well as obligations, with regard to social protection is one of the barriers to effective coverage, particularly for persons in the informal economy and vulnerable groups.

587. The Committee notes in this respect that in many countries, including *Ecuador*, *Mexico*, *Montenegro*, *Morocco*, *Nigeria*, *Paraguay*, *Tajikistan* and *Turkmenistan*, information is disseminated on social protection floors and extension strategies, for example through printed materials, television and radio programmes, and also increasingly, the digital media. In *Paraguay*, the Government is preparing a strategy for the development of a social security culture, with the aim of raising awareness of social protection, which includes the establishment of platforms to facilitate access to relevant information and the strengthening of the role of the Tripartite Advisory Council in social security matters. In *Tajikistan*, the national dialogue on the extension of social protection floors will also include awareness-raising measures. However, *BusinessNZ* considers that efforts to raise the awareness of individuals concerning their entitlements have not always been successful.

**588. The Committee welcomes the emphasis placed in Recommendation No. 202 on raising awareness of social protection floors and extension strategies and recalls the key importance of awareness in attaining universal coverage and more adequate benefits, particularly for persons in the informal economy and vulnerable groups.**

<sup>9</sup> The Committee notes that in its advisory work the ILO often uses a combination of costing and ex-ante impact assessments to allow the simultaneous consideration of costs and expected impact of certain measures. See, for example, ILO: *Rationalizing social protection expenditure in Ghana: Consolidated report*, Geneva, 2015.

### 9.3. Specific considerations regarding the formulation and implementation of national social security extension strategies

#### 9.3.1. Strategies for the extension of social security to workers in the informal economy and the transition from the informal to the formal economy

589. Recommendation No. 202 emphasizes that “[s]ocial security extension strategies should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality” (Paragraph 15). The dual strategy of promoting both the horizontal and vertical extension of coverage, as set out in Recommendation No. 202, is also reflected in the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). Both Recommendations emphasize the importance of social protection floors in guaranteeing at least a basic level of coverage for those in the informal economy, and of extending contributory social insurance mechanisms.<sup>10</sup> Social protection policies contribute to facilitating the transition of workers and economic units from the informal to the formal economy, including by promoting the creation, preservation and sustainability of enterprises and decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies (Recommendation No. 204, Paragraph 1(a) and (b)).

590. Policies for the extension of coverage should not only apply to traditional forms of informal work, but also newly emerging forms of informal activity, including work in the digital economy.<sup>11</sup> Many countries have recognized the need to step up efforts to extend coverage to those categories of workers. For example, the G20 Labour and Employment Ministers have reaffirmed their commitment to “actively promote access to adequate social protection for workers in all forms of employment and work arrangements, and to foster non-discrimination and fair treatment regardless of the individual employment status”.<sup>12</sup> The BRICS Labour and Employment Ministers have recognized that “more efforts are necessary to close coverage and adequacy gaps, with particular attention to young people and women, the self-employed, workers in rural areas and in the informal economy, also with a view to facilitating their transition from the informal to the formal economy” in accordance with Recommendation No. 204. They have also noted that “[e]nsuring adequate protection for workers across different contractual arrangements is essential for safeguarding their income security and effective access to health care; facilitating the mobility of workers; and for ensuring social justice and economic development”.<sup>13</sup> The European Pillar of Social Rights provides that “[r]egardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed, have the right to adequate social protection”.<sup>14</sup>

<sup>10</sup> Recommendation No. 202, Paras 3(e), 10(c), 14(c) and 15, and Recommendation No. 204, Paras 18–20.

<sup>11</sup> ILO: *Innovative approaches for ensuring universal social protection for the future of work*, Issue Brief No. 12, prepared for the 2nd Meeting of the Global Commission on the Future of Work, Geneva, 2018.

<sup>12</sup> G20: “Fostering opportunities for an inclusive, fair and sustainable future of work”, conclusions of the Ministers Meeting of the G20 Ministers of Labour and Employment, Mendoza, Argentina, 6–7 Sep. 2018.

<sup>13</sup> BRICS (*Brazil, Russian Federation, India, China and South Africa*): *Declaration*, Labour and Employment Ministers Meeting, Durban, 3 August 2018.

<sup>14</sup> European Union: *European Pillar of Social Rights*, 2017, principle 11.

591. **The Committee emphasizes that, in a context of prevailing high, and even growing levels of informality,<sup>15</sup> and persistent inequality, poverty and vulnerability,<sup>16</sup> it is of the utmost importance for national social security extension strategies to include effective protection measures for workers in the informal economy and to facilitate their transition to the formal economy. Guaranteeing at least a basic level of income security and essential health care for all through a nationally defined social protection floor is essential to foster social justice and inclusive development, and to promote decent and productive employment, as recognized in Recommendations Nos 202 and 204. Social protection policies can also play a major role as an integral component of national strategies aimed at transitioning towards formal employment with a view to progressively achieving higher levels of labour and social protection for as many persons as possible.**

592. As highlighted in Paragraph 14(c) of the Recommendation, gaps in protection can be closed through contributory or non-contributory schemes, or an appropriate and effectively coordinated combination of both, including through the extension of existing contributory schemes to all concerned persons with contributory capacity. In practice, the social security systems in most countries combine social insurance and tax-financed schemes, often supplemented by social services and other measures, as reflected in Recommendations Nos 202 and 204. In some countries, a basic level of protection is financed from general taxation, and is topped up with social insurance. In others, social insurance is the main mechanism, supplemented by non-contributory benefits for persons not adequately covered by social insurance.<sup>17</sup> For persons with limited or no contributory capacity, non-contributory benefits may be the most appropriate mechanism to address poverty and exclusion, while others can be covered by the extension of contributory mechanisms.<sup>18</sup> Recommendation No. 202 therefore calls for the development and maintenance of policies adapted both to persons “in the formal and informal economy” (Paragraph 15) and “disadvantaged groups and people with special needs” (Paragraph 16).

593. The extension of social insurance to categories of workers with contributory capacity who were previously not covered, including through entirely or partially subsidizing contributions, is increasingly being used as a means of ensuring protection and fostering formalization. The majority of governments (50) report that their national objectives and priorities in the area of social protection include the extension of existing contributory schemes. This sometimes requires certain adaptations of the legal framework, financing arrangements or administrative procedures to take into account the specific characteristics of these categories of workers. For example, in some countries, such as *Viet Nam*, thresholds of minimum hours, earnings or the duration of employment have been eliminated or reduced to enhance the protection of workers who were previously legally excluded, namely those in part-time and temporary employment.<sup>19</sup> In other countries, reforms have been undertaken to enhance the protection of self-employed workers. For

<sup>15</sup> ILO: *Women and men in the informal economy: A statistical picture*, third edition, Geneva, 2018.

<sup>16</sup> ILO: *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017.

<sup>17</sup> In the area of old-age pensions, country examples of the first category include: *Mauritius* and *Sweden*, and for the second category *Cabo Verde* and *Germany*.

<sup>18</sup> Recommendation No. 204 provides that: “Through the transition to the formal economy, Members should progressively extend the coverage of social insurance to those in the informal economy and, if necessary, adapt administrative procedures, benefits and contributions, taking into account their contributory capacity.” (Para. 20).

<sup>19</sup> ILO: *Non-standard forms of employment around the world: Understanding challenges, shaping prospects*, Geneva, 2016.

example, in *Canada*, employment insurance covers self-employed workers in respect of maternity, parental, sickness, compassionate care and family caregiver benefits. The Social Insurance Institution in *Turkey* covers taxi drivers, agricultural workers, household employees and artists. The Government of *China* is determined to expand the existing contributory schemes to cover all relevant personnel who have the ability to contribute. In *Cabo Verde* and *Costa Rica*, broad income categories are applied to facilitate the coverage of self-employed workers, and in *Argentina*, *Brazil* and *Uruguay*, simplified tax and contribution payment mechanisms (*monotax/monotributo*) are being used to facilitate the coverage of certain categories of the self-employed and micro-enterprises.<sup>20</sup> In the case of *Uruguay*, these mechanisms have also allowed the coverage of drivers using digital platforms (such as Uber) through a specific mobile application.<sup>21</sup>

594. Progress in the extension of coverage is particularly notable in the area of health protection. In *China*, the number of people covered by health insurance increased tenfold between 2003 and 2013 and now represents 96.9 per cent of the population.<sup>22</sup> In *Colombia*, progress has been made in extending health protection, and affiliation to social health insurance is estimated to have risen from 25 per cent of the population in 1993 to 96 per cent in 2014.<sup>23</sup> Significant efforts have also been made in *Rwanda* to develop health-care schemes at the national and community levels, making it possible for most people to access affordable health care, with the result that 96 per cent of the population was covered by the various health insurance schemes in 2011, most of them (91 per cent) through community-based health insurance (CBHI) schemes.<sup>24</sup> The Universal Coverage Scheme (UCS) was implemented in *Thailand* in 2001 through the amalgamation of several health insurance schemes to reach a large number of persons who had not previously been covered, particularly in the informal economy.<sup>25</sup>

595. These approaches have generally resulted in the discouragement of unprotected forms of employment as part of broader strategies to foster the transition from the informal

<sup>20</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 174; *Non-standard forms of employment around the world*, 2016, op. cit.

<sup>21</sup> International Social Security Association (ISSA): “Formalizing enterprises and workers in the shared economy (transporting passengers using mobile phone applications: Uber, Cabify, EasyGo): A Case of the Social Insurance Bank”, *Good Practices in Social Security*, Geneva, 2017; C. Behrendt, and Q.A. Nguyen: *Innovative approaches for ensuring universal social protection for the future of work*, ILO Future of Work Research Paper Series No. 1, ILO, Geneva, 2018.

<sup>22</sup> Health insurance is provided through three main schemes: for urban workers, for urban residents and for rural residents. The first scheme provides a comprehensive benefit package that covers about 81 per cent of insurable costs. The latter two schemes are insurance schemes that cover over half of insurable medical costs up to a limit, and reach 1.1 billion people. While those two schemes are formally voluntary, the Government covers part or all of health expenditure of poor families. See ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 116.

<sup>23</sup> The health system is based on the principle of universality, which obliges all citizens to join either the scheme for those with contributory capacity or the subsidized scheme for low-income workers. Members of both schemes are entitled to the same benefits. The share of live births attended by skilled health staff is 99.2 per cent. *World Social Protection Report 2017–19*, 2017, op. cit., p. 116.

<sup>24</sup> The CBHI schemes subsidize the contributions of poor and vulnerable people, which has helped to extend coverage to otherwise excluded groups. They have greatly contributed to improving health standards in *Rwanda*, including increased life expectancy and reduced child and maternal mortality. The Committee observes that the experience of *Rwanda* shows that progress is possible in low-income countries, even when the vast majority of people live in rural areas and are part of the informal economy. ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 116.

<sup>25</sup> The objective of the scheme is “to equally entitle all Thai citizens to quality health care according to their needs, regardless of their socio-economic status”. This goal is based on the universality principle. The UCS was conceived as a scheme for everybody and not a scheme targeted at the poor, vulnerable and disadvantaged. *World Social Protection Report 2017–19*, 2017, op. cit., p. 116.

to the formal economy, which not only enhances the protection of workers, but also reduces unfair competition for enterprises.<sup>26</sup> These strategies include: the lifting of legal or administrative barriers to affiliation in social protection schemes and/or partially or totally subsidizing contributions for certain categories of persons. Other approaches include greater flexibility in the contributions required to qualify for benefits, for example, by allowing interruptions in contribution records for specific categories of persons, such as agricultural workers, to permit the regularization of contribution arrears following the harvest. Other measures include enhancing the portability of benefits between different social security schemes and types of employment to avoid gaps in coverage and the loss of the rights acquired under one scheme when moving to another.<sup>27</sup>

**596. The Committee observes that the development of policies for the integration of persons who are not protected into mainstream contributory or non-contributory social security schemes through the removal of legal, financial and administrative barriers, and measures to promote the formalization of economic structures through better compliance and incentives sets in motion a virtuous cycle of sustainable development and guarantees higher levels of social protection coverage.** Facilitating access and simplifying administrative procedures can enhance social insurance coverage for certain categories of workers, such as the self-employed, workers in small and micro-enterprises, and part-time and temporary workers. At the same time, mechanisms are required to ensure protection for those in need who lack contributory capacity. Social protection policies should be duly coordinated with other major public policies aimed at formalizing economies, including tax, education and employment policies. Such policies are key to building and maintaining comprehensive, inclusive and adequate systems, the horizontal and vertical dimensions of which are guided by the objective of achieving the full range and levels of benefits set out in Convention No. 102 and other ILO social security Conventions and Recommendations setting out more advanced standards. **To this effect, the Committee considers that workers with contributory capacity should in principle be covered by contributory income security mechanisms which provide higher levels of social protection than those available through the basic social security guarantees, while also contributing to formalization strategies. It may be necessary to adapt existing mechanisms to the situation of specific categories of workers in order to secure adequate levels of income protection relative to their needs. A strategy of this nature allows countries to ensure the sustainable and equitable financing of social security systems, based on the principles of collective financing, risk sharing and solidarity. The Committee notes in this respect the importance of designing policies that are inclusive of persons with a limited contributory capacity, for example, by subsidizing their contributions.**

597. In accordance with the Recommendation, tax-financed social protection mechanisms, in combination with other social services and schemes, should be implemented in coordination with contributory schemes in order to ensure that all in need of protection benefit from at least basic social security guarantees throughout the life cycle. As outlined in chapter 10, these mechanisms should be based on equitable and sustainable financing mechanisms that ensure at least a basic level of protection for persons with no or a limited contributory capacity, with a view to progressively lifting them from the floor level to higher levels of protection. Most countries, including: *Argentina, Belgium, Canada, China, Kyrgyzstan, Lesotho, Mexico, Namibia, Portugal and Viet Nam*, have embarked on the development of national social protection strategies and policies financed

<sup>26</sup> *World Social Protection Report 2017–19*, 2017, op. cit., p. 173.

<sup>27</sup> ILO: *Non-standard forms of employment around the world*, 2016, op. cit.

through taxation to guarantee a social protection floor. **When designing the tax financed components of comprehensive social protection policies and systems the Committee calls on States therefore to carefully design policies, programmes and benefits so to establish an effective social protection floor in line with Recommendation No. 202, as a comprehensive and rights-based mechanism aimed at protecting every member of society from living in, or falling into, poverty as advocated by the Universal Declaration of Human Rights. In this regard, in line with the international human rights framework, the Committee encourages member States to take appropriate measures towards the full realization of the right to social security to the maximum of their available resources, including fiscal resources, to prioritize the implementation of their nationally-defined social protection floor as to guarantee at least a minimum level of social security guarantees (Paragraph 13(1)) as part of their efforts to progressively build and maintain comprehensive and adequate social security systems (Paragraph 13(2)) that provide for the effective protection of those who are most vulnerable.**

### 9.3.2. Ensuring support for disadvantaged groups and people with special needs and the achievement of universal protection

598. The Committee recalls that, in accordance with the principle of universal protection, based on social solidarity, the progressive extension of the basic social security guarantees should ensure support for disadvantaged groups and persons with special needs (Paragraph 16). The Recommendation does not list specific groups, but instead uses an open formulation calling for action to give effect to Paragraphs 3(d) and 16. The Committee notes that the term “special needs” is used in ILO standards to refer to groups such as children,<sup>28</sup> young persons,<sup>29</sup> women,<sup>30</sup> persons with disabilities,<sup>31</sup> indigenous and tribal peoples,<sup>32</sup> migrant workers,<sup>33</sup> workers with family responsibilities,<sup>34</sup> seafarers,<sup>35</sup> workers in agriculture<sup>36</sup> and rural workers.<sup>37</sup> It further notes that, in the case of some of these groups, specific guidance has been developed in human rights instruments and ILO standards<sup>38</sup> to address their special social protection needs through responsive

<sup>28</sup> HIV and AIDS Recommendation, 2010 (No. 200), Para. 36; and the Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203), Para. 10.

<sup>29</sup> Recommendation No. 200, Para. 36; and the Human Resources Development Recommendation, 2004 (No. 195), Para. 5.

<sup>30</sup> The Safety and Health in Agriculture Convention, 2001 (No. 184), Art. 18.

<sup>31</sup> Recommendation No. 195, Para. 5.

<sup>32</sup> Indigenous and Tribal Populations Convention, 1957 (No. 107), Art. 17; the Indigenous and Tribal Peoples Convention, 1989 (No. 169), Art. 27; and Recommendation No. 195, Para. 5. See also ILO: *Social protection for indigenous peoples*, Social Protection for All Issue Brief, Geneva, 2018.

<sup>33</sup> Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), Art. 12; the Migrant Workers Recommendation, 1975 (No. 151), Para. 9; and Recommendation No. 195, Para. 5.

<sup>34</sup> Preamble to the Workers with Family Responsibilities Convention, 1981 (No. 156); and the Workers with Family Responsibilities Recommendation, 1981 (No. 165), Paras 14 and 19.

<sup>35</sup> The Seafarers’ Welfare Recommendation, 1987 (No. 173), Para. 3.

<sup>36</sup> Convention No. 184, Art. 18.

<sup>37</sup> The Rural Workers’ Organisations Recommendation, 1975 (No. 149), Para. 8; and Recommendation No. 195, Para. 5.

<sup>38</sup> Committee on Economic, Social and Cultural Rights (CESCR): General Comment No. 5: Persons with disabilities, New York, 9 December 1994 (E/1995/22); United Nations: *Report of the Special Rapporteur on the rights of persons with disabilities*, New York, 2015 (A/70/297); UNICEF et al.: *Joint statement on advancing child-*



means and approaches, integrated into a wider policy framework.<sup>39</sup> The Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), is the only other ILO social security standard which refers to special measures to meet the needs of disadvantaged groups (Article 8), which shall not be considered as unequal treatment or discriminatory (Article 6(2)).

**599. The Committee considers that, while pursuing the objective of universality, it is often necessary at the policy design phase to determine, in light of the capacities and context of each country, the measures necessary to ensure that the needs of disadvantaged groups and those with special needs are met as a matter of priority.** In this regard, the Committee welcomes in particular the Guiding Principles on Extreme Poverty and Human Rights,<sup>40</sup> adopted by the United Nations Human Rights Council in 2012, which provide additional guidance in line with Recommendation No. 202, based on the recognition that poverty risks for disadvantaged groups tend to be significantly higher than for other groups, and that poverty itself constitutes an important disadvantage that hampers the full enjoyment of human rights.<sup>41</sup> The Guiding Principles emphasize that, while pursuing the progressive extension of coverage, “priority should be accorded to the most disadvantaged and marginalized groups” and that specific measures should be taken “to ensure that persons living in poverty, in particular women and those working in the informal economy, have access to social security benefits, including social pensions, which are sufficient to ensure an adequate standard of living and access to health care for them and their families”.<sup>42</sup>

**600. The Committee emphasizes the need to design, implement and monitor social protection policies, strategies and the respective legal framework in a transparent, sustainable and inclusive manner that meets the needs of disadvantaged groups and people with special needs.**<sup>43</sup> In this respect, the participation and consultation of such groups are essential at all stages of the policy process, as part of broad and inclusive social dialogue and social participation, in line with Paragraph 13(1) of the Recommendation.

**601. The Committee also notes the reference in the Guiding Principles to financial resources and the need to “allocate the resources necessary to progressively ensure universal access to social security for all and the enjoyment of at least the minimum essential levels of economic, social and cultural rights”.**<sup>44</sup> The Committee emphasizes the importance of the allocation of sufficient resources to achieve this objective, which may require consideration of the available fiscal resources and, if necessary, the option of mobilizing additional resources to address the needs of the population, in particular disadvantaged groups and people with special needs (see chapter 10). In this respect, the *ITUC* indicates that inclusive social protection systems that are universally available to all have been found to be more effective and less costly to administer than highly targeted schemes for the extreme poor.

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*sensitive social protection*, New York, 2009; ILO: *Social protection for indigenous peoples*, 2018, op. cit.; ILO: *Guide on extending social protection to migrant workers, refugees and their families*, Geneva, 2018.

<sup>39</sup> For greater detail, see Parts II and III above.

<sup>40</sup> United Nations: “Guiding principles on extreme poverty and human rights”, Human Rights Council, New York, 2012 (A/HRC/RES/21/11).

<sup>41</sup> M. Sepúlveda, C. Nyst, and H. Hautala: *The human rights approach to social protection*, Ministry of Foreign Affairs of Finland, Helsinki, 2012.

<sup>42</sup> United Nations: *Guiding principles on extreme poverty and human rights*, 2012, op. cit., para. 86(a) and (c).

<sup>43</sup> *ibid.*, para. 86(d).

<sup>44</sup> *ibid.*, para. 86(a).

602. The Committee acknowledges that, in a context of the limited availability of resources, countries face difficult decisions in defining eligibility criteria in their nationally defined social protection floors in a manner that ensures the coverage of disadvantaged groups and persons living in poverty as a matter of priority. Governments are faced with the issue of how to define such eligibility criteria (also referred to as targeting), and in particular whether to introduce some form of means testing, given the complex and dynamic nature of poverty, which results in a high level of movement within, as well as in and out of poverty. While all targeting mechanisms have their strengths and weaknesses, their respective outcomes depend not only on the specific mechanisms adopted, but also their implementation. Choices therefore have to be made when developing policies and strategies, which often imply trade-offs between costs and the accuracy of targeting.

603. Various forms of targeting are applied at the national level. In some cases, to avoid the generally high administrative costs of targeting, self-selection may be an option, although this often involves the provision of relatively unattractive benefits so as to limit claims to those in greatest need of support. Alternatively, in most cases, targeting is based on means, with individual or household resources (income and/or assets) being evaluated against a threshold to determine eligibility for benefits. Means-tested targeting often enjoys political and public support, as it is seen as an effective means within the constraints of the available fiscal space. For example, in *Egypt*, in 2017, national dialogue led to the development of a social protection floor and the establishment of the Karama programme as a means-tested benefit for poor older persons above the age of 65. In *Bulgaria*, a non-contributory means-tested pregnancy grant is provided for uninsured women.<sup>45</sup> In certain cases, such as *Costa Rica* and *Ecuador*, child benefits are provided through non-contributory means-tested schemes only, although coverage rates are low at 18 and 7 per cent, respectively.

604. The Committee notes that in practice, in order to reduce the pitfalls associated with individual targeting methodologies, a combination of targeting mechanisms is being used in many countries with the objective of directing resources to those most in need. For example, the Pantawid Pamilya programme in the *Philippines* uses geographical targeting at the community level, together with proxy means testing (PMT), to target the poorest municipalities, with the list of selected households also being subject to community approval before eligibility is finalized. In *Bangladesh*, the Maternity Allowance Programme (MAP) for poor nursing mothers, introduced in 2008, provides poor women in rural areas aged 20 and over with one-time support during their first or second pregnancy. In *Peru*, the conditional cash transfer programme JUNTOS, introduced in 2005, provides cash transfers for pregnant women, children and young persons up to the age of 19 years who are living in extreme poverty. In *Thailand*, a social insurance child allowance is combined with the more recent child support grant, a non-contributory means-tested monetary transfer for families with children up to three years of age. Much progress has been made in *South Africa* in the universal coverage of persons with disabilities through a combination of means-tested disability benefits: care dependency grants (CDG), which cover 145,000 children with severe disabilities; disability grants (DG) for 1.1 million working-age adults with disabilities who are unable to work; and grants-in-aid (GIA), which have provided additional benefits since March 2017 for 166,000 recipients of CDGs

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<sup>45</sup> For further examples of maternity benefits, see ILO: *Maternity cash benefits for workers in the informal economy*, Social Protection for All Issue Brief, Geneva, 2016.

and DGs who require higher levels of protection.<sup>46</sup> In *Lithuania*, in addition to the periodic means-tested family and childcare benefits, a long-term care allowance for children with disabilities and a lump-sum benefit for the birth or adoption of a child are not means-tested.

605. In the case of the PMT targeting methodology, income or assets are not actually assessed, due largely to the unavailability of data, but eligibility is determined on the basis of a prediction based on the characteristics of other households (proxies) that are considered to be easily observable and highly correlated with deprivation. However, the Committee notes that evidence points to the considerable inaccuracy and ineffectiveness of PMT which in practice excludes many poor people and is often associated with high exclusion errors (sometimes ranging between 50 and 93 per cent).<sup>47</sup> In addition, this approach involves high administrative costs, due to the fact that it requires strong and often complex implementation mechanisms for the selection of beneficiaries, frequent eligibility re-assessments and the maintenance of up-to-date information systems to assess the targeting criteria. The PMT has also been associated with social and political costs that have been shown to lead to social conflict and the stigmatization of beneficiaries. **The Committee therefore expresses serious concern with regard to the use of such mechanisms, which do not often provide a substantive evidence base for eligibility assessments, and frequently result in the exclusion from much needed protection of large numbers of persons who should be eligible, including many of the most vulnerable.**

606. The Committee observes that alternative approaches can be focused on more broadly defined vulnerable groups, on the basis of easily defined categories, such as children, older persons or people who live in low-income areas. Objective and clear eligibility criteria, such as age, health or disability status, and geographical area, tend to result in better outcomes in terms of transparency, accountability, social acceptance and reduced costs associated with targeting, and that they also facilitate recourse to complaint and appeal mechanisms by beneficiaries. The Committee notes in this respect that a number of programmes now include measures aimed at improving acceptance, accountability and transparency through the inclusion of independent grievance procedures at the project design stage as a means of correcting targeting decisions.<sup>48</sup> **Since some targeting methods, such as PMT, although intended to serve the poorest of the poor, often result in weak and ineffective schemes, the Committee observes that, where targeting is necessary, more inclusive programmes often achieve similar or better results than narrowly targeted programmes, particularly in terms of the inclusion of the intended beneficiaries and the avoidance of undesirable drawbacks, such as those observed with PMT.**

607. **The Committee recalls that the objective of universal protection implies the progressive access of the entire population to the necessary protection, irrespective of the social protection mechanism used.** This can be achieved through universal schemes covering all persons belonging to a certain category of the population, or a

<sup>46</sup> Global Partnership for Universal Social Protection, *Universal disability grants in South Africa*, Universal Social Protection Series, Washington, DC, World Bank, Geneva, ILO, 2016; South African Social Security Agency (SASSA): *Statistical summary of social grants in South Africa*, Pretoria, 2017, Issue 4.

<sup>47</sup> C. Brown, M. Ravallion, and D. van de Walle: *A poor means test? Econometric targeting in Africa*, Policy Research Working Paper No. 7915, World Bank, Washington DC, 2016; S. Kidd, B. Gelders, and D. Bailey-Athias: *Exclusion by design: An assessment of the effectiveness of the proxy means test poverty targeting mechanism*, Extension of Social Security Working Paper No. 56, Geneva, ILO, 2017.

<sup>48</sup> See, for example, the Hunger Safety Net Programme in *Kenya*.

combination of different social protection schemes which together guarantee universal protection. As such, a benefit for all older persons, such as those in *Lesotho*, *Mauritius*, *Namibia* and *Nepal*, or a benefit targeting persons in need or who are not receiving another contributory benefit, such as the social old-age pension in *Tajikistan*, are fully aligned with the principle of progressive universality set out in Recommendation No. 202. Universal protection for children is achieved in *Argentina* through a combination of contributory and non-contributory child and family benefit schemes.<sup>49</sup> In *India*, the Indira Gandhi Matritva Sahyog Yojana (IGMSY) programme, launched in 2010 in 52 pilot districts, provides maternity cash benefits for pregnant and breastfeeding women aged 19 and over, irrespective of their employment status, with the aim of improving the health and nutritional status of women and their first two children.<sup>50</sup> In *Viet Nam*, a universal social pension scheme covers all older persons over the age of 80, while the pension is means-tested for persons aged 60–79.

**608. The Committee observes that progressive realization also implies the principle of non-retrogression.** It therefore calls for particular caution in situations where measures are under consideration to restrict universal benefits to certain categories of the population in an effort to reduce expenditure and achieve fiscal savings, which may result in the effective exclusion of some groups of the population from protection, often adversely affecting the most vulnerable. In some cases, such policy decisions are being made in the context of fiscal consolidation programmes with the support of the international financial institutions.<sup>51</sup> **Recognizing that universal protection can be achieved through different means, the Committee invites member States and the international financial institutions to ensure that the progress achieved in building nationally defined social protection floors is not reversed, particularly for disadvantaged groups and people with special needs. The Committee therefore invites policymakers to give full consideration to the possible impacts of the use of means-tested or proxy means-tested schemes, and particularly their suitability to address social protection deficits in light of the specific national circumstances. The Committee considers that, before opting for one targeting mechanism rather than another, policymakers should consider carefully all policy options from a rights-based perspective and evaluate their respective advantages and drawbacks, including the high costs incurred by certain targeting mechanisms, especially in terms of data collection, processing and regular reassessments. The Committee emphasizes that broad and participatory consultations at the policy-design phase, as well as the implementation and evaluation phases, as called for by Recommendation No. 202, are key to reaching broad consensus on policy objectives, coverage gaps and priorities in the identification of the groups most in need of protection, the definition of eligibility criteria, and registration and delivery mechanisms. The Committee notes that schemes are more effective when eligibility criteria and targeting mechanisms are transparent and easily understandable for both beneficiaries and the actors involved in delivery.**

<sup>49</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 17.

<sup>50</sup> *ibid.*, p. 37; ILO: *Maternity cash benefits for workers in the informal economy*, 2016, op. cit.

<sup>51</sup> A recent report by the United Nations Special Rapporteur on extreme poverty and human rights refers to the introduction of targeting mechanisms for previously universal child-benefit programmes in *Mongolia* and *Kyrgyzstan*, see United Nations: *Report of the Special Rapporteur on extreme poverty and human rights*, Human Rights Council, New York, 2018 (A/HRC/38/33), para. 39.

### 9.3.3. Policies favouring progressive realization through sound legal frameworks and time-bound action

609. The vision set out in Recommendation No. 202 is to “build and maintain comprehensive and adequate social security systems coherent with national policy objectives” (Paragraph 13(2)), of which social protection floors are a fundamental element (Paragraph 13(1)). The Recommendation therefore recognizes that, depending on the national situation, progressive realization may be necessary to achieve its objectives, while at the same time calling upon member States to specify the time frame and sequencing for the progressive achievement of these objectives (Paragraphs 3(g) and 14(f)). It may also be observed in this respect that the international community has solemnly recognized that eradicating poverty in all its forms and dimensions including, but not exclusively, by implementing nationally appropriate social protection systems and measures for all, is the greatest global challenge and an indispensable requirement for sustainable development, and has accordingly made the commitment to achieve substantial coverage of the poor and the vulnerable by 2030.

610. In many developing countries, social protection programmes have been introduced in the form of pilot programmes, either with domestic funding or donor support. The governments concerned have implemented this ad hoc approach as a means of adopting social protection programmes that lack a formal legal basis, particularly as legal processes can sometimes be complex and require more time. Nevertheless, having a formal legal backing helps to achieve certainty with regard to the final design of social protection systems and allows easier control and adjustment of programme implementation and outcomes; it also requires decisions regarding targeting to be taken following a parliamentary discussion. For example, in *Mexico*, the experience of initial social assistance programmes has had a considerable impact on current social protection legislation. In *Lesotho*, the Regional Hunger and Vulnerability Programme (RHVP) is considered to have played a crucial role in building momentum around social protection. In *Kenya*, the social protection strategy was developed on the basis of several small pilot programmes and an assessment of their outcomes, leading to the definition of national policy in a legal framework, following a constitutional amendment.

611. The Committee observes in this respect that the principle of “progressive realization” of the right to social security endorsed by the human rights framework is fully recognized by the Recommendation and allows for gradual implementation. **In general, the Committee considers that the approach of testing programmes on a small scale (often in a limited geographic area) before scaling them up as part of the policy and legislative framework is a good practice followed in many countries. However, it observes that a rights-based approach also requires the design, even progressively, of the legal framework to secure durable implementation. The Committee therefore recalls the importance of allocating sufficient time and resources for the development of the legal framework already at the policy design phase so as to ensure the progressive legal implementation of these policies complemented by effective stakeholder participation.**

612. **The Committee observes that, in accordance with its overall and primary responsibility to guarantee the right to social security, the State has the duty to develop progressively the corresponding legal framework. Indeed, the process of developing social protection policy offers the opportunity, not only to streamline and systematize the various social protection measures, but also to shape the contours of the overall statutory social protection framework.** As suggested by the Recommendation in Paragraphs 3(b), 7 and 8(c), to be implemented effectively, social protection not only needs to be an integral part of the broader political agenda and strategy,

but also substantiated by an effective and dense network of statutory provisions. In some cases, it is also a constitutional requirement. **The Committee therefore emphasizes the importance of following the rights-based approach to social protection by aligning poverty reduction strategies with the corresponding social security rights grounded in a clear and enforceable statutory basis as the most effective means of giving effect to the Recommendation. The Committee considers that it is important for policy instruments to place emphasis on the legal framework as a major element in guiding the progressive achievement of the objective of universal, comprehensive and adequate social protection.**

613. The Committee further emphasizes that, in addition to setting out the legal criteria regulating individual entitlements, the legal framework is also necessary for the establishment of the organizational architecture and the designation of the institutions responsible for the implementation of social protection, the management structures and competence of the various implementation and supervisory authorities, the rules governing the financing of the system and complaint and appeal mechanisms to protect the rights of beneficiaries. **Social protection systems are most successful when grounded in legal instruments that establish obligations and create clear entitlements to benefits, and which ensure the permanence of the respective policies and programmes beyond political cycles.**

614. The Committee observes that, in many cases, existing legal frameworks predate the development of comprehensive social protection policies and strategies and are subsequently adapted to reflect new policy orientations. For example, in *Lesotho*, the national strategy envisages the adoption of legislation as the next step in the progressive implementation of social protection. Increasingly, the main objectives, general principles and architecture set out in social protection strategies and policies are set out in laws, sometimes referred to as “framework laws”, leaving the substantive implementing provisions entirely to secondary legislation. Programmes providing ad hoc benefits that are not anchored in legislation are sometimes established on a discretionary basis; and implemented by non-governmental actors with little or no public monitoring. **The Committee observes that such programmes tend to lead to uncoordinated interventions and an absence of trust by the public in the government’s ability to establish a clear statutory framework guaranteeing legal entitlement to adequate benefits. Anchoring the policy vision and architecture in a statutory and enforceable legal framework therefore contributes to the implementation process by providing the clarity, predictability and transparency required to generate greater public awareness, confidence and support. While recognizing the need for delegated or secondary legislation, which offers greater flexibility in its adoption and future modification, the Committee considers that, wherever a legal framework for social protection is predominantly comprised of delegated or secondary legislation, the system is more likely to be affected by changes of government, with the risk of undermining and perhaps forfeiting the necessary long-term vision and sustainability. Conversely, statutory provisions offer greater guarantees in terms of rights and obligations, participation, legal security and certainty. The Committee further considers it preferable, subject to the relevant constitutional requirements, not to confine the legislative dimension of social protection solely to framework laws, with the substantive parametric elements being left to the regulatory level. The progressive development of a statutory social protection legal framework has the effect of helping decision-makers to adopt the required long-term prospective approach, as parliamentary procedures offer greater guarantees of broader social and public dialogue, due process and financing.**

## Chapter 10

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### Financing of social protection floors as part of comprehensive social protection systems

#### 10.1. Key principles

615. The successful implementation of social protection policy requires legal frameworks that establish equitable financing mechanisms as a key element of adequate, predictable and user-oriented social protection systems embedded in broader socio-economic development policies. To this effect, the Recommendation recognizes the overall and primary responsibility of the State to secure sustainable financing for the establishment and maintenance of “social protection floors as a fundamental element of their national social security systems” and to guarantee the financial, fiscal and economic sustainability of these systems with due regard to social justice and equity (Paragraphs 1(a) and 3(k)). It adds that financing mechanisms should take into account the contributory capacities of different population groups (Paragraph 11(1)) in order to guarantee solidarity in financing while seeking to achieve an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes (Paragraph 3(h)).

616. Financing methods “may include, individually or in combination, effective enforcement of tax and contribution obligations, reprioritizing expenditure, or a broader and sufficiently progressive revenue base” (Paragraph 11(1)). To this effect, the Recommendation indicates that national social protection policies and strategies should specify the “financial requirements and resources as well as the time frame and sequencing for the progressive achievement of the objectives” (Paragraph 14(e)). The design, as called for by the Recommendation, of “transparent, accountable and sound financial management and administration” mechanisms (Paragraph 3(j)) is therefore critical in a context of changing forms of work and employment, labour market disruptions, high unemployment and poverty risks, as well as the demographic challenges faced by many societies. Well-designed and financed social protection systems reinforce the national capacity to address these challenges, thereby acting as economic and social stabilizers which help to stimulate aggregate demand in times of crisis and beyond, and to support a transition to a more sustainable economy (Preamble). The Recommendation therefore encourages member States to prioritize national sources for the financing of social security systems through the definition of the most effective and coherent approaches between social security, general taxation, corporate taxation and other public financing policies, and notes that they may seek international cooperation and support when their economic and fiscal capacities are insufficient (Paragraph 12).

**617. The Committee notes that, despite significant progress in the extension of social protection coverage worldwide, there are still significant gaps, due largely to the limited resources assigned to social protection, and it therefore emphasizes the need**

**to develop a comprehensive view of the revenue base and of the potential to allocate sufficient resources, and to make the most efficient use of the available resources, with a view to progressively extending the four basic social security guarantees to all in need within a reasonable time frame. The Committee also places emphasis on the importance of securing in parallel sustained higher levels of benefits for “as many people as possible” “as soon as possible”, “including through the extension of existing contributory schemes to all concerned persons with contributory capacity” and through the extension of protection under these schemes to persons with limited contributory capacity to these through the allocation of non-contributory resources (paragraph 14(c)).**

## 10.2. Ensuring solidarity in financing: Striking the optimal balance for the achievement of social justice and equity

### Solidarity in financing

618. The Committee notes that the realization of the right to social security depends on the availability of the necessary financial resources to cover the cost of benefits for all population groups, including for persons with inadequate or no earning capacity, which can only be achieved through financial solidarity.

619. While there are broad variations in the configuration of social protection systems worldwide, the overwhelming majority of systems are based on the principle of “solidarity in financing”. They therefore combine schemes with redistributive components and other measures, such as employment guarantee schemes and negative income tax policies. This allows the achievement of the objectives of social protection based on the principles of social justice and equity, social solidarity and solidarity in financing which lie at the heart of social protection, and are listed in the Recommendation among the principles to be followed by States in the exercise of their responsibility for the establishment and maintenance of comprehensive social security systems.

620. The Committee notes that, as suggested in the Recommendation, the majority of countries opt for a combination of sources of funding to ensure solidarity in financing. This approach is reported, inter alia, in *Belarus, Paraguay, Portugal, Russian Federation, Switzerland, Turkmenistan and Zimbabwe*. However, the Committee notes the observation by the *International Trade Union Confederation (ITUC)* that, while the principles of social solidarity and solidarity in financing are operationalized to varying degrees in different countries, there is no clear international trend towards greater solidarity, and that strong emphasis is sometimes placed on strengthening the private provision of social security over public provision. For example, this is the case in *Peru*, as indicated by the *Autonomous Workers’ Confederation of Peru (CATP)*. Solidarity in financing has also been compromised in countries that have recently increased the share of workers’ contributions, such as *Argentina*, as pointed out by the *General Confederation of Labour of the Argentine Republic (CGT RA)*, and *Romania*, where employee contributions have been raised significantly more than those of employers.<sup>1</sup> The *ITUC* emphasizes that a fair division of social contributions is required between employers and workers in the case of contributory schemes, as well as the existence of adequate social protection guarantees for those who are unable to pay sufficient contributions, which should be financed through

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<sup>1</sup> The *ITUC* refers to the statement by G. Bischoff, President of the Workers’ Group of the European Economic and Social Committee, made in 2017 on the reform of the social security system in *Romania*.



corporate taxation systems that allow redistribution between income groups. The contributory capacity of workers and employers is an important issue in the financing of social protection. Moreover, in some countries, policies are based on progressive general and corporate tax systems, which allow redistribution between income groups, while specific benefits may be granted to a broader population, but clawed back through income tax, depending on income levels and other criteria. For example, systems of this type are found in Europe and a number of Anglo-Saxon countries with advanced general taxation systems. According to the *International Organisation of Employers (IOE)*, business needs to be closely involved in the social protection floor (SPF) implementation as the social partners represent a major source of funding of those schemes. Enterprises can also play a critical role in ensuring that practical considerations are properly taken on board. The use of different funding approaches which acknowledge the varying abilities of different groups of individuals to pay contributions on a consistent basis and which help to optimize the objectives of social protection schemes may be necessary. Given the increasing tendency for revenues from diverse forms of work to escape the traditional ways of collating income taxes, the amount of revenue collected to fund and administer social protection may be largely reduced. The Committee observes in this respect that, in most countries, employers and workers share the overall burden of social security contributions, in line with the principle established by Convention No. 102 that the “total of the insurance contributions borne by the employees protected shall not exceed 50 per cent of the total of the financial resources allocated to the protection of employees” and their dependent family members (Article 71(2)).

621. Many governments have conducted, or are in the process of conducting comprehensive feasibility studies on the extension of social protection. For example, in *Estonia*, the Ministry of Social Affairs is undertaking a detailed study of minimum benefits covering all fields of social insurance and cash social assistance benefits. In *Namibia*, a feasibility study has been carried out on the extension of social security coverage to include persons in the informal economy. Adjustments and actuarial valuations with a view to the extension of coverage and the improvement of benefits are also reported in *Jamaica*, *Thailand* and *Turkmenistan*, while notable progress in the extension of protection is reported in *Canada*, *Guatemala*, *Lithuania*, *Netherlands* and *New Zealand*. In *Guatemala*, the number of protected persons is reported to have increased by 10 per cent between 2011 and 2015. In the *Netherlands*, all workers, including the self-employed, are included in the system of state-funded pensions (AOW) and the general health-care insurance (Zvw).

**622. With regard to public financing, the Committee wishes to reaffirm the need to ensure that sufficient resources are raised and the necessary investments made to achieve the principles of solidarity in financing and social solidarity, which are inseparable.<sup>2</sup> It reiterates that the means of achieving the “progressive development of social security lies in strengthening and extending social solidarity as the manifestation of the collective values of social cohesion, mutual assistance and sharing of responsibilities, and of the human values of empathy, compassion and care for the weak”.<sup>3</sup> The Committee emphasizes that the collective financing of social protection on the broadest possible basis is indeed the optimal means of addressing life contingencies and smoothing income over the lifetime, while providing the**

<sup>2</sup> ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter, the “2011 General Survey”), para. 452.

<sup>3</sup> *ibid.*, para. 452.

**necessary leverage for the State to guarantee the financial viability and sustainable development of the national social protection system.** Although the design of schemes needs to take into account demographic trends and the objectives of income redistribution policies between active and non-active members of society with no or limited contributory financial capacity, emphasis should continue to be placed on the principle of solidarity as one of the guiding principles in this respect. In the event of economic crises, collectively financed schemes under the responsibility of the State tend to resist systemic shocks more effectively, as they can borrow on an exceptional basis, and may therefore be less affected by the short-term volatility of stock markets than private schemes based on individual accounts, in which each individual bears the investment risk.<sup>4</sup>

623. Long-term benefit schemes, such as defined benefit old-age pensions, with minimum benefit guarantees established by law, have the advantage of guaranteeing more adequate and predictable benefits than schemes based on individual savings accounts. **The Committee considers that the pooling of financial risks through collectively financed schemes allows the necessary level of redistribution to ensure that everyone receives at least minimum guaranteed benefits. The Committee notes this is not only a prerequisite for a harmonious world of work, but also more broadly for social cohesion and stability.**

624. Conversely, defined contribution schemes based on individual savings or notional accounts<sup>5</sup> do not offer any potential to achieve positive redistribution effects through social security and are not based on the principle of social solidarity. The negative impact of investment risks in the financial markets and of labour market risks (such as periods of unemployment or low income) is transferred to individuals, with a consequent disengagement of the State. **In this respect, the Committee notes with interest the trend in a number of countries to scale back privatization and strengthen public schemes based on the principles of solidarity and adequate and predictable benefits, as called for in ILO social security standards, including Recommendation No. 202.** For example, several countries in Central and Eastern Europe and Latin America, including *Argentina, Plurinational State of Bolivia, Colombia, Czech Republic, Hungary, Kazakhstan, Peru, Poland and Uruguay*, have been partially or totally reversing previous privatizing reforms by allowing workers to switch back to pay-as-you-go schemes and by re-establishing or reinforcing solidarity and income redistribution mechanisms.<sup>6</sup> Public finance considerations have often played a key role in this reversal. In this context, the Committee also welcomes the efforts made in *Chile, El Salvador, Estonia, Latvia, Lithuania and Slovakia* to reduce the size of individual account schemes or to introduce public tax-funded components based on the principle of solidarity. However, the Committee is still concerned, as indicated by the *ITUC*, that the participation of the private sector in delivering statutory social protection remains extremely high in many countries, including in the pension markets of several Latin American countries. The wave of pension privatization in Latin America in the 1990s, which extended beyond the period of economic and financial crisis, resulted in serious gaps in coverage, although several of the

<sup>4</sup> ILO: *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017, pp. 93–98.

<sup>5</sup> Notional accounts are designed to mimic a defined contribution plan, where the pension depends on contributions and investment returns. However, they are called notional, defined-contribution schemes since the pension contributions are tracked in notional or fictitious accounts which grow at a rate determined by the State in view of the evolution of earnings and/or registered economic growth.

<sup>6</sup> ILO: *Reversing Pension Privatizations: Rebuilding public pension systems in Eastern Europe and Latin America*, Geneva, 2018. See also ILO: *World Social Protection Report 2017–19*, 2017, op. cit., pp. 93–98.

countries concerned are now returning to broader public pension systems.<sup>7</sup> Within the European Union, there is a trend for the replacement rates of public pension schemes to be reduced, which is in turn placing greater importance on supplementary occupational and private pensions to ensure a decent income during retirement.<sup>8</sup>

**625. The Committee recalls that pension schemes based on the capitalization of individual savings which are managed by private pension funds not based on the principles of solidarity, risk sharing and collective financing, which form the essence of social security, as well as the principles of transparent, accountable and democratic management of pension schemes with the participation of representatives of insured persons.<sup>9</sup> Moreover, in most cases, defined contribution schemes do not offer statutory guarantees that the benefits will be adequate and predictable, as their level is related to market performance. While such savings mechanisms may provide a means of supplementing solidarity-based social security schemes through the provision of additional protection, the Committee invites Members to explore viable alternatives with a view to building comprehensive social protection systems based on the principles and concepts established by the Recommendation and the ILO's other social security standards.**

### 10.3. Securing sound financing and good financial governance under the responsibility of the State

**626. The responsibility to ensure a basic standard of living for the population is one of the duties placed on the State by international instruments, as well as at the national level, often through constitutional provisions. In addition to ensuring the solvency, viability, and sustainability of social security systems, governments are responsible for adequacy designing and implementing policies to achieve cohesion between the various components of the social protection system at both the normative and operational levels, as well as coherence with other economic and social policies based on an appropriate balance between public and private provision, between providing protection and fostering self-reliance, between resources and needs, and between seemingly conflicting priorities.**

627. From the financial viewpoint, the Committee considers that the overall and primary responsibility of the State includes: ensuring the implementation of the basic social security guarantees through adequate and predictable statutory benefits and schemes (Paragraphs 3(b) and (c)); setting the rates of contributions or taxes at rates that are sufficient to finance the cost of benefits without constituting a burden that is too heavy for vulnerable persons (Paragraphs 3(j) and (k) and 8(a)); ensuring that the cost of benefits is distributed fairly between employees, employers and the State so as “to achieve an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes” (Paragraph 3h); establishing “transparent, accountable and sound financial management and administration” (Paragraph 3(j)) to maintain the system in a fairly stable financial equilibrium; and ensuring that systems are in place to “enhance compliance with national legal frameworks” (Paragraph 7) so as to minimize the

<sup>7</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., ch. 4.

<sup>8</sup> European Commission: *The 2015 Pension Adequacy Report: Current and future income adequacy in old age in the EU*, Luxembourg, 2015; and *Pension Adequacy Report 2018: Current and future income adequacy in old age in the EU*, Luxembourg, 2018.

<sup>9</sup> ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations*, Report III (Part 1A), General Report, International Labour Conference, 98th Session, Geneva, 2009, paras 128–136.

possibility of social security funds being misused, lost or stolen. If, notwithstanding the existence of such a range of measures and public supervision, the system is imperilled, the State is in principle required to remedy the situation, if necessary through the provision of public funding.<sup>10</sup>

628. In most countries, the “transparent, accountable and sound financial management and administration” of social protection is ensured through auditing and compliance with reporting mechanisms, often as required by law. **However, the Committee is concerned that many social security schemes, mainly in developing countries, suffer from poor management and governance and, as a result, enjoy only low levels of trust, both from employers and protected persons. A lack of trust often leads to low levels of compliance, including the evasion of contributions, which also limits the capacity of schemes to extend coverage to those who are not yet covered.** There is therefore a need to improve governance, particularly with respect to financing and administration, to ensure compliance with the legal and regulatory requirement for the resources to be sufficient to meet all benefit entitlements. The Committee welcomes the efforts made to improve the administration and governance of social protection systems. For example, a one-stop-shop facility (*guichet unique*) has been established in the Employees’ Social Security Fund in *Algeria* to facilitate access to social benefits and improve financial management. In *Jordan* and *Saudi Arabia*, electronic applications have been introduced to facilitate access to information and the collection of contributions. Governance reforms in the National Pension Fund in *Morocco* include the creation of regulatory committees. The Public Authority for Social Insurance in *Oman* has introduced a smart inspection system, while in *Tunisia* the National Social Security Fund is using technology to improve data exchange with social security users. **The Committee reiterates the importance of prudent and transparent financial governance for the sustainability and adequacy of benefits through well-governed and transparent schemes.**<sup>11</sup> **The Committee also emphasizes that the adoption of a synergetic approach to address economic and social issues in a coordinated manner is a precondition for good governance, for which international labour standards are instrumental.**<sup>12</sup> In this regard, parametric adjustments need to be introduced in a timely manner so as to ensure the long-term stability of the system and its ability to guarantee adequate levels of protection. In the case of tax-financed social assistance benefits, measures are required to secure the right to predictable and adequate benefits over time. The Committee notes the range of different national measures described in the replies to the questionnaire with a view to reducing social protection deficits, on the one hand, by increasing public budget allocations (*Latvia* and *Sri Lanka*), improving financial governance (*Belgium*) and reviewing the balance between contributions and benefits (*Latvia* and *Switzerland*) and, on the other, by reducing benefits, for example by raising the retirement age (*Belarus*, *Brazil*, *Latvia*, *Senegal* and *Viet Nam*, among others) and contribution rates (*Morocco*), and cutting expenditure (*Lithuania*).

629. As noted above, in order to achieve an optimal balance between the various responsibilities and interests, it is not sufficient to ensure the sustainable design and

<sup>10</sup> See also the 2011 General Survey. In its General Comment No. 19 (The right to social security (Art. 9 of the Covenant), 4 Feb. 2008, E./C.12/GC/19), the Committee on Economic, Social and Cultural Rights (CESCR) indicates that the States parties have three types of obligations: “the obligation to respect, the obligation to protect and the obligation to fulfil”. The obligation of “respect” implies limits on state interference with people’s rights, and “protect” indicates the State’s role in preventing third parties, such as private institutions, in undermining the established principles, while “the obligation to fulfil” emphasizes the primary responsibility of the State to ensure the provision of social protection for the population.

<sup>11</sup> 2011 General Survey, para. 454.

<sup>12</sup> *ibid.*, para. 492.

implementation of social protection floors through financial and actuarial studies. Good governance also requires the involvement of protected persons or the social partners in the management of social security systems. The Committee also notes the recommendation made by the European Union Social Protection Committee in 2014 that no reforms should be adopted before their full impact is investigated. The Committee notes the indication by the Government of *Jordan* that “in order to strike a balance between the interests of those who finance and benefit from these programmes, the Government has set up a board of directors in the Social Security Corporation involving the three production parties to monitor performance and ensure balance by putting together policies that might be conducive to the sustainability of the social security programmes”, which offers an illustration of the principle of tripartite participation (Paragraph 3(r)) and its relevance to “solidarity in financing”. The Committee also welcomes good practices, such as the round table for social dialogue to promote sustainability in pension insurance in the Costa Rica Social Security Fund, in which the stakeholders put forward 33 proposals to improve the sustainability of the national public pension system. Similarly, it notes the Social Dialogue Council in *Cabo Verde*, in which representatives of the Government, employers and workers together decided to implement the unemployment protection scheme in 2017.<sup>13</sup>

630. In contrast, the *CATP* reports that in *Peru* cuts have been made without consulting the social partners or stakeholders, or undertaking an impact assessment, for example before the adoption of the policy of fiscal consolidation and the containment of social spending. **The Committee reiterates in this respect that the participatory management and supervision of social protection, including financial management, has proved to be essential for good governance and efficiency.**<sup>14</sup> The principle of the participatory management of social security systems is long established in international social security law, and particularly in Convention No. 102, Article 72(1) of which provides that, “[w]here the administration is not entrusted to an institution regulated by the public authorities or to a Government department responsible to a legislature, representatives of the persons protected shall participate in the management, or be associated therewith in a consultative capacity, under prescribed conditions; national laws or regulations may likewise decide as to the participation of representatives of employers and of the public authorities”. Recommendation No. 202 reaffirms and extends this principle to the establishment and maintenance of social protection floors and national strategies for the extension of social security based on “tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned” (Paragraph 3(r)). **The Committee emphasizes that transparent, accountable and participatory management of social security schemes offers “the best guarantees of the financial viability and sustainable development of social security”, in association with solidarity in financing under the responsibility of the State.**<sup>15</sup>

#### 10.4. The need for adequate financing to secure life in dignity

631. The Recommendation recognizes that social security systems can only achieve their objectives through the provision of benefits that are adequate in relation to the needs to be covered and predictable, so that persons who are eligible are aware of the level and type

<sup>13</sup> ILO: *Social Protection Monitor 2018*.

<sup>14</sup> 2011 General Survey, para. 558.

<sup>15</sup> *ibid.*, para. 495.

of their entitlements if a situation of need arises (Paragraphs 3(b) and (c) and 7). To this effect, the Recommendation calls on the State to guarantee the financial sustainability of the system and transparent, accountable and sound financial management and administration. It also calls for the levels of the basic social security guarantees to be determined nationally and reviewed regularly so that they respect “the rights and dignity” of beneficiaries (Paragraph 3(f)), “allow life in dignity” (Paragraph 8(b) and (c)) and are in compliance with other underlying principles, including “non-discrimination, gender equality and responsiveness to special needs” (Paragraph 3(d)).

632. Ensuring an adequate level of financing is an essential element of the responsibility of the State for the progressive development of universal, comprehensive and adequate social security systems, and a determining factor in the full achievement of the human right to social security and in fostering social and economic development.<sup>16</sup> Recommendation No. 202 indicates that “Members should consider using a variety of different methods to mobilize the necessary resources to ensure financial, fiscal and economic sustainability of national social protection floors, taking into account the contributory capacities of different population groups. Such methods may include, individually or in combination, effective enforcement of tax and contribution obligations, reprioritizing expenditure, or a broader and sufficiently progressive revenue base” (Paragraph 11(1)). The Committee notes that most governments report the implementation of an array of contributory and non-contributory mechanisms to mobilize resources. Tax-financed benefits can play a key role in providing basic protection for vulnerable categories of the population who lack contributory capacity. In advanced economies, social insurance usually covers the large majority of the population and is supplemented by non-contributory schemes, such as universal programmes (for example, universal child or disability benefits), as well as means-tested benefits (social assistance) for the poor. In emerging market economies, social assistance programmes targeted at poverty reduction normally play a relatively larger role, although their benefits tend to be lower. **In the view of the Committee, a combination of non-contributory and contributory mechanisms has been proven to represent the most effective manner of extending coverage, normally through a combination of social insurance contributions and general taxation to ensure universal coverage.**

633. The Committee observes that there is significant diversity in national practices for the financing of social protection systems. In an increasing number of countries, national minimum levels of social security benefits are being defined in association with poverty lines and/or subsistence levels, and/or as a guaranteed replacement rate for previous earnings. Schemes based on employment-related contributions continue to play a central role in the development of comprehensive national social protection systems. The substantial share of social security contributions of total social protection expenditure shows their critical but varying role in financing social security, depending on the country. For example, in countries such as *China, Costa Rica, Germany, Republic of Korea,*

<sup>16</sup> The Committee notes in this respect the convergence between the provisions of the Recommendation and General Comment No. 19 of the CESCR (2008, op. cit.), which indicates that benefits, “whether in cash or in kind, must be adequate in amount and duration in order that everyone may realize his or her rights to family protection and assistance, an adequate standard of living and adequate access to health care” (para. 22). The CESCR adds that “States parties must also pay full respect to the principle of human dignity contained in the preamble of the Covenant, and the principle of non-discrimination, so as to avoid any adverse effect on the levels of benefits and the form in which they are provided. Methods applied should ensure the adequacy of benefits. The adequacy criteria should be monitored regularly to ensure that beneficiaries are able to afford the goods and services they require to realize their Covenant rights. When a person makes contributions to a social security scheme that provides benefits to cover lack of income, there should be a reasonable relationship between earnings, paid contributions, and the amount of relevant benefit.”

*Paraguay, Tunisia and Turkey*, social security contributions account for over half of expenditure on benefits, and in some cases almost the totality of the resources allocated to social protection. In many European Union countries, as well as such countries as *Argentina, Brazil and Uruguay*, significant progress has been made in adapting social insurance schemes to the needs of categories of the population who were not previously covered by means of simplifying procedures, facilitating access and fully or partially subsidizing social security contributions of low-income groups with limited or no contribution capacity. In addition to revenue from social contributions, countries often make use of specially earmarked taxes, revenues from the investment of social protection funds and investments, donations and grants to supplement expenditure on social protection systems, as well as several forms of official development assistance (ODA). In countries such as *Belgium and Nigeria*, recurrent revenues from economic activities, including the extraction of natural resources and energy production, are allocated to social protection. The Government of *Nigeria* reports that funding has been allocated to social protection from other public funds, including natural resources (oil extraction), while allocations are made from the gas–electricity fund in *Belgium*. In certain other countries, the financing of social protection also includes revenues from paid medical services (*Tajikistan*), pharmacies (*Madagascar*) and state optical fibre concessions (*Panama*). The Committee notes that there is no consolidated fund for social protection, in the sense of a special social security fund or trust, in *Australia, Burkina Faso, Egypt, Malta and Seychelles*. For example, in *Australia*, social protection spending is financed directly from the state budget on an on-demand basis, rather than from a dedicated trust or account, and there are no specific social security contributions. However, in *Egypt*, it is planned to create a central social security fund under the Ministry of Social Solidarity. Similarly, in *Burkina Faso*, the creation of a national social protection fund is under consideration. The *ITUC* refers to a report by the High-Level Panel on Illicit Financial Flows from Africa, which conservatively estimates that illicit financial flows from Africa result in the leakage of US\$50 billion each year.<sup>17</sup> The *ITUC* considers that the sustainable financing of social protection in many countries is compromised by limited tax revenue due to insufficiently progressive forms of taxation, tax evasion and the high share of workers in the informal economy.<sup>18</sup> It emphasizes that reinforced tax collection and management could serve as a guarantee for the financing of social protection floors. The *ITUC* also considers that ensuring adequate and predictable financing for social protection is a particular challenge in view of demographic changes, as well as the considerable fiscal constraints imposed in the wake of lending obligations, with the international financial institutions exerting pressure for a reduction in public spending under the misguided view that this will lead to economic growth in the short term, rather than recognizing the beneficial contribution that social protection floors make to sustainable and inclusive development. Some *ITUC* affiliates indicate that, although social protection floors have been established and shown positive effects, they are sometimes currently in danger of disappearing because of austerity, as reported in *Costa Rica* by the *Confederation of Workers Rerum Novarum (CTRN)*, or are not achieving their full potential due to poor coordination with other policies, as reported by the *CATP* in *Peru*.

<sup>17</sup> High-Level Panel on Illicit Financial Flows from Africa: *Track it! Stop it! Get it! Illicit Financial Flows*, African Union, United Nations Economic Commission for Africa, 2017.

<sup>18</sup> Economic and Social Commission for Asia and the Pacific (ESCAP): *Time for equality: The role of social protection in reducing inequalities in Asia and the Pacific*, Bangkok, 2015; and ESCAP and Oxfam: *Taxing for shared prosperity: Policy options for the Asia–Pacific region*, 2017, emphasize that tax revenue is insufficient in the Asia and the Pacific region, largely because of a lack of progressive forms of taxation, tax evasion and a high share of workers in the informal economy.

634. **The Committee reiterates that the diverse financing mechanisms should adhere to the principle of solidarity in financing in a system placed under the overall and primary responsibility and supervision of the State. In view of the broad range of financing options available, the Committee encourages Members to: adopt innovative approaches, guided by sound economic and social principles, with a view to creating a sustainable and reliable fiscal space as a basis for expanding collectively financed social protection mechanisms that provide adequate and predictable benefits defined by law; and prioritize social insurance as the income security mechanism that offers the highest benefit levels, while making provision from general taxation or other government sources for those with no or limited contribution capacity. In this respect, with reference to the objective of universal coverage set out in the Recommendation, the Committee strongly encourages countries to make the commitment in their development policies to investing more public resources and progressively increasing the fiscal space for social protection.**

635. In this regard, the Committee considers that guaranteeing the sustainability of social protection financing constitutes a permanent challenge for the State. **The Committee therefore emphasizes the need for the State, in accordance with its overall and primary responsibility to guarantee a functional and comprehensive social protection system that provides adequate benefits, to ensure that the evolution of the costs and financing of social security systems are monitored constantly through periodic actuarial and financial studies and that, on the basis of these studies, the parametric reforms required to guarantee their long-term sustainability are identified through a participatory process. The Committee recalls in this respect that, in cases where social security schemes only provide benefits at levels that are below the poverty line, the State would be considered to be failing to fulfil its overall and primary responsibility under international law to guarantee sufficient financing to ensure life in dignity.**

636. In this connection, the Committee observes that the recent fiscal consolidation measures implemented worldwide, which have resulted in a contraction of spending on social protection programmes, may put at risk the underlying objective of social protection systems of ensuring income security for a life in dignity.

637. **The Committee considers that the challenge of the significant gap in social protection coverage worldwide needs to be addressed by broadening the fiscal space available for social protection, extending the population covered and the contribution base, thereby securing additional sources of financing for social security. Considering that there is a rather predictable pattern of social protection spending in relation to economic cycles and that reforms tend to be difficult processes, the Committee emphasizes that governments have the responsibility to anticipate trends, including through social dialogue, guided by sound financial and actuarial forecasts, and to consider the necessary timely parametric adjustments to balance the social protection system in order to ensure the current and future adequacy of benefits and the sustainability of the system. The Committee further emphasizes that the responsibility of the State also involves ensuring that the austerity and fiscal consolidation measures taken to address budget deficits are accompanied by measures aimed at consolidating fundamental rights so that social security systems are not unduly undermined, especially the basic social security guarantees for the most vulnerable and persons with special needs. The Committee therefore calls on constituents to carefully assess all dimensions of social protection**



**financing, bearing in mind the principles set out in Recommendation No. 202 and other ILO social security Conventions and Recommendations.**<sup>19</sup>

## 10.5. Definition of financing requirements for social protection floors

638. Recommendation No. 202 recognizes that “social security is an important tool to prevent and reduce poverty, inequality, social exclusion and social insecurity” (Preamble) and that social protection floors, in particular, can “secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion” (Paragraph 2). In this respect, nationally defined poverty lines or similar minimum levels of income, such as those defined in Convention No. 102, are an important benchmark when evaluating the financing requirements for social protection floors, and provide a basis for policy decisions to allocate the maximum available resources to meet the commitments assumed under the human rights framework.

639. With a view to the measurement of poverty, most developing countries have adopted absolute poverty lines, while the use of relative poverty lines is preferred in most developed countries. However, there are certain exceptions. For example, the Governments of *Australia, Canada, Denmark, Germany, Japan, Mauritius, Montenegro* and *New Zealand* report that there is no official definition of poverty or extreme poverty, but that implicit minimum income standards are used, such as minimum income levels for entitlement to social assistance. In the European Union, the at-risk-of-poverty threshold is often used as a surrogate for an official poverty line. A range of indicators are used in *Australia* to assess problems of disadvantage or hardship. Although most low- and lower-middle income countries have definitions of poverty and extreme poverty, they often lack clear poverty measurement and monitoring mechanisms. For instance, the first national poverty lines were published in *South Africa* in 2012, and are now monitored and updated annually by Statistics South Africa. The *ITUC* expresses concern that the inadequacy of social protection benefits and services often compromises the ability of beneficiaries to live in dignity and that, according to the Organisation for Economic Cooperation and Development (OECD) data, the level of minimum social assistance benefits in most OECD countries is well below the relative poverty line.<sup>20</sup> Evidence also shows that social assistance benefits in many European Union countries tend to be below estimates of the cost of living. For example, in *Bulgaria*, minimum social assistance benefits amount to €35 a month, while the cost of food alone for a single person is estimated at €175 a month. In *Chile*, 71 per cent of retired persons indicate that their pension is not sufficient to cover their basic needs.<sup>21</sup> In addition, numerous *ITUC* affiliates have reported quality concerns relating to essential services such as health care, as well as long waiting periods and staff shortages, which compromise their timely and effective provision.

640. While the benchmarks used to establish minimum benefit levels may vary from one country to another, analysis of the reports received indicates that they are often very low and insufficient to allow life in dignity. The benchmark for minimum benefit levels set out in Convention No. 102 for social assistance schemes, namely that they shall be “sufficient to maintain the family of the beneficiary in health and decency” (Article 67(c)), is a

<sup>19</sup> In this regard, see also the repeated recommendations of the European Union Social Protection Committee following the 2008 global crisis.

<sup>20</sup> OECD: Tax-Benefit Model, latest available data (2014).

<sup>21</sup> Comisión Asesora Presidencial sobre el Sistema de Pensiones: “Encuesta de opinión y percepción del sistema de pensiones en Chile”, Statcom, 2014.

relevant reference point in this respect. In the context of regional wage floor forums, the *ITUC* and its affiliates promote the use of reference budgets or basic baskets of goods, and consider that social security guarantees must, at a minimum, lift households above the poverty line. However, in practice, the guarantees provided are often below the level of such baskets of goods and/or the poverty line. The *ITUC* calls for the development of comprehensive and comparable poverty indicators that capture deprivation and/or social exclusion, such as the poverty indicators developed by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Eurostat and the United Nations Development Programme (UNDP), which go beyond the narrow approach to poverty measurement applied by the World Bank.

641. Based on the reports received, the Committee also observes that high- and upper-middle income countries already tend to have nationally defined minimum levels of basic income security (BIS) for either children, persons in active age who are unable to earn sufficient income or older persons, but that few countries have defined BIS levels for all three age groups. Among this latter group, the Committee wishes to highlight the *Philippines, Tajikistan* and *Zimbabwe* as the only low-income countries in which national BIS levels have been defined for all three age groups, as called for in Paragraph 5 of the Recommendation. **The Committee considers that the measurement of poverty and the definition of minimum levels of basic income security are enabling conditions for the estimation of expenditure and coverage, and are necessary to guarantee the adequacy of benefits.** The accurate estimation of the revenue required to finance benefits is crucial for the sound governance of social protection systems, as it allows the State to foresee and avoid deficits and to prevent the contraction of expenditure. This should therefore be duly taken into consideration in the design and formulation of social protection policies and legal frameworks.

642. The Committee notes that in most countries in which the BIS level has been defined for at least one age group, differences in family composition, levels of disability or other special needs, and to a lesser extent regional differences, have been taken into account. **However, the Committee is concerned at the indication that gender dimensions have only been taken into consideration in a limited number of countries, including *Bulgaria, Chile, China, Italy, Japan, Mauritius, Tajikistan* and *United Kingdom*.** In *Switzerland*, in order to take into account the shorter careers of women, special measures have been adopted to guarantee adequate benefit levels in old age. The Committee notes that social protection has proven to be an effective means of improving gender equality, for example through the design of measures that take duly into account solidarity between men and women. The Committee considers that this can best be achieved through financing mechanisms that offset gender inequalities, for example by taking gender into consideration when defining levels of BIS and through the provision of special contributory credits to take into account the less favourable career patterns often found among women and other groups.

643. **The Committee emphasizes the need for nationally defined social protection floors, at least at the level of the basic social security guarantees, to allow life in dignity and to secure higher levels of protection “as soon as possible” to “as many people as possible”, as indicated in Paragraph 1 of the Recommendation. It cannot therefore overemphasize the importance of measuring and monitoring income levels, including poverty levels, across the population, based on clear and objective indicators, both with a view to the definition of the basic social security guarantees, in accordance with Recommendation No. 202, and the monitoring of progress in the achievement of the Sustainable Development Goals (SDGs), and particularly SDG 1 and indicator 1.3.1 on social protection. The Committee emphasizes the need to**

**develop effective and transparent mechanisms for the regular assessment and review of the availability, access to and quality of essential health care, as well as the level of social protection floors with reference to the “monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice” (Paragraph 8(b)).**

**Costing a social protection floor benefit package  
for 57 lower-income countries**

A cost estimate for 34 lower-middle income and 23 low-income countries was carried out using the ILO Social Protection Floors Calculator, estimating the cost of the following package of cash benefits (excluding health care):

- **Universal cash transfers for children** between 0–5 years of age cost on average 1.4 per cent of GDP, with the benefit for each child set at 25 per cent of the poverty line. A universal benefit for all orphans aged 0–15 years, estimated at 100 per cent of the national poverty line, would add only 0.04 percentage points of GDP to the cost.
- **Universal maternity benefit** for all women with newborn children costs on average 0.4 per cent of GDP, with a cash benefit equivalent to 100 per cent of the national poverty line for a duration of four months.
- **Universal benefit for persons with severe disabilities** costs on average 0.8 per cent of GDP with a benefit level of 100 per cent of the national poverty line.
- **Universal pensions for older persons** over 65 years of age, set at a level of 100 per cent of the national poverty line, would require an average of 1.6 per cent of GDP for the 57 lower-income countries in the sample.

644. The Committee notes that, according to a recent ILO cost estimate for middle- and low-income developing countries, universal social protection floors are generally affordable.<sup>22</sup> While the report observes that some countries already have the fiscal space needed to develop social protection floors, others will have to progressively extend coverage and benefits in accordance with their national fiscal and economic capacity. There are several policy options available to countries to extend their fiscal space, including the reallocation of public expenditure, increasing tax revenues, expanding social insurance coverage and contributory revenues, ODA, combating illicit financial flows, using fiscal and central bank foreign exchange reserves, debt management and the adoption of a more accommodating macroeconomic framework. The contribution that investment in social protection makes to economic and social development is demonstrated by the genesis of social protection systems in developed countries. Countries such as *Botswana*, *Indonesia* and *Peru* are today richer than the *United Kingdom* in 1911 or *Australia* in 1908, when they set up their social security systems, including social assistance. *India*, *Jamaica*, *Morocco*, *Philippines* and *Sudan* are now wealthier than *Denmark* was in 1892, when it established universal social protection.<sup>23</sup>

645. While OECD countries on average allocated 21 per cent of GDP to social protection in 2016,<sup>24</sup> the rate is significantly lower in other countries. The share of public social

<sup>22</sup> I. Ortiz, F. Durán-Valverde, K. Pal et al.: *Universal social protection floors: Costing estimates and affordability in 57 lower income countries*, Extension of Social Security Working Paper No. 58, ILO, Geneva, 2017.

<sup>23</sup> *ibid.*

<sup>24</sup> According to the OECD, social expenditure comprises cash benefits, the direct in-kind provision of goods and services, and tax breaks for social purposes. Benefits may be targeted at low-income households, the elderly, disabled, sick, unemployed or young persons. To be considered “social”, programmes have to involve either redistribution of resources across households or compulsory participation. Social benefits are classified as public when the general government (that is the central, state and local governments, including social security funds)

protection expenditure (excluding health) as a percentage of GDP ranges from 16.2 per cent in Europe and Central Asia, 10.4 per cent in the Americas, 7.4 per cent in Asia and the Pacific, and 5.9 per cent in Africa, to 2.5 per cent in the Arab States.<sup>25</sup> The Committee observes that these wide variations in spending on social protection reflect the coverage and adequacy deficits observed worldwide. In other words, the larger the share of social protection in GDP, the better the protection. **Noting that social protection represents an investment with potential benefits in terms of sustainable, inclusive and cohesive social and economic development, the Committee recalls that the implementation of nationally appropriate social protection systems and measures for all, including social protection floors, forms an integral part of the universally agreed SDGs, and particularly SDG target 1.3 on social protection, and it invites all member States to explore, through effective national social dialogue, as well as consultation with other relevant and representative organizations of persons concerned, all the fiscal space options available nationally with a view to the adoption of an optimal policy mix.**

## 10.6. Austerity measures

646. **The Committee recalls that, in the aftermath of the 2008 crisis, fiscal consolidation policies were often observed to have had a negative impact on the level of public social spending, drawing social security “into the vicious circle of depleting resources, growing public debts, reduction of benefits and social protests”.**<sup>26</sup> In contrast, the strengthening of social protection in advance is an effective preventive and countercyclical economic measure that acts as an economic and social stabilizer (Preamble) and helps to maintain domestic consumption in difficult times. However, the Committee notes from the reports received that policies of fiscal consolidation and the contraction of social expenditure, as a common response to deficits or fiscal pressure, are being pursued in a significant number of countries, including *Australia, Comoros, Finland, Honduras, Italy, Jamaica, Nigeria, Portugal, Switzerland* and *United Kingdom*. For example, a process of deficit reduction by cutting spending on the welfare system is being undertaken in *Australia*. A policy of fiscal consolidation is being carried out in *Finland* by freezing the indices of social transfers and reducing expenditure on housing benefits. Budget consolidation policies are also being carried out in developing countries, such as *Comoros*, although no study has been undertaken of their impact on the various categories of the population. The resulting contraction of public spending has often involved important parametric reforms of social protection systems, with benefits being subject to stricter eligibility conditions and a reduction in their levels. For example, reforms are reported in *Belarus, India, Jamaica, Republic of Moldova, Morocco, Mozambique, Nigeria* and *Portugal*, such as an increase in the retirement age and/or raising the number of contributions or employment years required to receive a benefit.<sup>27</sup> The Committee notes the *ITUC*'s indication that over 100 governments worldwide are considering the reduction of social spending, including through the tightening of eligibility conditions or the introduction of targeting mechanisms, often under pressure from international financial

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controls the relevant financial flows. All social benefits not provided by the general government are considered private. Private transfers between households are not considered as “social” and not included. Net total social expenditure includes both public and private expenditure. It also accounts for the effect of the tax system through direct and indirect taxation and tax breaks for social purposes. This indicator is measured as a percentage of GDP or US dollars per capita. See: <https://data.oecd.org/socialexp/social-spending.htm>.

<sup>25</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit., p. 18.

<sup>26</sup> 2011 General Survey, para. 439.

<sup>27</sup> ILO: *Social Protection Monitor 2018*.

institutions, based on an understanding of social protection as merely a cost and hindrance to competitiveness. The *ITUC* therefore urges the reversal of austerity measures and the avoidance of further cuts to prevent a further rise in poverty and social exclusion and instead to support sustainable and inclusive economic growth. Social assistance schemes financed through progressive taxation can help to ensure sufficient fiscal space and the necessary solidarity to achieve universal social protection. The *ITUC* observes that austerity measures have already had a negative impact on global aggregate demand and GDP, and are particularly harmful for developing countries.

647. In this context, the Committee notes the measures taken by certain countries to assess the impact of reductions in public spending on the various population categories and the measures taken to mitigate their negative impact prior to the implementation of fiscal consolidation measures. In this context, the Committee welcomes the efforts made in *Portugal* to reverse the reduction in social expenditure and to strengthen social protection, particularly for the most vulnerable, through an increase, among other benefits, in pensions, the base value of the social integration income (RSI), the solidarity supplement for the elderly (CSI) and the family grant. **In this context, the Committee observes that, by calling on Members to develop and maintain social protection floors as a fundamental element of their social security systems, and to allocate the necessary funds to this effect, to the maximum of the available resources, the Recommendation is implicitly calling for the establishment of a national social protection expenditure floor. The Committee considers that, combined with effective and measurable poverty indicators, which are necessary to calculate and ensure the provision of adequate levels of benefits, such an expenditure floor would represent the core of social protection spending that should be guaranteed by the State at all times, and therefore protect against fiscal and economic austerity measures.**

#### 10.7. The role of international cooperation and official development assistance in financing social protection systems, including social protection floors

648. The Committee recalls that, as recognized by Recommendation No. 202 and the United Nations Inter-Agency Task Force,<sup>28</sup> domestic financing is the main source of social protection funding in both developed and developing countries, and must be preserved and expanded.

649. The extension of the fiscal space based on domestic sources is a fundamental element of strategies for the creation of comprehensive social protection systems, including social protection floors. **However, the Committee recalls that considerable protection gaps exist, especially in developing countries, between domestically generated resources and the resources required for universal social protection systems.** Fiscal deficits and the inadequacy of resources translate in many cases into gaps in coverage and loss of well-being. Recommendation No. 202 accordingly suggests that countries “whose economic and fiscal capacities are insufficient to implement the guarantees may seek international cooperation and support that complement their own efforts” (Paragraph 12). **The Committee considers in this respect that countries should be able to have recourse to ODA to support the establishment of social protection floors as a fundamental**

<sup>28</sup> United Nations Inter-Agency Task Force on Financing for Development (IATF): *Financing for development: Progress and prospects 2018*, New York, 2018.

**element in comprehensive social protection systems.** The Governments of countries such as *Pakistan, Madagascar, Namibia, Tajikistan* and *Zimbabwe* report that they have received support from international partners to finance their social protection systems. Moreover, the Government of *Burkina Faso* counts on international cooperation for its national social protection floors strategy, while the implementation of national plans in the *Czech Republic* has been based on resources from the state budget and the European Social Fund.

650. The Committee observes that, due to financial capacity constraints, the expenditure of developing countries on social protection as a proportion of GDP is much lower than in developed countries, even though their needs are greater, with a corresponding deficit in investment and consequently in coverage. The situation is aggravated by the pressure on public funding in many other areas, particularly in view of the lack of basic infrastructure and essential public services, such as water and sanitation. In the view of the Committee, in such cases, the financial allocations do not adequately reflect the needs that exist at the national level, especially in low- and lower-middle income countries. **The Committee therefore emphasizes the importance of national and international strategies to fill social protection gaps at the national level. Members should actively consider exploring all possible sources of financing, including domestic resources and ODA. In developing countries, the high levels of poverty, combined with a relatively small tax base, often limit the capacity of the national authorities to increase spending on social protection.** While innovative sources of financing for social protection may be considered to complement ODA and domestic resources, ODA will remain the pre-eminent source of social protection financing in many least developed countries. **The Committee observes that the level of ODA disbursed for social protection (excluding health protection) is insignificant in comparison with the other areas financed through international cooperation, and that the situation is more critical in view of the failure of many developed countries to achieve the target of allocating 0.7 per cent of their GDP/gross national income (GNI) to ODA. The Committee therefore observes that, while ODA cannot be considered a sustainable source of financing for social protection, it can be instrumental in the initial establishment of social protection schemes.** According to the United Nations Inter-Agency Task Force on Financing for Development, the disbursed flows of aid in the area of social protection only represented 0.0037 per cent of the GNI of donor countries, and has continued to fall since 2010. Most of the financing provided went to Africa and Asia and the Pacific.<sup>29</sup> **The Committee considers that external funding, in the form of ODA, is critical in countries where domestic resources are still insufficient to achieve the universal extension of social protection, and that it should therefore be integrated into both national and international investment and development strategies.** In this respect, the Committee recalls that the recognition of the role of social protection in sustainable development is a major step forward from the Millennium Development Goals, as SDG target 1.3 explicitly recognizes the importance of social protection systems, and within those, social protection floors, with a view to ending poverty. **In conjunction with SDG 17 on strengthening the means of implementation and revitalizing the global partnership for sustainable development, the Committee encourages member States to seek partnerships, including through South–South and triangular cooperation, that prioritize the building of social protection systems, including social protection floors, in their ODA strategies.**

<sup>29</sup> IATF: “Financing social protection in the context of the AAA Social Compact: A baseline for 2015”, 2017, paper prepared by the ILO as the social protection cluster coordinator of the IATF.

# Chapter 11

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## Enhancing the effectiveness of social protection through a coherent and coordinated policy approach

### The guidance contained in Recommendation No. 202 on enhancing the effectiveness of social protection through a coherent and coordinated policy approach

#### Main provisions

- ❑ “When formulating and implementing national social security extension strategies, Members should ... (d) complement social security with active labour market policies, including vocational training or other measures, as appropriate” (Paragraph 14)
- ❑ “Social security extension strategies should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality, and should be consistent with, and conducive to, the implementation of the social, economic and environmental development plans of Members” (Paragraph 15)

#### Key principles

- ❑ coherence with social, economic and employment policies (Paragraph 3(l))
- ❑ coherence across institutions responsible for delivery of social protection (Paragraph 3(m))
- ❑ high-quality public services that enhance the delivery of social security systems (Paragraph 3(n))
- ❑ tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned (Paragraph 3(r))

#### Complementary of policies

- ❑ coherence with social, economic and employment policies (Paragraph 3(l))
- ❑ policies that promote productive economic activity and formal employment, including policies that promote secure work, entrepreneurship and sustainable enterprises (Paragraphs 10(b) and (c), and 15)
- ❑ public services, including health-care services (Paragraph 3(n))
- ❑ policies to support the formalization of enterprises and employment (Paragraph 15)

#### Closely related Social Development Goals (SDGs)

- ❑ on ending poverty – SDG 1
- ❑ on good health and well-being – SDG 3
- ❑ on gender equality – SDG 5
- ❑ on decent work and economic growth – SDG 8
- ❑ on reducing inequalities – SDG 10
- ❑ on building effective, accountable and inclusive institutions at all levels – SDG 16
- ❑ on partnerships for the SDGs – SDG 17

## 11.1. The need for internal and external coherence: Two sides of the same coin

651. In Recommendation No. 202, policy coherence achieved through both internal coordination, within the various mechanisms that make up the social protection system, as well as the external coordination of social protection with other major public policies, are considered to be central elements that are conducive to the objective of universal social protection. The Recommendation clearly affirms the pivotal role of social protection “as an important tool to prevent and reduce poverty, inequality, social exclusion and social insecurity, to promote equal opportunity and gender and racial equality, and to support the transition from informal to formal employment” (Preamble). By acknowledging that “the right to social security is, along with promoting employment, an economic and social necessity for development and progress” (Preamble), it recognizes that social protection, together with employment, enables the transition towards sustainable economies, particularly by empowering people to adjust to economic change. As in the case of most major public policy areas, the Recommendation therefore recognizes the cross-cutting nature of social protection, with its links across various economic and social policy areas, including employment, education, taxation, health, water and sanitation, food, housing, and family and care-related social rights.

652. To this effect, the Recommendation calls for both internal coherence within the various components of the social protection system, and coherence between social protection and other major social, employment and economic policies (Paragraph 10). It also emphasizes that national social protection policies and strategies need to be “consistent with, and conducive to, the implementation of the social, economic and environmental development plans of Members” (Paragraph 15). More specifically, the Recommendation places emphasis on the coordination of social protection with other policies aimed at reducing precariousness and promoting secure work, entrepreneurship and sustainable enterprises within a decent work framework, including policies to promote income generation, education, literacy, vocational training, skills and employability (Paragraph 10(c)). The Recommendation adds that social protection should also be instrumental in promoting productive economic activity and formal employment through policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives (Paragraph 10(b)). The Committee recalls in this respect that both Recommendation No. 202 and the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), make direct reference to the need to extend protection to workers in the informal economy and to consider this objective within the broader policy framework of promoting the transition to the formal economy.<sup>1</sup> More specifically, with reference to the linkages between social protection and employment policy, Recommendation No. 202 suggests that social protection should be complemented with active labour market policies, including vocational training or other measures, particularly with a view to supporting the growth of formal employment (Paragraphs 10(c) and 14(d)).

**653. With regard, in particular, to the internal dimension of coherence, the Committee strongly supports the Recommendation which calls on Members, when formulating and implementing their national social protection strategies, to use appropriate and effectively coordinated contributory and non-contributory schemes to close gaps in protection (Paragraphs 9 and 14). The measures taken should, when feasible, promote the extension of existing contributory schemes to all persons with**

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<sup>1</sup> Recommendation No. 202, Paragraphs 3(e), 14 and 15, and Recommendation No. 204, Paras 18–20.



**contributory capacity, adapting the schemes to the specific circumstances of the various excluded population groups (Paragraph 14(c)), so as to ensure that a progressively increasing number of persons have access to mechanisms that provide higher levels of protection than the basic level guaranteed by the social protection floor, in accordance with Convention No. 102 and the ILO's the more advanced social security standards (Paragraph 17).**

654. The Recommendation also calls for policy coherence between social protection and broader social, economic and employment policies (Paragraph 3(l)), including through coordinated cross-sectoral initiatives with other public policies (Paragraph 13(2)), in a manner “consistent with, and conducive to, the implementation of the social, economic and environmental development plans of Members” (Paragraph 15). In relation to the design of social protection floors, Paragraph 10(b) further encourages the consideration of “policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and that promote education, vocational training, productive skills and employability”. This approach allows the building of synergies that integrate social protection with employment, education and taxation policies, and also increasingly with climate change initiatives, food security interventions, the HIV/AIDS response and other essential developmental sectors, thereby supporting the implementation of policies that leave no one behind, in line with the SDG framework.

## 11.2. Building internal coherence across institutions responsible for implementing comprehensive and adequate social security systems

### 11.2.1. Reducing fragmentation and ensuring more effective delivery

655. **The Committee observes that, as suggested by the provisions of the Recommendation referred to above, the importance of internal coherence between the various components of the social protection system needs to be duly recognized as well as the need for national policies and legal frameworks to provide effective coordination mechanisms that guarantee internal coherence and a systemic approach, in addition to providing for inter-sectoral policy coherence.** In most countries, social security schemes are under the competence of different institutions and entities, resulting in social insurance and assistance schemes being administered and overseen by different institutions. Ensuring coordination between the various social protection mechanisms is therefore of the utmost importance to prevent serious shortcomings in social protection delivery, as well as duplication and difficulties in transitioning between schemes. For example, in *Estonia*, coherence between the various contributory and non-contributory social security schemes and benefits is achieved through common adjustment mechanisms and compulsory impact analysis, which provides valuable information for the global redesign of policies. The Government of *Japan* reports that coherence is ensured between contributory and non-contributory social security schemes through the legal requirement that any support or assistance under the public assistance system is to be provided only after the available assets or benefits guaranteed through the contributory scheme have been used.

656. Responsibility for ensuring coordination is often entrusted to a single ministry or public entity. For example, in *Jamaica*, the National Social Protection Committee (NSPC) ensures the coherence of the various contributory and non-contributory social protection

schemes and benefits as the body responsible for monitoring and implementing the Social Protection Strategy. The Ministry for Local Government (MLG) in *Rwanda* manages the delivery of social protection programmes by coordinating national ministries, linking national and local authorities and integrating services at the local level. In *Finland*, the Ministry of Social Affairs and Health coordinates action to improve the well-being of the population, social inclusion and health. The aim is for the promotion of well-being and health to be taken into account in all decisions and action. In *Iraq*, various departments of the Ministry of Labour and Social Affairs work in an integrated manner for the implementation of general policy in Government institutions and the provision of social security and protection. These include the Social Protection Authority, the Department of Vocational Training, the Department of Employment and Loans, and the Department of Workers' Pensions and Social Security. Coordination also exists with the Directorate of Public Pensions, particularly in relation to the merger of the pension and social security funds, in accordance with the Social Insurance Act.

657. The Committee observes that building internal coherence generates both efficiency and more comprehensive impacts, for example, by linking social cash transfers with social health insurance, as in *Ghana*, where the measures adopted ensure that cash transfer recipients under the Livelihood Empowerment Against Poverty (LEAP) programme are automatically enrolled in the national health insurance scheme, thereby enhancing their access to health care, protecting their productive assets from distress sales and preventing a further decline into extreme poverty. In *Croatia*, in line with the 2017 National Reform Program, the Government is seeking to improve coordination and the exchange of data between the social welfare and other systems through the improvement of the application software of the social welfare system.

658. The Committee observes that the higher the number of programmes, the greater the need for systemic integration and unity. In *Bangladesh*, according to the National Social Security Strategy, there are some 95 programmes financed under the social security system. The 2015 National Social Security Strategy aims to systematize social protection across all these programmes in order to broaden the scope and coverage of existing programmes (through the integration of social insurance and employment policies) and improve programme design with a view to reducing income inequality and contributing to higher growth by strengthening human development.

659. Coordination between central and regional structures in certain countries allows the decentralization of administrative functions, while also improving benefit delivery. In *Canada*, certain elements of the social protection system fall under the joint jurisdiction of federal and provincial governments and territories. In this context, agreements exist to coordinate the delivery of public pension programmes (the Old Age Security programme and the Canada Pension Plan) with social security programmes that are under the jurisdiction of the provinces and territories, as well as other federal government programmes. In *Germany*, social policy and action is governed by the principle of federalism, which means that responsibilities, including lawmaking and regulation, are divided between the different levels of government. The federal Government is responsible for lawmaking in all areas relating to uniformity and equality of standards of living (such as social insurance, labour law and protection, and public welfare, which entail such elements as the basic income for jobseekers, social assistance, housing subsidies, child and youth support, and family benefits). The legislative authority of individual states (*Länder*) is limited to specific areas of the health and social sector. Municipalities have regulatory authority over local community matters and, in particular, broad discretion in relation to voluntary public provision beyond the measures mandated by federal and state law. Municipalities are responsible for the actual delivery of the social

security benefits guaranteed at the federal or state level (such as housing subsidies, social assistance and youth support).

660. Increasingly, “single window services” or “one-stop-shops” are being established at the local level to reduce fragmentation and reach the target population at reduced cost, while also having the effect of requiring intragovernmental cooperation and empowering local authorities. Such approaches have been successfully implemented in *Brazil, India, Mongolia, South Africa, Tajikistan* and other countries, and are particularly important in facilitating access to social protection for rural populations. For example, in *Brazil* and *Mexico*, social protection delivery is decentralized to municipalities and local institutions. The South African Social Security Agency has local branch offices for administration, but coordinates with private financial institutions for benefit payments. In *Senegal*, mutual health funds at the district and village levels are viewed as the main entry points for State intervention in the field of social protection, and therefore play a public-service role.<sup>2</sup> In the *Czech Republic*, coordination between the national and regional levels is supported by “advisory councils” consisting of the key labour market actors (the state administration, self-government, employers and trade unions), while the single information system collects the necessary data. In *Nigeria*, the key stakeholders are assessing how fiscal reform can empower local authorities, create mechanisms to share the cost of social protection and improve programme scale-up. In *Burkina Faso*, regional social protection units are responsible for: promoting synergies between the sectoral plans of the various actors to prevent duplication; ensuring that social protection is taken into account in the preparation of the regional development plan; producing implementation reports; and collecting and forwarding data on monitoring and evaluation indicators. Similar structures exist in *Mauritania* and *Togo*. In *Nepal*, ministries responsible for delivery, work through district and village structures. In the *Netherlands*, the Government has adopted a series of measures to remedy or prevent poverty at the central and municipal levels. The Dutch social security system guarantees that everyone has an income that covers the cost of subsistence. Municipal authorities are responsible for policies to address poverty and debt through special social assistance programmes, means-tested allowances to cover rent, health insurance premiums and day care, as well as debt counselling services and discount schemes for various social and cultural activities to promote social inclusion.

**661. The Committee cannot overemphasize the importance of establishing coordination mechanisms, including through national legislation, to guarantee systemic coherence between the mandates and activities of the (often) numerous authorities responsible for the implementation of the various social protection schemes and programmes. Such coordination has been seen to reduce fragmentation and enhance transparency, efficiency and cost-effectiveness by reducing duplication, improving access to schemes and benefits and raising awareness of the system. The Committee notes that, in addition to coordinating contributory and non-contributory schemes, the coordination and strengthening of existing delivery mechanisms is also of the utmost importance for the effective expansion of coverage and in ensuring that schemes are close to their intended beneficiaries. Delivery mechanisms at the local level should be part of a coordinated policy framework as a means of effectively reaching all the intended target groups. In a context characterized by scarce resources and fiscal pressure, effective coordination mechanisms are essential to ensure that the available resources are allocated in the most effective way, and particularly to guarantee the protection of the most vulnerable members of society.**

<sup>2</sup> *Senegal*, National Social Protection Strategy, p. 100; see also A. Pino, and A.M. Badini Confalonieri: “National social protection policies in West Africa: A comparative analysis”, in *International Social Security Review* (Vol. 67, Issue 3-4, 2014), pp. 127–152.

**The Committee observes that, with a view to achieving effective systemic coherence, it is important for the designated coordinating entity to have the ability to set priorities for the social protection system, and also to participate in the integration of social protection policies and practices within the broader development planning framework, as suggested in Paragraph 15 of the Recommendation.**

#### 11.2.2. The role of development partners in promoting policy coherence

662. The Committee notes with interest that, with the support of development partners and international agencies, governments are increasingly seeking to promote policy coherence in order to achieve greater developmental impact, sometimes directly inspired by the Recommendation. Various tools and approaches have been developed to support policy and system coherence. For example, the assessment-based national dialogue (ABND) approach developed by the ILO aims to support the establishment of comprehensive social protection systems, including social protection floors, based on an assessment of national social protection policies, coverage gaps and the structure of the national social protection system.<sup>3</sup> Another example is the social protection coordination toolkit developed by the United Nations Development Group (UNDG) to improve the functioning of the United Nations development system at the country level and to ensure coordination between all the organizations involved in the provision of social protection services and transfers.<sup>4</sup> The toolkit provides a comprehensive support structure for national planning and implementation efforts to improve development impact and increase the efficiency of the United Nations development system. Working as One United Nations on social protection floors is an important priority for the UNDG and the ILO in order to design and implement social protection systems and floors through broad-based national dialogue under the United Nations Development Agreement Frameworks (UNDAFs) and SDG implementation plans. Since 2009, regional thematic working groups operating under the auspices of the UNDG have been created in the Arab States, Asia and the Pacific and Europe and Central Asia to strengthen cooperation, develop joint positions, toolkits and methodologies, and promote joint in-country activities on social protection floors.

663. In addition, the Inter-Agency Social Protection Assessment (ISPA) tools<sup>5</sup> developed under the auspices of the Social Protection Inter-agency Cooperation Board (SPIAC-B) are designed to coordinate development partner support for the strengthening of national social protection systems in the three dimensions of system, programme/scheme and service delivery. The tools can be used not only to improve performance and delivery mechanisms (by building internal coherence), but also to ensure synergies across social protection and coherence with other policy areas. The Global Partnership for Universal Social Protection, co-led by the ILO and the World Bank, which was launched in 2016, also brings together some 15 international organizations and other development partners to capitalize on existing experience and knowledge and extend protection to populations who are not yet covered, as part of the efforts to give effect to the SDGs.

664. Workers' and employers' organizations and civil society are also coming together to support the building of social protection systems, including social protection floors, based on a systemic and integrated approach through the ILO Global Flagship Programme on

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<sup>3</sup> ILO: *Social protection assessment-based national dialogue: A global guide*, Geneva, 2016.

<sup>4</sup> ILO/UNDG: *UNDG social protection coordination toolkit: Coordinating the design and implementation of nationally defined social protection floors*, ILO, Geneva, 2016

<sup>5</sup> This set of tools currently includes the: Core Diagnostic Instrument (CODI), Social Protection Public Works Programs tool, Identification tool and the Social Protection Payments tool, available at: [www.ispatools.org](http://www.ispatools.org).

Building Social Protection Floors for All. The Global Business Network for Social Protection Floors is a platform for exchange and the engagement of private sector enterprises which promotes the business case for social protection, namely that it contributes to enterprise competitiveness by improving productivity, attracting and retaining talent and improving corporate image. The Social Protection, Freedom and Justice for Workers Initiative, led by trade unions, mobilizes workers' organizations to defend workers' rights in the context of social protection systems and social security reforms. In addition, the Global Coalition for Social Protection Floors, which includes over 80 civil society organizations, supports the right to social security and the establishment of social protection floors.

**665. The Committee therefore emphasizes that, by bringing together all the relevant stakeholders, including development partners, the initiatives outlined above have the potential to enhance policy coherence significantly, especially in view of the number of actors involved in social protection at both the global and national levels, including the international financial institutions. The Committee particularly welcomes initiatives to enhance coordination and coherence in the development cooperation support provided to countries. In this context, the Committee emphasizes the importance of national ownership through inclusive and broad participatory and consultative processes involving all the relevant national stakeholders, including where development partners participate in policy development and implementation.**

### 11.3. Coherence between social protection and other policies

#### 11.3.1. Coordination from the policy formulation phase to ensure coherence with social, economic and employment policies

666. Increasingly, as encouraged by Recommendation No. 202 (Paragraphs 3(l) and (m), 10, 13(2), 14(d) and 15), a wide array of coordination mechanisms have been developed at the national level to achieve policy coherence and synergies between social protection and other major public policies. Measures are being taken in a number of countries, including *Bangladesh, Cambodia, Indonesia, Nepal, Rwanda, South Africa, United Republic of Tanzania* and *Uganda*, to improve cross-cutting social and economic impacts by balancing economic and social spending priorities with a view to achieving inclusive economic growth and development, and strengthening coherence within the social protection sector, while maximizing linkages between social protection and other development sectors. In *Belgium*, the Council of Ministers approved the third federal plan to address poverty (2016–19), which is based on a multidimensional approach with the objectives of: guaranteeing access to health care; ensuring the social protection of the population; reducing child poverty; optimizing labour market access through active labour and social policies; intensifying action to combat homelessness and unsanitary housing; and making public services available to all. The Vision 2020 Umurenge Program (VUP) in *Rwanda* is an integrated local development programme to accelerate poverty eradication, rural growth and social protection, which provides direct cash transfers and implements public works, microcredit and agricultural skills development. It is coordinated by the Ministry of Local Government, with inputs from the ministries responsible for infrastructure, agriculture, trade and industry, and natural resources. In *Ghana*, an updated National Social Protection Strategy was launched in 2016 with the objective of delivering a well-coordinated and inter-sectoral social protection system to enable people to live in dignity. The Ministry of Gender, Child and Social Protection is leading strategic action,

oversight and monitoring in close collaboration with the Ministry of Finance to ensure consistency in the flow of funds to social protection programmes and the progressive implementation of a national social protection floor. In *Malawi*, the Government launched the National Social Support Policy in 2012 to address poverty through integrated social protection with the objectives of: providing welfare support for those who are unable to build a viable livelihood; protecting the assets and improving the resilience of poor and vulnerable households; increasing the productive capacity and asset base of poor and vulnerable households to move them above the poverty line; and establishing coherent and progressive social protection synergies through strong linkages with economic and social policy and disaster management. The priorities can sometimes focus on a single theme, such as support and social inclusion for the most vulnerable and disadvantaged, and particularly children and young persons. In *Brazil*, the 2006 Basic Act on food and nutrition security establishes the institutional framework and systemic approach to coordinate inter-sectoral hunger reduction policies (which include social protection and agriculture). In *Italy*, the Fourth National Plan of Action and Initiatives to Protect the Rights and Development of Children and Young Persons outlines four key areas to be covered by a multidimensional approach: action to combat child and family poverty; socio-educational services for early childhood and quality in the school system; strategies and initiatives for school and social integration; and support for parents. The plan has been developed, implemented and monitored through a participatory process that includes actors from all public sectors and civil society, including the National Observatory of Childhood and Youth. In *Denmark*, policy coordination is driven by the principle of sectoral accountability. For example, in the case of disability policy, although the Ministry of Children and Social Affairs has overall responsibility for coordinating the policy for persons with disabilities, all ministries are required to consider disability when developing policies within their own areas of responsibility. For example, the Ministry of Transport is required to consider wheelchair accessibility in relation to public transport financing and legislation.

**667. While noting that the Recommendation does not advocate a single coordination model to ensure coherence between social protection and other major public policies, the Committee observes that, in addition to the existence of political will and commitment to social protection, such coherence often requires synchronization between national and local policies, programmes and practices, in addition to the provision of the necessary resources to the body responsible for coordination. In this respect, the Committee emphasizes the importance of ensuring effective coherence with a view to maximizing the impact of public policies for the promotion of human rights. The Committee notes in particular that this interdependence is recognized in the 2030 Agenda for Sustainable Development, and that social protection is referred to in several of the SDGs, which also call for enhanced policy coherence (SDG 17 – “Strengthen the means of implementation and revitalize the global partnership for sustainable development”, and target 17.14 – “Enhance policy coherence for sustainable development”). In this connection, the Committee notes with interest that interdependence between the various major public policies is increasingly widely recognized and implemented, including in the design of national policies and strategies, sometimes within the policy and legal framework of social protection and, in other cases, in the context of the integrated and strategic objectives of overall national development plans.**

### 11.3.2. Embedding social protection policies in broader policy frameworks

668. While policy coordination functions are often assumed by ministries of planning or development, broad formal or ad hoc coalitions of institutions may also be established with responsibility for planning, leading and delivering comprehensive social protection through the coordination of the various initiatives. In some cases, a specially created executive agency, which reports to a committee composed of the relevant ministries or the office of the president, vice-president or prime minister, may take on overall responsibility for the coordination of social protection policy with other areas of public policy. The ministry of finance, together with the ministries of education, health, labour and social development (or welfare), are normally included, sometimes alongside the ministries responsible for gender, agriculture and children, depending on the ministerial structure and the nature of the social protection system. In *Portugal*, the Government prepares an overall public policy strategy to ensure coordination within, for example, the major planning options and the reports drawn up in preparation for the state budget. Reference may also be made to the coordination of other areas of public policy, in accordance with the Constitution, including the minimum wage, the prohibition of work by school-age minors, the prohibition of denial of justice for lack of economic resources, unemployment, orphaned children, disability and taxation. Changes to the social security scheme are regularly discussed and negotiated by the Government, trade unions and employers' associations through social dialogue forums, while temporary task forces may also be set up to implement specific government plans or strategies. In *Denmark*, the long-term sustainability of the welfare society is ensured by an integrated policy framework, as economic growth and employment are considered to be prerequisites for high quality public services financed through taxation. Priority is given to securing equal opportunities for all through the provision of affordable day care, free schooling and education, and a free health-care system, with social benefits ensuring the security of those who lack income. In certain countries, such as *Bangladesh*, *Nepal*, *United Republic of Tanzania* and *Uganda*, responsibility for ensuring coordination and coherence between social protection and other major public policies is entrusted to a permanent body. In *Nepal*, the National Steering Committee on Social Protection, composed of representatives from various ministries, has coordinated social protection programmes since 2009, in conjunction with the Social Protection Task Team. In the *Philippines*, the Subcommittee on Social Protection, established in 2009, acts as an inter-agency mechanism under the National Economic and Development Authority, which spearheads the operationalization of the Social Protection Operational Framework and Strategy. In *Senegal*, a Social Protection and National Solidarity Delegation, attached to the Office of the President, chairs the Inter-Ministerial Steering Committee of the National Social Protection Strategy. The Delegation includes representatives of the ministries responsible for social protection, employers' organizations, trade unions, civil society actors and representatives of local communities. A taskforce has been established in the *Republic of Korea*, including representatives of the ministries responsible for health care and welfare, land, infrastructure and transport, and education, for the promotion and implementation of the "The First Comprehensive Plan for Basic Living Security", which has the objective of expanding the coverage of all types of benefits, including health care, housing and education, as part of a job-centred policy designed to increase the number of jobs and self-sufficiency benefits to enable people to become progressively more self-sufficient. In *Mexico*, in the context of the implementation of the *Prospera* social inclusion programme (initially *Progresa*, and then *Oportunidades*), the Ministry of Finance is responsible for the integration of the respective programmes in broader development plans.

669. The *International Organisation of Employers (IOE)* notes that the world of work is affected by important changes, namely: technology and innovation; the changing nature of work; climate change; and demographic change. These changes pose new challenges and opportunities for implementing Recommendation No. 202. The nature of work has also transformed, not only in terms of types of employment contracts that exist in the labour market but also in terms of workers' attitudes towards work, in particular demands for more flexibility and responsibilities. This changing nature of work creates more flexibility for individuals and reflects new business models and practices. Technology and innovation also pose new challenges for social security protection by polarising traditional and modern work and skills patterns. Furthermore, they raise difficulties for ensuring the adequacy of existing legal, institutional or social protection frameworks as well as increase the challenges related to income inequality by further widening the gap between individuals with lower education and traditional labour skills and those with higher education and new technological skills. Therefore, the *IOE* considers that member States should make sure that they have in place the most suitable, sustainable and future-proof social protection systems, including through: (i) discussing with the relevant stakeholders at the national level on how social security protection policies can encompass and reflect the social protection floor (SPF) based on the Recommendation and considering the changes to the world of work in the national context; (ii) statistics made on the basis of information collected should capture the diverse forms of work to analyse their changes and to make appropriate adjustments to the current social protection systems accordingly; (iii) adopting an approach that not only focuses on the extension of the SPF, but also reflects on the feasibility and affordability in light of member States' available resources and circumstances; (iv) exploring various funding options to optimise the objectives of social protection schemes; (v) exploring alternative ways to extend coverage and collect the resources required to capture new forms of work or other earnings, including the ones that may escape the traditional ways of collecting income tax (this is important to ensure sufficient revenue are available to fund and administer social protection schemes); and (vi) revisiting the priority groups, including individuals who are most in need of assistance, and closing identified gaps to cover individuals who are excluded under the current systems.

**670. The Committee observes that coherence between social protection and other areas of public policy can best be achieved through the inclusion of clear coordination mechanisms from the policy design stage, which should be embedded in legal and institutional frameworks. The Committee welcomes systemic and integrated approaches in which ministries or public bodies responsible for planning coordinate comprehensive social protection measures with broader national socio-economic development plans, as called for in Paragraph 15 of the Recommendation. The Committee considers that planning frameworks are indispensable for the effective implementation of national social protection strategies and policies. Such frameworks facilitate the development of comprehensive social protection systems, including social protection floors, that are coherent with broader economic and social development policies, and ensure that they are integrated at all levels, and particularly the local level, where certain ministries may not be present. In this respect, the Committee acknowledges the importance of the (early) involvement of the authority responsible for administering the State budget, as a key element in promoting integrated policy implementation in a context of collaboration between the various sectoral bodies and levels of Government. In general, the Committee considers that it is part of the overall and primary responsibility of the State to coordinate all public policies and, when reconciling the various policy objectives, to follow a rights-based approach focusing on the realization of individual and public**



**rights and interests. In many cases, such cross-institutional mechanisms go beyond government structures and involve tripartite participation and consultation with other relevant and representative organizations of the persons concerned. This participatory process can be further promoted.**

### 11.3.3. Strengthening linkages between cash benefits and social services

671. The Committee notes a continued trend for the integrated management of social protection as a whole, with the aim of achieving greater coherence and coordination between the various institutions that administer social benefits and services.<sup>6</sup> Recommendation No. 202 calls on Members to “combine preventive, promotional and active measures, benefits and social services” (Paragraph 10(a)), “coherence across institutions responsible for the delivery of social protection” (Paragraph 3(m)) and “high-quality public services that enhance the delivery of social security systems” (Paragraph 3(n)).

672. The Committee observes that there are different ways of strengthening linkages between cash benefits and social services, with differing legal implications. Some social protection programmes, and particularly conditional cash transfer programmes (CCTs), incorporate a direct link between cash benefits and social services in the form of conditions, usually related to the use of health or education services as a means of encouraging desirable types of behaviour by beneficiaries. CCTs are implemented in a significant number of countries, especially in Latin America, and to a lesser extent in Africa. The scale of certain CCTs is significant, for example in *Mexico*, where the *Prospera* programme covers 5 million households, and *Brazil*, where there are around 11 million beneficiaries of the *Bolsa familia*. Although noting that some CCTs have had a significant impact in reducing poverty and child labour, and in encouraging participation in education and health services, the Committee observes the growing evidence suggesting that behavioural conditions may not be necessary for CCTs to achieve a strong positive impact, for example in terms of school attendance, the re-enrolment of school drop-outs, literacy and health.<sup>7</sup> One key factor in this respect is to ensure the adequacy and accessibility of education and health services.

**673. In this regard, the Committee emphasizes the complementarity between the different types of benefits and services, and notes that greater policy coherence and better coordination contribute to enhancing the overall performance of social protection systems. However, it also recalls the importance of ensuring that policy design and delivery mechanisms are developed carefully in line with the principles set out in human rights instruments and the ILO’s social security standards so as to ensure that they contribute to the realization of the right to social security and other human rights. In this respect, the Committee notes the concerns raised regarding the implications of the imposition of some behavioural conditions for the full enjoyment**

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<sup>6</sup> *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter, the “2011 General Survey”), para. 148.

<sup>7</sup> ILO: *Social security for social justice and a fair globalization: Recurrent discussion on social protection (social security) under the ILO Declaration on Social Justice for a Fair Globalization, 2011*, Report VI, International Labour Conference, 100th Session, Geneva, 2011, pp. 118–120; see also F. Bastagli, J. Hagen-Zanker, L. Harman et al.: *Cash transfers: What does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*, Overseas Development Institute, London, 2016.

**of the right to social security, especially for vulnerable population groups.**<sup>8</sup> The imposition of conditions on selected population groups, and particularly the poorest members of society, may further exacerbate already difficult living conditions and interfere with the principles of equality, non-discrimination and responsiveness to special needs set out in the Recommendation. The Committee further notes that, in practice, women too often shoulder the burden of these behavioural conditions, which has the effect of further entrenching gender inequalities, reinforcing traditional gender roles and impeding their enjoyment of human rights, and particularly their participation in political, economic and social life.<sup>9</sup> The Committee observes in this respect that non-compliance with conditionalities should not result in beneficiaries being refused the exercise of their basic human right to social security at a minimum essential level. While recalling the emphasis placed in Recommendation No. 202 on the achievement of the optimal mix of measures adapted to national circumstances, the Committee invites constituents to factor into decisions relating to the possibility of introducing behavioural conditions the higher costs involved in the management of such schemes and the cost of compliance for beneficiaries, and particularly women.

674. The Committee also emphasizes the importance of ensuring the provision of “high-quality public services that enhance the delivery of social security systems” (Paragraph 3(n)), and particularly improved access to schools and local medical services, in the case of both CCT programmes and unconditional transfers. In this regard, the Committee notes the key role of health-care and long-term care services (see chapter 5), education and childcare services (see chapter 6), as well as other public services, such as transport, water and sanitation. The Committee also recalls the key importance of such services in enhancing gender equality and promoting women’s empowerment,<sup>10</sup> and the relevance of the guidance provided in Recommendation No. 202 for the attainment of many SDGs including, beyond 1.3, **other goals which explicitly or implicitly relate to social protection, including other goals on poverty reduction (1), health (3), gender equality (5), decent work and economic growth (8), reduced inequalities (10), peace, justice and strong institutions (16); as well as strengthening the means of implementation and revitalizing the global partnership for sustainable development (17).**

#### 11.3.4. Building policy coherence through synergies between social security and active labour market and employment policies, including vocational training

675. Effective coordination between social security and employment policies is of particular importance in light of the global challenges of unemployment, underemployment and informality.<sup>11</sup> Recommendation No. 202 acknowledges the need for effective coordination in several respects (Paragraphs 3(l), 10, 14(d) and 15). In recognition of the global trend to strengthen the links between income support and active labour market policies, Recommendation No. 202 calls for social security to be complemented with active labour market policies, including vocational training or other

<sup>8</sup> See ILO: *Social security for social justice and a fair globalization*, 2011, op. cit., pp. 118–120; M. Sepúlveda, C. Nyst and H. Hautala, *The human rights approach to social protection*, 2012, Ministry for Foreign Affairs, Finland, pp. 48–53.

<sup>9</sup> ILO: *Social security for social justice and a fair globalization*, 2011, op. cit., pp. 118–120; E. Fultz and J. Francis: *Cash transfer programmes, poverty reduction and empowerment of women: A comparative analysis: Experiences from Brazil, Chile, India, Mexico and South Africa*, (Geneva, ILO, GED Working Paper 4/2013).

<sup>10</sup> ILO: *Care work and care jobs for the future of decent work*, Geneva, 2018.

<sup>11</sup> 2011 General Survey, paras 496–534.

measures, as appropriate (Paragraph 14(d)). The Recommendation is based on the premise that, when designing national social security systems, including social protection floors, Members should aim to achieve the most effective combination of preventive, promotional and *active* measures, benefits and social services (Paragraph 10(a)). They are also called on to promote productive economic activity and formal employment through such policies as public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and to promote education, vocational training, productive skills and employability (Paragraph 10(b)). To this effect, the Recommendation emphasizes the need to ensure coordination with other policies that enhance formal employment, vocational training, skills and employability, and that reduce precariousness, while promoting secure work, entrepreneurship and sustainable enterprises within a decent work framework (Paragraph 10(c)).

### 11.3.5. Promoting synergies between social protection and active labour market policies

676. In general, active labour market policies and measures are intended to activate and motivate the unemployed to return to the labour market through, for example, direct job search assistance and career guidance, training and skills development, and employment and wage subsidies. The ILO categorizes active labour market policies as including the following types of interventions: matching jobseekers with current vacancies; upgrading and adapting the skills of jobseekers; providing employment subsidies; and creating jobs, either through public sector employment or the provision of subsidies for private sector work.<sup>12</sup>

677. The Committee notes that increased support for active labour market policies, in conjunction with the expansion of unemployment protection schemes, including non-contributory schemes, has played a major role in many regions in addressing poverty and inequality and improving employment.<sup>13</sup> Active labour market policies have often been included in integrated employment and social protection policies, for example in *Argentina, Brazil, Germany, Japan, Republic of Korea* and *Viet Nam*. Sometimes, as in *Argentina, Brazil* and *Chile*, the level of investment in active labour market policies is comparable to the levels registered in high-income countries, while in certain other countries no such policies exist, or expenditure on them is very low. Through active labour market policies, jobseekers and recipients of unemployment benefits in a number of countries, including the *Netherlands, Portugal, Russian Federation, Saudi Arabia* and *Viet Nam*, have been provided with better access to training, retraining, certification and job matching. For example, specific measures have been implemented in *France* to promote youth employment through the coordination of various types of action. Youths between 16 and 25 years of age who are experiencing difficulties benefit from a broad range of measures, including job search, financial aid, adapted education programmes and employment integration programmes. Similarly, a number of measures for the unemployed and jobseekers in *Latvia* focus not only on activation, but also on health, youth and education policies. They include: job search assistance and vocational guidance measures; occupational training; retraining and skills improvement; measures to improve competitiveness, and particularly social and functional skills, and psychological support measures; subsidized employment programmes for persons with disabilities, the long-term unemployed and the unemployed at pre-retirement age; measures to facilitate the start-up

<sup>12</sup> ILO: *What works: Active labour market policies in Latin America and the Caribbean*, Studies on Growth with Equity, Geneva, 2016.

<sup>13</sup> See, for example, ILO: *World Social Protection Report 2017–19*, 2017, op. cit., section 3.3.

of commercial activities and self-employment; training with employers; targeted measures for young unemployed persons between 15 and 29 years (including youth workshops and first work experience); paid temporary public works; and activation programmes for the long-term unemployed (training, motivation programmes, mentors). In *Denmark*, *Latvia* and *Spain*, the provision of personalized support helps to reinforce compliance with job search and activity requirements. In *Germany*, basic income support for jobseekers, children, youth and young adults is combined with education benefits and benefits to enable them to participate in the social and cultural life of the community. These benefits complement the general education system, for which the *Länder* are responsible. Job assistance and job counselling services have been expanded in *Estonia* to help workers retain employment. Similarly, social protection and employment services have been merged into a “one-stop-shop” through a single window in *Finland* and *Mongolia*. In *Iraq*, the Social Protection Act of 2014 requires the social services provided to individuals and families to be coordinated with measures taken by the appropriate ministries and bodies in such areas as vocational training and education, capacity building and access to job opportunities, and loans or grants to set up small enterprises. In *Finland*, the earned-income tax credit favours income from labour as a means of redistribution and of strengthening the equity-efficiency balance of the tax and benefits system. A protected labour income (€300 a month) has been introduced recently in addition to both housing allowance and unemployment benefit as a means of helping people accept short-time and temporary work contracts.

678. In a number of countries, including *Argentina*, *Brazil*, *Canada*, *Denmark*, *Finland*, *France*, *Japan*, *Republic of Korea*, *Russian Federation*, *Saudi Arabia*, *South Africa* and *United States*, subsidized employment and the provision of credit have been used as incentives for the recruitment of unemployed workers and job creation. In *Italy*, “active inclusion support” is a financial benefit for poor families which involves personalized social and employment development plans based on an integrated network of interventions, which are identified by the municipal social services and coordinated with other services (employment centres, health services, schools) and actors, the social partners and the community. Other support measures for households with children include facilitated access to public and private crèches, additional family allowances for families with three or more children, vouchers for goods and services for families with at least four children, baby and expectant mother bonuses, family cards providing discounts on goods and services, and socio-educational services for early childhood. In the *Czech Republic*, the Labour Office, which is an independent institution within the Ministry of Labour and Social Affairs, is responsible for the coordination of social and employment policy measures, for example in relation to employee protection in the event of the insolvency of the employer, State social support, benefits for persons with disabilities, care allowances and the monitoring of social services and poverty assistance. In *Portugal*, in coordination with unemployment policy measures, the social security system is designed to increase employability and reduce job insecurity and informality through incentives to recruit workers and lower labour costs, such as the temporary waiver and/or reduction of social security contributions, and funding for internships.

679. In a significant number of countries, certain active labour market policy measures are targeted at specific disadvantaged groups experiencing employment difficulties, for example due to low income levels, a lack of basic skills or discrimination. Examples include programmes for older workers (*Austria*, *Lithuania* and *Singapore*), persons with disabilities (*Germany*, *Luxembourg* and *Poland*), parents with young children (including in *Bulgaria*, *Japan*, *Malta*, *Pakistan* and *Russian Federation*), women (*Poland* and *Spain*) and the long-term unemployed (*Cyprus*, *Bulgaria*, *France*, *Ireland*, *Latvia*, *Malta*,

*Portugal, Slovakia and Spain*). **The Committee emphasizes the need for benefits targeted at specific vulnerable categories to be accompanied by measures to develop their skills and employability, with a view to facilitating their entry or reintegration into the labour market, and to prevent them from being locked into and stigmatized by their situation of vulnerability.**<sup>14</sup>

680. **The Committee notes that active labour market policy measures are instrumental in building the capacity and skills of the unemployed, and reducing their long-term exclusion from the labour market, by bringing the recipients of unemployment and social assistance benefits under a common framework of activation policies and improving the quality and outreach of the services provided.** However, despite the intention of facilitating the return to work of the unemployed, active labour market policies may also exclude or discriminate against certain groups of beneficiaries and restrict their effective access to benefits, particularly when tighter conditions of entitlement are applied for unemployment or other benefits, and stricter controls of beneficiaries.<sup>15</sup> **The Committee therefore considers that care is required in the design and implementation of activation measures to ensure that they do not have unintended effects and infringe on acquired social security rights guaranteed under the relevant international instruments, including the ILO's social security Conventions.**

#### 11.3.6. Public employment programmes: Guaranteeing the right to income security by operationalizing the right to work?

681. Public employment programmes are intended to provide an income or in-kind transfer to families living in poverty in exchange for work, in the form of public employment guarantees, public works programmes (PWPs), cash-for-work or food-for-work programmes, which offer temporary employment and a certain level of income security for unemployed or underemployed workers. Especially in the absence of an unemployment insurance scheme, such programmes can be an important means of stabilizing incomes and providing employment opportunities, especially to the self-employed and rural workers during the lean season. This is subject to the need to prevent forced labour, with safeguards to ensure that the work is voluntary and free from the menace of a penalty. A notable PWP is the employment guarantee scheme implemented under the Mahatma Gandhi National Rural Employment Guarantee Act in *India*, which is mainly targeted at rural populations and currently covers 15 per cent of the population (or 182 million beneficiaries). The scheme guarantees up to 100 days of waged employment a year on PWPs for every household in the country (about a third of participants are women). Another such initiative is the Productive Safety Nets Programme (PSNP) in *Ethiopia*, which has some 8 million beneficiaries and is among the largest social protection programmes in Africa. In most cases, emphasis is placed on investing in good quality assets owned by local communities and included in mainstream public programmes to ensure their sustainability and future maintenance.

682. The Committee observes that the growing recourse to such programmes appears to be due to their perceived advantages in terms of creating or upgrading socially useful assets, including soil conservation and drainage, school buildings and clinics, and local roads or infrastructure, while generating productive employment and providing a minimum level of income security through self-targeting mechanisms in situations of

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<sup>14</sup> See, in this regard, ILO: *What works: Active labour market policies in Latin America and the Caribbean*, 2016, op. cit.

<sup>15</sup> See ILO: 2011 General Survey, paras 523–528.

chronic poverty, seasonal hunger or shocks.<sup>16</sup> They can contribute to improving nutrition, raising local wage rates, providing beneficiaries with the required security to take risks, retain and even build up productive household assets, increasing demand for education and health services, and in some cases enhancing community assets, such as schools and clinics, which in turn help to increase the supply of education and health services.

**683. The Committee observes that PWPs can be effective mechanisms for the provision of work and the improvement of community assets, and therefore generally benefit communities. Well-conceived PWPs can also help expand the fiscal and political space available for social protection. At the same time, their lack of a clearly defined main objective (or the presence of multiple, often competing objectives) may limit their effectiveness in providing adequate social protection. Most importantly, while the Committee recognizes the potentially inclusive dimensions of PWPs and their effect on poverty reduction, it considers that they should be designed to ensure that the human right to social security is not subject to the requirement to perform work. Indeed, the Committee considers that PWPs are more effective in reducing poverty and in achieving greater long-term equity if they are designed with emphasis on the principles of decent work, including adequate wages, integrated skills development and full respect for occupational safety and health, while also guaranteeing access to social security benefits, including health care. The Committee recalls in this respect the fundamental principle of freedom of choice of employment, as well as the concept of suitable employment, as embodied in international labour standards.<sup>17</sup> Moreover, the Committee notes that particular challenges persist with regard to gender equality and the inclusion of persons with disabilities. For example, evidence suggests that the public works programme *Construyendo Perú*, has increased employment opportunities for women, but often at the cost of lower job quality. The Committee therefore considers that, to be successful, PWPs need to have a long-term perspective and provide guaranteed and predictable employment; envisage the participation of communities in their design and management; build skills; and be linked to development initiatives that provide sustainable employment.** The Committee also observes that the weaknesses often associated with PWPs include the danger that workers are left unprotected when the programme ends, as well as demand exceeding the supply of work in a context of severe widespread poverty. As a consequence, governments may feel compelled to tighten targeting mechanisms or lower wage rates, which may have the effect of reducing the effectiveness of PWPs.

**684. The Committee therefore invites Governments and the other stakeholders involved in the design and implementation of PWPs to analyse carefully their effectiveness in achieving their intended social outcomes in a cost-effective manner and to assess whether the positive effects observed can be attributed to the conditionality on which they are based, or to the benefits themselves. The Committee also calls for greater efforts to be made to ensure that, in addition to the protections referred to above, participants in PWPs also enjoy at least a basic level of social protection and effective access to health care, especially in the event of maternity, employment injury or disability. PWPs therefore require transparent evaluation to monitor their strengths and weaknesses and ensure fairness and sensitivity towards situations of vulnerability, with a view to mitigating any potential negative impacts.**

<sup>16</sup> M. Lieuw-Kie-Song, K. Philip, M. Tsukamoto and M. Van Imschoot: *Towards the right to work: Innovations in Public Employment Programmes (IPEP)*, (Geneva, ILO, Employment Working Paper No. 69, 2010).

<sup>17</sup> 2011 General Survey, paras 224–229.

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685. The Committee welcomes the importance accorded in the Recommendation to the need for coherence between the various social protection mechanisms that make up social security systems, and between social protection and other major public policy areas. **It emphasizes that, in combination with other policy areas, social protection has the necessary long-term perspective to be instrumental in achieving sustainable development and inclusive growth, and therefore to have a lasting impact in terms of overcoming extreme poverty and reducing social and regional inequalities. The Committee notes that most countries are engaged in building comprehensive social security systems, including but not limited to national social protection floors. It considers, in this respect, that approaches which bring together all aspects of social protection and build bridges between poverty alleviation programmes and statutory social protection schemes providing higher levels of protection can have a greater impact across a range of policy objectives and can be more effective in reducing poverty and securing public support for the expansion of the fiscal and political space available for social protection.**

## Chapter 12

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### Measuring progress in the implementation of social protection floors and the extension of social security, and assessing the performance of social security systems

#### Relevant provisions of Recommendation No. 202

...

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

...

(c) adequacy and predictability of benefits;

...

(g) progressive realization, including by setting targets and time frames;

...

(j) transparent, accountable and sound financial management and administration;

...

(p) regular monitoring of implementation, and periodic evaluation;

...

19. Members should monitor progress in implementing social protection floors and achieving other objectives of national social security extension strategies through appropriate nationally defined mechanisms, including tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

20. Members should regularly convene national consultations to assess progress and discuss policies for the further horizontal and vertical extension of social security.

21. For the purpose of Paragraph 19, Members should regularly collect, compile, analyse and publish an appropriate range of social security data, statistics and indicators, disaggregated, in particular, by gender.

22. In developing or revising the concepts, definitions and methodology used in the production of social security data, statistics and indicators, Members should take into consideration relevant guidance provided by the International Labour Organization, in particular, as appropriate, the resolution concerning the development of social security statistics adopted by the Ninth International Conference of Labour Statisticians.

#### 12.1. Harnessing the potential of progress monitoring and impact assessments

686. The final Part of Recommendation No. 202 contains guidance on the establishment and strengthening of mechanisms designed to monitor progress in the implementation of



national social protection policies as a tool to progressively achieve universal coverage. In this sense, Recommendation No. 202 is unique in that it sets the objective: universal coverage by a comprehensive social protection system, including social protection floors; the means to reach that objective – national policies and strategies for the extension of social protection; determines the State as the entity having the overall and primary responsibility based on a set of core principles underpinning social protection policies and legal frameworks; and last, but not least, establishes the mechanisms to monitor progress through comprehensive data collection and analysis with a view to guiding policy-making processes and the universal extension of social protection. Few ILO standards embody such a comprehensive approach to national policy-making, combining a clear policy objective and the means of achieving the objective, while acknowledging the diversity of national circumstances and leaving sufficient flexibility for countries to define their policies and strategies according to national priorities.<sup>1</sup> **The Committee welcomes the strong emphasis placed on monitoring in the Recommendation, and emphasizes the importance of the guidance provided on monitoring the progressive realization of the right to social security.**<sup>2</sup>

687. More specifically, the Recommendation encourages the establishment of *nationally defined mechanisms* aimed at monitoring progress in the achievement of its dual objective: implementing social protection floors *and* achieving the other objectives of national social security extension strategies through appropriate nationally defined mechanisms, including tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned (Paragraph 19). To this effect, Paragraph 3(p) of the Recommendation identifies the “regular monitoring of implementation, and periodic evaluation” as one of the core principles on the basis of which comprehensive social protection systems should be built and maintained. The Recommendation therefore invites Members to regularly convene national consultations to assess progress and discuss policies for the further horizontal and vertical extension of social security (Paragraph 20). For this purpose, Paragraph 21 outlines an appropriate range of social security data, statistics<sup>3</sup> and indicators, disaggregated, in particular, by gender, which should be regularly collected, compiled, analysed and published.

688. Data on social protection coverage, benefit levels, expenditure and financing are indeed critical to assessing and monitoring the state of social protection in and across countries. The identification of gaps and the definition of policies to expand coverage and improve the effectiveness and efficiency of national social protection systems requires reliable and timely data. There is therefore growing recognition of the importance of comprehensive, up-to-date, comparable and accessible data on social protection, and well-structured monitoring systems.

<sup>1</sup> Examples of other ILO standards containing provisions on monitoring, although they are not usually as detailed, include the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), (Paras 12(h) and 17(g)); the Employment Relationship Recommendation, 2006 (No. 198) (Part III); the HIV and AIDS Recommendation, 2010 (No. 200), (Paras 51 and 52); the Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203), (Para. 1(b)); and the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), (Para. 8).

<sup>2</sup> *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011 (hereinafter, the “2011 General Survey”), para. 157.

<sup>3</sup> For the purpose of the present Survey, the terms “data” and “statistics” are used interchangeably.

689. **The Committee considers that the inclusion in the Recommendation of the mechanisms needed to operationalize its provisions by monitoring progress represents a concrete expression of the manner in which States need to exercise their overall responsibility for building and maintaining comprehensive and rights-based social protection systems. It wishes to emphasize that no effective action in the area of social protection can be taken without having a precise picture of the situation prevailing in both law and practice, and that comprehensive data collection and analysis is a crucial element for informed and evidence-based policy- and law-making, as well as effective implementation.**

690. Globally, a majority of countries report that the management and administration of social security schemes is transparent, accountable and sound, and that there is a requirement in law for schemes to be assessed. Nevertheless, this is predominantly the case for contributory schemes.<sup>4</sup> Only a few countries indicate that the effectiveness and efficiency of schemes and benefits are assessed in terms of the extension of coverage and the reduction of poverty, vulnerability and social exclusion. However, 25<sup>5</sup> governments have expressed interest in ILO assistance for this type of assessment, including a number of countries where the governments would like to conduct this exercise a second time to assess the progress made (for example, *Sri Lanka* and *Trinidad and Tobago*).

691. Only a few countries report on the progress made in building monitoring systems to measure social protection performance. In *Canada*, in addition to annual reporting on the impact and effectiveness of social protection benefits and active measures, in 2015, recognizing that timely, reliable, comprehensive and easily accessible labour market information (LMI) is critical in identifying and continuing to meet labour market needs, the Forum of Labour Market Ministers endorsed the creation of a Labour Market Information Council, responsible for: addressing the need for more detailed local LMI; prioritizing the consistency of LMI through the alignment of definitions, standards and methodologies; and working with stakeholders to develop and promote a collaborative platform for disseminating LMI to Canadians. In *Latvia*, the monitoring system for data and policies on poverty, inequality and social exclusion, based on annual assessments, was established in 2017, with the goal of undertaking seven assessments by 2022.

692. Several developing countries report the progress made in recent years in establishing monitoring systems. For example, in the *Islamic Republic of Iran*, the Sixth Development Plan Act establishes a monitoring system for the implementation of the social protection floor through a single window system for welfare services. In *Jamaica*, the Planning Institution is in the process of developing a comprehensive monitoring and evaluation framework for social protection, for which the reporting requirements are being finalized with stakeholders. In *Madagascar*, the Ministry of Population, Social Protection and Promotion of Women is in the process of setting up mechanisms to monitor regularly the progress made in the establishment and implementation of the social protection floor, including the establishment of Social Protection Thematic Groups in the regions and a coordination structure for the 22 regions. The Government of *Pakistan* reports the progress made in certain areas of the county, which have developed a comprehensive logframe with specific indicators and targets for their work, including the consolidation and monitoring of all social protection initiatives in the provinces.

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<sup>4</sup> For example, in *Argentina, Austria, Costa Rica, Ecuador, Finland, Germany, Pakistan, Qatar, Seychelles* and *Sri Lanka*.

<sup>5</sup> *Bosnia and Herzegovina, Burkina Faso, Burundi, Cambodia, Comoros, Dominican Republic, El Salvador, Iceland, Indonesia, Jamaica, Lithuania, Namibia, Nigeria, Pakistan, Paraguay, Philippines, Saint Kitts and Nevis, Senegal, Seychelles, South Africa, Sri Lanka, Suriname, Tajikistan* and *Trinidad and Tobago*.

## 12.2. Progressive harmonization of social protection data

693. At the national level, social protection is administered by multiple actors. Information and data are often fragmented and the availability and quality of such data vary between countries and between schemes and programmes within countries. In the absence of coordination mechanisms and standardized methodologies, many countries face difficulties in assessing current social protection gaps and needs, as well as changes over time. Coordination requires a shared standardized methodology and agreed principles regarding the data to be collected (data classification and selection, etc.). Without access to a minimum set of social protection data over a sustained time period, countries are not able to take stock and identify gaps with a view to defining adequate policy options for social protection. They are even less able to monitor changes and the progress and efficiency of social protection provision over time, or the capacity of social protection systems to meet national policy objectives and the needs of the population.<sup>6</sup>

694. The majority of countries face challenges in defining, categorizing and systemizing social protection data in order to enhance comparability between the agencies that collect and compile data at the national level.<sup>7</sup> Moreover, when assessing the adequacy of benefit levels, countries have to deal with the choice of poverty lines, as there is no agreed method when building social protection indicators or for evaluating the social protection needs of specific population groups. The Committee notes that, at the national level, there is a lack of comparability and compatibility of results in a large number of unmanageable data sets, which are sometimes incomplete in terms of periodicity of collection and geographical coverage, etc. *A set of core data* should be defined so that each country can easily monitor indicators on a regular basis, according to its needs, and also to ensure that the data collected are internationally comparable. **The Committee therefore wishes to emphasize the need for the progressive harmonization of social protection data and the standardization of the related concepts and definitions. Such harmonization requires the development of common standards for the type of data to be collected, the systematization and classification of data and information, and common categories for the various programmes and benefits in order to ensure the comparability of data and the ability to use them for multiple purposes.**

695. The Committee notes that the ILO is providing technical advice to countries for gap assessments, actuarial valuations and comprehensive assessments of social protection systems (including through the facilitation of assessment-based national dialogues in various countries, the application of the ISPA Core Diagnostic Instrument<sup>8</sup> and other systemic tools). It also notes that the ILO has designed a Social Security Inquiry (SSI) tool, which is in practice serving as the main international instrument for data compilation and monitoring on SDG target 1.3 in over 190 countries and allows the compilation of data on social protection coverage for children, unemployed persons, older persons, persons with disabilities, women with newborn infants, work-injury victims, and the poor and

<sup>6</sup> F. Bonnet and L. Tessier: *Mapping existing international social protection statistics and indicators that would contribute to the monitoring of social protection extension through social protection floors*, Extension of Social Security Working Paper No. 38, ILO, Geneva, 2013.

<sup>7</sup> ILO: *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017, pp. 66, 73, 140, 167, 172 and 200.

<sup>8</sup> Inter Agency Social Protection Assessment (ISPA) Core Diagnostic Instrument, available at: <http://www.social-protection.org/gimi/ShowTheme.action?id=10>.

vulnerable.<sup>9</sup> Indicators on the adequacy of social protection benefits and the revenue and expenditure of social protection schemes are also being produced based on the data provided through the SSI questionnaire. **The Committee observes that, with the adoption of the SDGs, technical expertise and assistance has become an increasingly important element in the design of national monitoring frameworks based on core indicators and in building the capacity of institutions to collect and compile data for effective analysis and the dissemination of results.**

696. **Against this background, the Committee wishes to recall that Paragraph 22 of the Recommendation indicates that, in developing or revising the concepts, definitions and methodology used in the production of social security data, statistics and indicators, Members should take into consideration other relevant guidance provided by the International Labour Organization, in particular, as appropriate, the resolution concerning the development of social security statistics adopted by the Ninth International Conference of Labour Statisticians (ICLS) in 1957. The Committee emphasizes that, even though it was adopted over 60 years ago, the resolution continues to offer a useful monitoring framework for national social protection systems.**<sup>10</sup> Taking into consideration the new challenges confronting social security systems, as well as the multiple developments that have occurred since, including the knowledge accumulated by the ILO through the SSI and the fact that the ILO has become the official custodian international organization for the compilation of data and reporting on the progress made towards the achievement of SDG target 1.3 through the associated indicator 1.3.1,<sup>11</sup> ILO constituents may consider it necessary and timely to start reflecting on the possible means by which the ILO could continue to guide the development of social security statistics in the future. While the Committee invites countries to continue making full use of the existing guidance provided in the 1957 resolution with a view to strengthening national monitoring frameworks, it is also mindful of the high potential of an updated and harmonized international statistical framework in terms of pursuing the objective of building universal and more comprehensive and adequate social protection systems.

### 12.3. The importance of disaggregated statistics and indicators

697. The vast majority of the countries indicate that they have established monitoring frameworks for social protection. However, only certain countries report the collection of data disaggregated by sex (many Members of the European Union, *Canada*, *Chile* and the *Russian Federation*), and even fewer, mostly developed countries, collect information by age, and rural or urban area of residence.<sup>12</sup> In addition, many countries are not in a position to systematically disaggregate social protection expenditure by function. **Against this background, the Committee wishes to invite ILO member States to apply and**

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<sup>9</sup> *ibid.*

<sup>10</sup> ILO: Resolution concerning the development of social security statistics, Ninth International Conference of Labour Statisticians, April–May 1957.

<sup>11</sup> Target 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.” Indicator 1.3.1: “Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable.”

<sup>12</sup> For example, *Australia*, *New Zealand* and the Member States of the European Union.

**support the progressive expansion of the statistical monitoring framework for social protection in terms of data classification and disaggregation, as set out in the 1957 resolution.**<sup>13</sup> The resolution invites countries to collect data disaggregated by sex, age group and urban/rural areas, and to categorize schemes by function and type of benefits.<sup>14</sup>

698. It is also advisable to compile information for different population groups, including the poor and vulnerable, disadvantaged groups and those with special needs, persons in informal work, including migrant and domestic workers. In this regard, the United Nations *Guiding principles on extreme poverty and human rights* emphasize the need to “[e]nsure that social security systems are designed, implemented and evaluated taking into account the particular needs of persons living in poverty, especially women.”<sup>15</sup>

699. The Committee notes that, according to international best practice, where social protection schemes cover more than one risk, statistics should be collected and compiled separately for each benefit at regular intervals. However, the Committee notes that in practice many countries experience difficulties in compiling disaggregated data on SDG indicator 1.3.1. The periodicity of data collection, and in particular disaggregated statistics, varies between monthly monitoring (for example, in *Finland, Japan and Republic of Korea*) and the collection of ad hoc occasional indicators in developing countries.

700. The Committee wishes to emphasize that statistical information on social protection coverage should be collected and compiled for all nine contingencies outlined in Convention No. 102, and in other relevant areas (including statutory and non-statutory poverty reduction programmes, housing subsidies, negative income tax, social work and public works programmes). The data should cover the level of benefits provided by the different schemes and the expenditure and revenue of social protection programmes, and should draw a distinction between contributory, non-contributory and other schemes.<sup>16</sup>

#### 12.4. Measuring the legal and effective coverage of the population and expenditure on social protection

701. The Committee notes that the measurement of coverage implies drawing a distinction between legal coverage<sup>17</sup> and effective coverage, as summarized in table 12.1 below.

Dimension of coverage	Legal coverage	Effective coverage
Scope	Which social security areas are anchored in the national legislation? For a given group of the population: for which social security area(s) is this group covered under the national legislation?	Which social security areas are actually implemented? For a given group of the population: for which social security areas is this group effectively covered (benefits are actually available)?

<sup>13</sup> See ILO: Resolution concerning the development of social security statistics, 1957, op. cit.

<sup>14</sup> ILO: *Social Security Inquiry Manual*, Geneva, 2016.

<sup>15</sup> United Nations: “Guiding principles on extreme poverty and human rights”, Human Rights Council, New York, 2012 (A/HRC/RES/21/11), para. 86(e).

<sup>16</sup> Detailed information on the classifications and disaggregations that are recommended for use in the collection of social protection data are laid out in paragraphs 4–11 of the resolution concerning the development of social security statistics, 1957, op. cit.

<sup>17</sup> Legal coverage is sometimes referred to as “statutory coverage”, as coverage may be rooted in statutory provisions other than laws.

Dimension of coverage	Legal coverage	Effective coverage
Extent	For a given social security area (branch): which categories of the population are covered under the national legislation? What percentage of the population or labour force is covered under the national legislation?	For a given social security area (branch): which categories of the population enjoy actual access to benefits in case of need (currently or in the future)? The “beneficiary coverage ratio”: for a given social security area, what percentage of the population affected by the contingency receives benefits or services (e.g. percentage of older persons receiving an old-age pension; percentage of unemployed receiving unemployment benefits)?  The “contributor coverage ratio”: for a given social security area, what percentage of the population contributes to the scheme, or is otherwise affiliated to the scheme, and can thus expect to receive benefits when needed (e.g. percentage of working-age population or of the labour force contributing to a pension scheme)? By extension, the “protected person coverage ratio” would include people who – assuming that the legislation is unchanged – would be entitled to a non-contributory benefit in the future, either through a universal scheme, or a means-tested scheme, provided they meet the eligibility criteria.
Level	For a given social security area: what is the level of protection provided under the national legislation? For cash benefits: what is the prescribed amount or replacement rate under the national legislation?	For a given social security area: what is the level of protection actually provided (e.g. for cash benefits, average level of benefit as a proportion of median income, minimum wage or poverty line)?

Source: ILO: *World Social Protection Report 2017–19*, op. cit., p. 201.

702. In the national practice in most countries, estimates of the *scope of legal coverage* usually measure the number of social security areas (branches) for which, under the existing national legislation, a population or its specific groups is covered. Estimates of the *extent of legal coverage* use both information on the groups covered by statutory schemes for a specific social security area (branch) in national legislation, and the available statistical information quantifying the number of persons concerned at the national level. The *level of legal coverage* for specific branches of social security is usually measured (for cash benefits) by benefit ratios or replacement ratios calculated for specified categories of beneficiaries, using the benefit formulas or amounts specified in the legislation. The use of the legislative texts in force allows all the dimensions of legal coverage to be estimated for the majority of countries.<sup>18</sup> Conversely, effective coverage is different from legal coverage, and is usually lower due to non-compliance or the low enforcement of legal provisions.<sup>19</sup> The Committee therefore emphasizes that, in order to

<sup>18</sup> Only 29 per cent of all countries have comprehensive legal systems covering all the contingencies. ILO: *World Social Protection Report 2017–19*, 2017, op. cit., pp. 1–10.

<sup>19</sup> *ibid.*, Annex II, p. 199.

assess coverage in a comprehensive manner, measures of legal, but also of effective coverage, need to be used in parallel.

703. Another measurement that is frequently used is the extent of *effective coverage* as opposed to legal coverage. This allows the measurement of the gap between the number of *persons protected by law* and of *actual contributors and beneficiaries*. Protected persons are those for whom benefits, including health care services, are guaranteed by statutory provisions, although they are not necessarily currently receiving them, as in the case of persons who are actively contributing to social insurance and are thus guaranteed benefits for a specified contingency, such as an old-age pension on reaching the retirement age, or those entitled to non-contributory benefits, where needed. The principles of the statistical measurement of the effective coverage of cash benefits are laid out in SDG indicator 1.3.1, in light of the fact that only 45 per cent of the global population is currently covered by at least one cash benefit.<sup>20</sup> Measurements of the level of effective coverage would identify the level of benefits (usually related to certain benchmarks) actually received by beneficiaries, such as unemployment benefits or pensions paid, compared to average earnings, the minimum wage or the poverty line. In the case of contributory pension schemes, the effective level of coverage may also relate to future benefit levels.

704. Monitoring the progress of coverage by health-care services requires special attention. The scarcity of data and methodological problems often prevent measurement of the status quo and the progress made towards universality, and any assessment of the extent to which the criteria for essential health care of availability, accessibility, acceptability and quality, as highlighted in Recommendation No. 202, are being met.<sup>21</sup> This is often the case in low-income countries, such as *Sierra Leone*.<sup>22</sup> Against this background, the ILO has developed a measurement concept<sup>23</sup> for essential health care in social protection floors based on the objectives and criteria outlined in the Recommendation, consisting of five indicators, namely legal coverage deficit, staff/workforce deficit, financial deficit, level of out-of-pocket payments and essential health care outcomes in terms of maternal mortality. These indicators are used as a proxy to quantify the key dimensions of coverage and access to essential health care with a view to identifying overall gaps in the achievement of universal coverage and access. This concept could be used to monitor progress in developing and implementing essential health care as part of a broader health protection system as a basis for informing policy interventions. To facilitate measurement and avoid costly data collection, it uses existing nationally and globally comparable databases. Table 12.2 provides an overview of the indicators and databases used.<sup>24</sup>

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<sup>20</sup> ILO: *World Social Protection Report 2017–19*, 2017, op. cit.,

<sup>21</sup> World Health Organization (WHO) and World Bank: *Tracking universal health coverage: 2017 Global Monitoring Report*, Geneva, 2017, p. xiii.

<sup>22</sup> ILO: *Sierra Leone: Technical note: Assessment of health insurance options for Sierra Leone – Assessment, conceptual remarks and recommendations*, Geneva, 2009.

<sup>23</sup> X. Scheil-Adlung, F. Bonnet, T. Wiechers et al.: *New approaches to measuring deficits in social health protection coverage in vulnerable countries*, World Health Report (2010), Background Paper, 56, WHO, Geneva, 2010.

<sup>24</sup> More details of the methodology are available in: ILO: *World Social Protection Report 2014/2015: Building economic recovery, inclusive development and social justice*, Geneva, 2014, pp. 168–169; and *World Social Protection Report 2017–19*, 2017, op. cit., pp. 202–204.

**Table 12.2. Measurement of the status quo and progress in implementing essential health care in national social protection floors**

Core principles and criteria in Recommendation No. 202	Proxy indicator	Definition	Data sources
<b>Universality of protection Entitlement prescribed by law</b>	Legal coverage	Percentage of population affiliated to or registered in a public or private health system or scheme	ILO Social Health Protection Database/OECD health data
<b>Availability of essential health care Accessibility and quality of essential health care</b>	Staff access deficit	Coverage/access gap due to health-care workforce shortages (the percentage of the unserved population due to deficits between the actual number of health workers per 10,000 population and 41.1 per 10,000 (estimate for 2018))	WHO Global Health Observatory Database
<b>Accessibility Acceptability of essential health care Quality of essential health care</b>	Financial deficit	Deficit in public financing: the gap between actual per capita health spending (excluding out-of-pocket payments) and US\$239 (estimate for 2018)	WHO National Health Accounts (Global Health Expenditure Database)
<b>Financial protection Solidarity in financing Risk of impoverishment Financial hardship</b>	Out-of-pocket payments	The amount paid directly to providers by beneficiaries for health goods and services as a percentage of total health expenditure	WHO National Health Accounts (Global Health Expenditure Database)/World Bank Global Consumption Database
<b>Overall adequacy of essential health care</b>	Essential health care outcomes in terms of maternal mortality	The number of maternal deaths per 10,000 live births	WHO, UNICEF, UNFPA, World Bank and UNDP

705. With reference to the collection of data on social protection expenditure, the Committee notes that the implementation of existing standards is uneven. In addition to the specific guidance provided in the 1957 ICLS resolution, International Monetary Fund (IMF), Government Finance Statistics (GFS),<sup>25</sup> either based on the GFS 2014 standard, or the older GFS 2001 or 1986 standards, also include some broad disaggregation of social protection expenditure and revenue. In the European Union, the ESSPROS system provides a more detailed statistical framework for the measurement of social protection expenditure.<sup>26</sup>

706. Despite visible progress in data collection and compilation mechanisms over the past decade, the compilation of information on effective coverage remains a complex and time-consuming exercise in a significant number of countries. In some countries,<sup>27</sup> a comprehensive set of social protection statistics is collected, including on financing,

<sup>25</sup> IMF: *Government finance statistics manual 2014*, Washington, DC, 2014.

<sup>26</sup> Eurostat: *ESSPROS Manual and user guidelines: The European System of integrated Social PROtection Statistics (ESSPROS)*, Luxembourg, 2012.

<sup>27</sup> For example, *Belgium, Croatia, Finland, New Zealand, Panama and Poland*.



expenditure, coverage and benefit levels for both contributory and non-contributory schemes and programmes. In others, the focus is on specific sets of indicators. In several countries, priority is given to the compilation of financial data (*Australia* and *Ukraine*). In others, the focus is on the number of beneficiaries and contributors, in particular for child support and old-age benefit programmes (*Central African Republic, Islamic Republic of Iran, Republic of Korea* and *Panama*).

707. Administrative data remain the primary data source in the majority of countries. For most social protection schemes, administrative data are collected regularly and often published by the institutions administering the schemes, providing information on beneficiaries, benefit levels, persons covered, expenditure and revenue, which are indispensable for the administration of the schemes, monitoring and evaluation, and gap assessments. However, in less developed countries, the quality and availability of administrative data, especially for less visible smaller schemes, remain challenging.<sup>28</sup>

708. Data from household surveys, such as labour force or household income and consumption surveys, can complement administrative data, particularly with a view to estimating the impact of social protection benefits on the reduction of poverty or inequality. However, many surveys include too few or no questions on social protection. Several international and regional organizations have developed generic questions on social protection for inclusion in regular national household surveys or as part of independent surveys.<sup>29</sup> Some countries include questions on social protection in their national household surveys on a more or less regular basis. For example, the Eurostat Statistics on Income and Living Conditions (EU-SILC) survey in European countries and household surveys in most Latin American countries contain questions on contributions to the pension system. In other countries, including *Nepal, Thailand, South Africa* and *Zambia*, household surveys contain questions relating to social protection, although data collection is not always frequent.<sup>30</sup>

**709. The Committee is aware that the compilation of social security data represents an important challenge for the majority of developing countries. At the same time, it wishes to emphasize that the lack of such data limits the capacity of the State to fulfil its primary and overall responsibility in relation to the social protection system, and particularly to conduct comprehensive and regular analyses of the system and, more generally, the regular collection, compilation, analysis and publication of an appropriate set of social security statistics and indicators. Such information is essential to inform the decisions of policymakers and the various national implementing authorities, and is also used in the framework of regional and international cooperation, including in the context of the SDGs.** In addition to the establishment of publically available databases and platforms, a number of countries have taken further measures to facilitate the exchange of more detailed data between the various institutions involved in the administration of social security in order to harmonize their administrative records and facilitate policy coordination (see chapter 11). For example, in *Poland*, the current regulations require the mapping of health needs to assess the requirement to invest in medical infrastructure and create a framework for a regional health policy, as a basis for the development of a purchasing plan for regional branches of

<sup>28</sup> ILO: *World Social Protection Report 2017–19*, op. cit., pp. 66, 73, 140, 167, 172 and 200; and the ILO Social Security Inquiry.

<sup>29</sup> Eurostat: European Statistics on Income and Living Conditions (EU-SILC); ILO: Labour Analysis and Information System for Latin America and the Caribbean (SIALC); World Bank: Atlas of Social Protection – Indicators of Resilience and Equity (ASPIRE).

<sup>30</sup> ILOSTAT [Microdata Repository](#).

the National Health Fund. **The Committee strongly supports such initiatives and invites countries to share these positive experiences through the relevant social security cooperation forums at both the regional and international levels.**

## 12.5. Involvement of the social partners and other stakeholders

710. The Recommendation places responsibility on the State for the development of systems to monitor the progress achieved in building comprehensive and adequate systems. Monitoring can be carried out through appropriate nationally defined mechanisms, including tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned (Paragraph 19). The Recommendation calls on Members to regularly convene national consultations to assess progress and discuss policies for the further horizontal and vertical extension of social security (Paragraph 20). For this purpose, Paragraph 21 calls for an appropriate range of social security data, statistics and indicators, disaggregated, in particular, by gender, to be regularly collected, compiled, analysed and published, with a view to measuring and assessing the adequacy of benefits (Paragraph 3(c)), monitoring the progress made in meeting the set targets and time frames (Paragraph 3(g)) and evaluating the transparent, accountable and sound nature of financial management and administration (Paragraph 3(j)).

711. About half of the responding countries report that national dialogue is conducted regularly with the participation of the social partners, civil society and other relevant participants. In a number of countries, including *Austria, Cambodia, Costa Rica, Finland, Honduras, Iceland, Japan, Paraguay* and *Slovakia*, consultations have already been held with the social partners on the design of the monitoring framework. In a significant number of countries, such as *Chile, Indonesia* and *Lithuania*, the social partners are only involved in the event of major changes in the legislation or for discussions on certain branches, especially health and unemployment, and for the provision of information on progress in the extension of social protection (*Burkina Faso, Egypt* and *Turkmenistan*). Many developed countries, particularly in Latin America and Europe, report that monitoring of the progress of contributory schemes is carried out through boards of directors, which usually include the social partners. Moreover, in Europe and Latin America and the Caribbean, tripartite participation is guaranteed through the composition of Economic and Social Councils,<sup>31</sup> one of the responsibilities of which is the establishment of monitoring frameworks.

712. In the area of health protection, it is important to receive tripartite input from trade unions, employers and governments, as well as other key stakeholders. The focus of their contributions to the various forms of national and social dialogue on health protection policies should be on ethical, financial and social and labour concerns, such as their impact on poverty, equity in access, capacity to pay, affordability, decent working conditions for health workers, and the pricing of medical services. Such dialogue can also contribute, as it has in the *Philippines*,<sup>32</sup> to the determination of the essential health-care package. The fact of taking into account the interests, knowledge and values of tripartite and other representatives, and providing them with information, helps to develop a mutual

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<sup>31</sup> See also Consejo Economico y Social de España: *Los consejos económicos y sociales en América Latina y en la Unión Europea: Experiencias prácticas de diálogo social*, Documentos de Trabajo No. 14, Madrid, 2014.

<sup>32</sup> J. Wong, J. Uy, N. Haw et al: "Priority setting for health service coverage decisions supported by public spending: Experience from the Philippines", in *Health Systems & Reform* (2018, Vol. 4, No. 1), pp 19–29.

understanding of the need for reform and approaches to implementation, and therefore contributes to securing societal support and to the sustainability and quality of the decisions taken.

713. The *International Organisation of Employers (IOE)* stresses that modern technology offers an unprecedented opportunity of simplifying the collection of data. Traceability and transparency could therefore be among the main features of the new world of work, whereby all exchanges and transactions are recorded and evaluated. If properly channelled, such data may be also used for social security purposes, tax collection, and health and safety monitoring. Traceability and transparency, together with a simplified regulatory framework, may be of help for a smooth and natural transition of informal work into formality, thus enabling poverty reduction globally. Business can assist in monitoring the progress of the implementation of the Recommendation, evaluating the effectiveness of national social security extension strategies in delivering national objectives, as well as collecting relevant information and data disaggregated by gender and age. These measures will likely to be covered by legal provisions to ensure the privacy of individual information is protected. As such, implementing these measures will create legal obligations on employers who will play some role in providing such information and data. Employers should seek to ensure that any measures adopted for the implementation of the Recommendation will not be overly burdensome and costly for business. It is essential for business and employer organizations to actively engage in the process of implementing the Recommendation to ensure that strategic and practical considerations are properly reviewed, and that the most appropriate national social protection approach are followed.

714. Tripartite participation with representative organizations of employers and workers, and consultation with other relevant and representative organizations of persons concerned, should be present in economic and social councils, tripartite committees and boards, and should cover issues such as wage bargaining and the occupational safety and health conditions of health and long-term care workers. Going beyond consultation, the notion of participation implies the involvement of the social partners in specific decision-making, such as the setting of contribution rates for social health insurance, as is the case in *Germany* and *Ireland*.<sup>33</sup>

**715. The Committee wishes to emphasize the need to monitor the progress made in achieving universal, comprehensive and adequate social protection systems in a transparent and inclusive manner which ensures that the needs of all members of society, including those of disadvantaged groups and people with special needs, are duly taken into account. In this respect, consultation and, whenever feasible, the participation of the representatives of as many categories of protected persons as possible, are essential elements in implementing effective and efficient monitoring and assessment mechanisms. The Committee considers that data collection should be recognized as a means to an end and, as such, used to mobilize effective follow-up measures which ensure quality and participatory outcomes.**

## 12.6. Development of legal safeguards to protect the privacy of personal information

716. The operation of social protection programmes requires the processing of significant amounts of data, including sensitive information, such as household assets, health status, and physical or mental disabilities. While collecting and sharing personal information can

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<sup>33</sup> Health Information and Quality Authority: *Guidelines for stakeholder engagement in health technology assessment in Ireland*, Dublin, 2014.

increase efficiency in the management and monitoring of social protection programmes, it is also a threat to the rights, freedoms and personal security of those whose data is processed (applicants and beneficiaries), and of society at large. When sharing sensitive health and personal information, for instance in expert panels or in government-sponsored or independent research, data protection and caution needs to be ensured, for example by avoiding the circulation of such data, as required by law in *New Zealand*.<sup>34</sup> Mechanisms to safeguard privacy are therefore a particularly important requirement wherever certain administrative, as well as core functions are delegated to private operators, including intermediate agencies.<sup>35</sup>

717. In view of the above, the Recommendation encourages Members to establish a legal framework to secure and protect private individual information contained in their social security data systems (Paragraph 23). This framework should ensure that personal data remain confidential and are used only for the purposes for which they are compiled, and are not stored longer than is necessary.

718. Certain governments report positive developments in the area of data protection. For example, in *South Africa*, the right to privacy is guaranteed by the Constitution (article 14), and explicitly set out in social security legislation. The Charter of Fundamental Rights of the European Union contains one of the most detailed provisions on the protection of privacy (article 7), which emphasizes that: “Everyone has the right to respect for his or her private and family life, home and communications.” There are also specific instruments dealing with the protection of personal data, such as the Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, the United Nations Guidelines for the Regulation of Computerized Personal Data Files,<sup>36</sup> the OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data<sup>37</sup> and the new European Union General Data Protection Regulation.<sup>38</sup>

**719. The Committee considers that the development of a comprehensive legal framework aimed at protecting both privacy and data security in the design, implementation and evaluation of social protection systems should receive the full attention of Governments, especially in the context of the transition to an increasingly digital economy. The transparent, accountable and sound administration of social protection, in which tripartite participation is guaranteed with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, represents a solid basis for establishing and implementing the much needed statutory mechanisms to secure privacy and data security. The Committee is therefore of the view that the general legal frameworks existing in most countries respecting privacy and personal data protection should be rendered duly applicable and adapted to the specifics of the large amounts of personal data and information held by social protection systems.**

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<sup>34</sup> Ministry of Health: *Data protection and privacy*, New Zealand.

<sup>35</sup> M. Sepúlveda Carmona: *Is biometric technology in social protection programmes illegal or arbitrary? An analysis of privacy and data protection*, Extension of Social Security Discussion Paper No. 59, ILO, Geneva, 2018.

<sup>36</sup> General Assembly Resolution 45/95, of 14 December 1990.

<sup>37</sup> <http://www.oecd.org/internet/ieconomy/oecdguidelinesontheprivacyandtransborderflowsofpersonaldata.htm>.

<sup>38</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

## 12.7. Engagement of international and regional partners

720. A large number of countries have successfully extended social protection coverage over recent years, with the involvement of several international and regional organizations in assessing progress and impact evaluations. In the absence of a shared and consistent or systematic methodology for the collection of data and information on the provision, coverage, cost and impact of social protection, a variety of qualitative and quantitative information is collected at the national level, with the development of various indicators. In many cases, governments request international support to enhance the capacity to collect and produce social protection data. The SDG agenda widely promotes monitoring of the progress achieved at the national level and encourages the establishment of reliable and transparent monitoring frameworks, and the cooperation of international and regional organizations for the provision of consolidated technical assistance to countries.

721. The Committee notes that the ILO has recently been working with other organizations that are key partners in data collection, with a view to enhancing compatibilities and comparability between the data collected. These include: in the Americas, the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the Inter-American Development Bank (IDB) and the Organization of American States; in Asia and the Pacific, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Asian Development Bank (ADB) and the Association of Southeast Asian Nations (ASEAN); in Africa, the United Nations Economic Commission for Africa (ECA), the African Development Bank (AfDB) and the African Union Commission (AUC); in Europe and Central Asia, the United Nations Economic Commission for Europe (ECE), Eurostat and the Council of Europe; and at the global level, the United Nations Department for Economic and Social Affairs (DESA), the World Bank, the Organisation for Economic Co-operation and Development (OECD), the IMF and the International Social Security Association (ISSA). In recent years, the ILO has also been collaborating actively with the United Nations Statistical Division on concepts, definitions and data collection and reporting processes for SDG 1.

722. **The Committee notes with interest that the ILO is the custodian United Nations agency to monitor progress on SDG indicator 1.3.1 on social protection systems, including social protection floors and that all SDGs are closely interwoven, requiring cooperation between all agencies and stakeholders.** In this respect, it notes that, in order to enhance national capacities to generate comprehensive and reliable social protection data to monitor this indicator, the ILO has been providing technical assistance and training to constituents, in collaboration with its field offices and international and regional United Nations agencies. The Committee notes that the Social Security Inquiry (SSI)<sup>39</sup> questionnaire, which is sent out periodically to ILO constituents, has become the main tool used to compile comprehensive data on social protection coverage for children, unemployed persons, older persons, persons with disabilities, women with newborn infants, work-injury victims, and the poor and vulnerable. Indicators on the adequacy of social protection benefits and the revenue and expenditure of social protection schemes are also being produced based on the data provided in response to the SSI questionnaire. The Committee notes that the questionnaire has covered over 60 countries each year (187 countries in three years) and that the resulting data has been fed into the database, which covers virtually all ILO member States.

<sup>39</sup> ILO: [Social Security Inquiry](#) 2018.

# Part IV. Achieving the potential of the Social Protection Floors Recommendation: The way forward

## Chapter 13

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### Implementing the Recommendation

#### 13.1. A common recognition of the need for comprehensive social security systems, including social protection floors

723. The Committee underlines the high rate of replies by ILO constituents to the questionnaire sent out for this General Survey<sup>1</sup> as evidence of their commitment to the Recommendation. Based on their replies, the Committee notes with interest that efforts are under way in countries at all income levels, in all regions of the world, to strengthen and extend social protection in accordance with the Recommendation. The Committee is particularly pleased to note that the consensus among ILO constituents on the importance of achieving progress towards universal social protection through the establishment and implementation of social protection floors and higher levels of protection as soon as possible, as crystallized in the Recommendation, is leading to tangible results at the national level in a number of countries. The Committee is also pleased to note that the commitment of ILO constituents to the goals and objectives of the Recommendation is shared by other important actors at the international level, who have embraced the Recommendation, and the concept of national social protection floors, as a common platform for action. The inclusion of social protection systems and measures for all, including social protection floors, as targets for the achievement of the Sustainable Development Goals (SDGs)<sup>2</sup> illustrates the relevance of the Recommendation's objectives to social and economic development and inclusive growth, and its role as a guiding policy framework in furthering these goals at the national level.

#### 13.2. Obstacles and challenges impeding or delaying implementation of the Recommendation

724. The questionnaire for the General Survey asked member States to provide information on any obstacles impeding or delaying the implementation of the

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<sup>1</sup> See Introduction, section I.1, and Appendices III and IV for more detail.

<sup>2</sup> See ch. 1, section 1.1.3.

Recommendation and suggestions to overcome these obstacles (question 43) and to identify challenges and difficulties in designing and implementing social protection floors (question 6b). The Committee notes from the reports received that, despite the efforts made to bring forward the implementation of the Recommendation at the national level and the progress achieved, member States still face a number of obstacles in giving full effect to the Recommendation. The reported obstacles relate to a variety of legal as well as policy aspects, which are briefly summarized in this section. A detailed overview of all obstacles and challenges reported by governments and employers' and workers' organizations is provided in Appendix V.

725. Many governments indicate **fragmented legislation and a lack of coordination** between various mechanisms forming part of the social protection system as an obstacle. A wide range of legislative frameworks, jurisdictions and administrations serving different types of benefits make it difficult to coordinate and improve administrative mechanisms and hamper the effective supervision of the schemes. A number of governments specifically mention issues related to cooperation and coordination between the institutions and departments responsible for social protection or between different levels of governance (the State, provincial, regional, cantonal or municipal level), or insufficient institutional capacities. The challenge of coordination with other policies, notably with employment policies, and finding the right balance between benefits and activation measures has been put forward by several governments, especially in European countries.

726. Similar obstacles regarding coordination of policies are identified by a number workers' organizations. The *International Trade Union Confederation (ITUC)* notes that, in some States, strong institutional mechanisms exist between social protection benefits and other policies, in particular employment and education policy, which it finds highly desirable. The *ITUC* and its affiliates have particularly noted the usefulness of joining up out-of-work benefits with well-designed active labour market policies (ALMP) such as job-search assistance, skills training and lifelong learning measures. When personalized and of high quality, and combined with income support benefits, these policies can help workers further develop their skills, facilitate their transition to new jobs, and reduce the duration of unemployment.<sup>3</sup> Other issues mentioned by different employers' organizations relate to, for example, the multisectoral nature of social protection; insufficient coordination between ministries, institutions and/or different levels of governance; a high turnover of responsible ministries; a lack of coordinated and sustainable social, economic, employment and fiscal policies; governance deficits and/or corruption in the management of resources; and/or insufficient facilitation for the participation of workers' organizations.

727. A few employers' organizations also note the poor coordination between responsible institutions or existing governance deficits. The *International Organisation of Employers (IOE)*, in addition, points to the challenge of making social security schemes, including floors, responsive to the changing world of work due to technology and innovation, the changing nature of work, the climate change, and the demographic change.

728. **Economic constraints and problems with the generation and allocation of funds** form another cluster of obstacles indicated by a considerable number (46) of governments. Some governments note the need to better allocate the available funds, for example, by targeting the programmes for the very poor, or the challenge of defining adequate levels of benefits and health care. In many cases the sustainability and effectiveness of schemes, for instance, in view of the ageing of society and the changing world of work, has been

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<sup>3</sup> See European Commission: "Evidence on Demographic and Social Trends", Geneva, 2013.

cited as a major challenge for the implementation of the Recommendation. Furthermore, improving the effective collection of taxes and contributions as well as strengthening supervision and anti-abuse mechanisms are reported to be priority issues.

729. Several workers' organizations also indicate significant financing challenges – due to demographic ageing, insufficiently progressive taxation, tax evasion and illicit financial flows – that are impeding many states' ability to expand social protection systems.

730. The *ITUC*, supported by other workers' organizations, notes furthermore that policy advice and lending conditionalities from international organizations and international financial institutions have also put pressure on some States to reduce the adequacy or coverage of their social protection systems, going against the principles of Recommendation No. 202. This was, for instance, the case in *Mongolia* and *Kyrgyzstan*, where the International Monetary Fund (IMF) recently compelled these countries to reduce the coverage of child benefits that had been universal. Other obstacles for the realization of the floor mentioned by workers include the existence of a very large low-wage services sector; a neo-liberal approach to public policies, such as the establishment of individual accounts, privatization of social protection services; targeting of benefits to the detriment of universality; targeting of benefits to the poorest; and difficulties in revenue collection due to under-reporting of income and evasion of taxes and contributions.

731. Some employers' organizations also note the challenges of sustainable social security financing, including good financial management; adequate monitoring of the efficiency of non-contributory schemes; and of reaching a balance between contributory and non-contributory systems.

732. Other obstacles mentioned by governments, workers' and/or employers' organizations relate to: **difficulties in covering workers in the informal economy, the rural population, and other categories of workers; the lack of data and difficulties in assessing social protection gaps; and poor infrastructures and services.**<sup>4</sup> For example, some governments note the lack of databases to assess the state of the art of social protection or the lack of a national data-sharing infrastructure. The Governments of *Comoros* and *Tajikistan* indicate as an obstacle the non-existence of an appropriate social security institution and qualified personnel. Both the Government of *Argentina* and the *General Confederation of Labour of the Argentine Republic (CGT RA)* note the lack of infrastructure in regions where access to health, education and housing is a stumbling block when it comes to the implementation of the Recommendation.

733. The Committee notes the various difficulties encountered by member States in their efforts to establish social security systems, schemes and benefits in line with the Recommendation and hopes that the guidance provided in this General Survey will enable countries to overcome some of these obstacles and further the implementation of the Recommendation. The Committee further hopes that member States will make full use of the overview of comparative practice and the examples of the various means and methods through which the Recommendation can be implemented provided in this General Survey, to enhance social protection at the national level. In this regard, the Committee reminds member States of the wealth of information and experience available within the ILO and encourages them to avail themselves of the policy support and technical assistance provided by the Office, as well as existing collaboration frameworks among member States and with the ILO such as South–South and triangular cooperation. The Committee

<sup>4</sup> See Appendix V for details.



is pleased to note that many constituents have expressed their interest in receiving such assistance (see table 13.1 below).

### 13.3. Measures to improve the implementation of the Recommendation: Standards-related action and technical cooperation

#### 13.3.1. Constitutional obligation of submission

734. The Committee recalls that the first constitutional obligation arising out of the adoption of a new international labour standard by the International Labour Conference (ILC) is that of submission. The main aim of the submission procedure is to promote measures at the national level for the implementation of the instruments adopted by the Conference, such as Recommendation No. 202. By virtue of article 19(5) of the ILO Constitution, each member State of the ILO undertakes to bring any Recommendation adopted before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action.

735. The submission of a Recommendation should be accompanied by a statement setting out the Government's views as to the action to be taken on the instrument. Governments have freedom as to the nature of the proposals they make when submitting the instruments, as the submission procedure does not imply an obligation to propose the acceptance of the Recommendation.<sup>5</sup> However, as observed previously by the Committee, "the procedure does require member States to bring instruments to the attention of their competent authority for discussion so that said authority may take a decision on the follow-up, if any, to be given to the instrument ...".<sup>6</sup>

736. As of the date of finalization of this General Survey, the Committee notes that 81 member States<sup>7</sup> have not yet reported to the ILO the steps taken to fulfil their constitutional obligation of submission in respect of Recommendation No. 202, over six years after the expiry of the latest deadline set out in the ILO Constitution.<sup>8</sup> This low rate of submission is in contrast with the high level of support for the Recommendation among ILO constituents, as demonstrated by its quasi-unanimous adoption by the Conference and the wide range of measures giving effect to it reported by member States. **The Committee emphasizes that the obligation to submit newly adopted ILO standards to the competent national authority is a fundamental element of the ILO standards system,<sup>9</sup> which ensures that the instruments adopted by the Conference**

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<sup>5</sup> ILO: *Application of International Labour Standards 2018*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part A), International Labour Conference, 107th Session, Geneva, 2018, p. 567; *Application of International Labour Standards 2015*, Report III (Part IA), International Labour Conference, 104th Session, Geneva, 2015, para. 96.

<sup>6</sup> ILO: *Application of International Labour Standards 2018*, 2018, op. cit., p. 567.

<sup>7</sup> Updated information on the list of Conventions, Recommendations and Protocols pending submission for each member State is available on the ILO standards web page: [NORMLEX](#).

<sup>8</sup> Under art. 19(6)(b) of the ILO Constitution, Members undertake to submit a Recommendation to the competent national authority within a period of one year at most from the closing of the session of the Conference at which it was adopted. If this is impossible owing to exceptional circumstances, then submission has to take place at the earliest practical moment and in no case later than 18 months after the closing of the Conference at which the Recommendation was adopted.

<sup>9</sup> ILO: *Application of International Labour Standards 2015*, 2015, op. cit., para. 96.

are brought to the knowledge of the competent authority or legislature, the social partners and other principal stakeholders, and the general public.

**737. In light of the above, the Committee invites those member States which have not yet submitted the Recommendation to the competent authority to do so as soon as possible, and to report to the Director-General the measures taken for that purpose and the action, if any, taken by them. The Committee notes that submission provides an opportunity to take stock of existing policies and develop a comprehensive strategy to address social protection deficits based on the guidance and principles set out in the Recommendation. The Committee recalls that member States which have not yet submitted the Recommendation to the national competent authority can avail themselves of ILO technical assistance for this purpose.**

### 13.3.2. Policy support and technical cooperation

738. The ILO Declaration on Social Justice for a Fair Globalization, 2008, calls on the ILO to assist member States in their efforts to implement international labour standards, in accordance with national needs and circumstances. To this end, the questionnaire asked member States to identify any policy support or technical cooperation received from the ILO and its impact, as well as future needs for policy support or technical cooperation to give effect to the Recommendation (question 44).

#### Box 13.1

##### **ILO's Global Flagship Programme on Building Social Protection Floors for All**

The ILO's Global Flagship Programme on Building Social Protection Floors for All was launched in January 2016. The Programme was created, among others, to deliver on the promise of the Sustainable Development Goals, and in particular on social protection and specifically SDG target 1.3. As such, it is aligned with the 15-year implementation time frame of the SDGs.

The Programme's initial implementation plan for 2016–20 is built on four pillars. First, support is provided to 21 priority countries to develop their social protection systems and floors. This is done through in-country support, and follows a step-by-step approach, including the development of national social protection strategies, the design or reform of social protection schemes and the strengthening of their implementation. Second, cross-country policy and technical support is provided to member States to address specific challenges, for example in relation to health protection, social protection for refugees, and extension of coverage to the informal economy. Third, knowledge, methodologies and tools are developed to ensure that experiences acquired can be part of collective know-how and widely shared. And finally, partnerships are developed with UN agencies, development partners, the private sector, trade unions, civil society and others, in order to multiply the impact of the Flagship Programme and the achievement of SDG target 1.3.

To date, the Global Flagship Programme on Building Social Protection Floors for All has supported the adoption of national social protection strategies in seven countries and has supported the design of national social protection systems and floors in nine countries, both contributory or non-contributory schemes, including by supporting policy design, costing exercises, the determination of financing options, the increase of fiscal space for social protection, and the development of sound legal frameworks. Support has also been provided for the implementation of national social protection systems and floors in ten countries, for example through the development of management information systems, procedures and tools or capacity building.

Note: See: <https://www.social-protection.org/gimi/Flagship.action>.

739. The Committee notes with interest that, since the adoption of the Recommendation, numerous member States have availed themselves of the technical cooperation of the Office with a view to establishing, developing and maintaining comprehensive social protection systems. In particular, the ILO's Global Flagship Programme on Building Social Protection Floors for All launched in 2016 follows a coherent approach to the design and implementation of development cooperation with a view to consolidating results and identifying best practices to be promoted to achieve a lasting impact on people's lives. In this context, the ILO Social Protection Results Monitoring Tool allows constituents and development partners to track past, ongoing and planned projects and the results achieved in the area of social protection.<sup>10</sup> An indicative thematic list of the countries in which results were achieved following the ILO's technical cooperation can be found in Appendix VII.

*Policy support and technical assistance received previously or under way*

740. Many governments report that they have received policy support or technical assistance from the ILO.<sup>11</sup> For example, the Government of the *Central African Republic* indicates that significant support has been provided by the ILO to strengthen its diagnostic capacity, build the capacity of stakeholders, develop a national social protection strategy and policy, and define the institutional and legal frameworks for the implementation of social protection mechanisms. The Government of *Côte d'Ivoire* notes that the ILO provided support to conduct a survey of the social protection needs of rural workers and members of agricultural cooperatives. The Government of the *Czech Republic* indicates that, in the context of the discussion of changes to the old-age pension system, ILO expertise and the lessons learned from pension reforms in other ILO member States were used repeatedly and have contributed significantly to the policy debate at the national level. The Government of *Jamaica* notes that, as a result of ILO technical cooperation, many programmes have been created that have provided major benefits.

741. The *CGT RA* welcomes the encouragement provided by the ILO for the adoption of initiatives to build and improve national social protection floors and considers that the assistance provided in the evaluation of policy options provides a solid basis for social dialogue.

*Policy support and technical assistance needs for the implementation of the Recommendation*

742. A substantial number of governments indicate the need for policy advice and/or technical assistance to give effect to the Recommendation in a range of areas, as summarized in table 13.1. The numbers indicated next to each country correspond to the technical assistance needs listed in the column on the left.

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<sup>10</sup> See <https://www.social-protection.org/gimi/Contributions.action>.

<sup>11</sup> *Bosnia and Herzegovina, Burkina Faso, Burundi, Cambodia, Central African Republic, Chile, Comoros, Democratic Republic of the Congo, Côte d'Ivoire, Czech Republic, Egypt, El Salvador, Ghana, Guinea, Jamaica, Mexico, Nigeria, Panama, Peru, Philippines, Russian Federation, Seychelles, Thailand, Togo, Trinidad and Tobago, Tunisia, Uzbekistan and Zimbabwe.*

**Table 13.1. Reported technical assistance needs** <sup>12</sup>

<b>Technical assistance</b> (policy advice and/or technical cooperation)	
<p><b>Assistance requested to:</b></p> <ol style="list-style-type: none"> <li>1. design and implement social protection policies to achieve at least universal essential health care and basic income security, in accordance with the Recommendation;</li> <li>2. improve social protection legislation;</li> <li>3. improve policy coordination;</li> <li>4. extend coverage and equitable access to adequate benefits for workers in the informal economy and rural workers;</li> <li>5. improve tripartite dialogue ;</li> <li>6. data collection and management and/or assessments and evaluations;</li> <li>7. improve the collection of contributions and taxes, and combat evasion;</li> <li>8. awareness and knowledge of the relevant Conventions and Recommendations.</li> </ol>	<p><b>Governments:</b></p> <p><i>Burkina Faso</i>, <sup>1,4</sup> <i>Burundi</i>, <sup>1,2,6</sup> <i>Cabo Verde</i>, <sup>1</sup> <i>Cambodia</i>, <sup>6</sup> <i>Central African Republic</i>, <sup>4</sup> <i>Chile</i>, <sup>1</sup> <i>Colombia</i>, <sup>1,6</sup> <i>Comoros</i>, <sup>5,6</sup> <i>Côte d'Ivoire</i>, <sup>1,3,7</sup> <i>Dominican Republic</i>, <sup>4</sup> <i>Ecuador</i>, <sup>1,4</sup> <i>Guatemala</i>, <sup>1,6</sup> <i>Guinea</i>, <sup>1</sup> <i>Honduras</i>, <sup>1</sup> <i>Islamic Republic of Iran</i>, <sup>1</sup> <i>Iraq</i>, <sup>1,5</sup> <i>Jamaica</i>, <sup>6</sup> <i>Lithuania</i>, <sup>1</sup> <i>Mali</i>, <sup>1</sup> <i>Nigeria</i>, <sup>6</sup> <i>Oman</i>, <sup>8</sup> <i>Pakistan</i>, <sup>5,6,8</sup> <i>Paraguay</i>, <sup>1,6</sup> <i>Saudi Arabia</i>, <sup>1</sup> <i>Seychelles</i>, <sup>1,3</sup> <i>Sri Lanka</i>, <sup>1</sup> <i>Sudan</i>, <sup>4</sup> <i>Suriname</i>, <sup>1</sup> <i>Togo</i>, <sup>1</sup> <i>Tunisia</i>, <sup>4,5,6,7</sup> <i>Zimbabwe</i> <sup>4</sup></p>
<p><b>Assistance requested to:</b></p> <ol style="list-style-type: none"> <li>1. design, update and/or implement social protection policies;</li> <li>2. draft social protection framework legislation;</li> <li>3. specific support and advice in response to the policies required by the international financial institutions;</li> <li>4. address the problem of austerity;</li> <li>5. improve the involvement of the social partners;</li> <li>6. increase the awareness of all stakeholders in the country of social security standards;</li> <li>7. conduct on-site analyses;</li> <li>8. strengthen monitoring mechanisms.</li> </ol>	<p><b>Workers' organizations:</b></p> <ul style="list-style-type: none"> <li>– <i>Confederation of Workers of Argentina (CTA Workers)</i> <sup>1,3,5</sup></li> <li>– <i>General Confederation of Labour of the Argentine Republic (CGT RA)</i> <sup>1</sup></li> <li>– <i>Workers Confederation of Comoros (CTTC)</i> <sup>1,2,7</sup></li> <li>– <i>Confederation of Workers Rerum Novarum (CTRN), Costa Rica</i> <sup>1,5</sup></li> <li>– <i>German Confederation of Trade Unions (DGB)</i> <sup>4,5</sup></li> <li>– <i>Trade Union Confederation of Gabon (COSYGA)</i> <sup>1,3,5</sup></li> <li>– <i>ITUC</i> <sup>1,3,5,8</sup></li> <li>– <i>National Confederation of Trade Unions of Moldova (CNSM)</i> <sup>5</sup></li> <li>– <i>Confederation of Trade Unions of Montenegro (CTUM)</i> <sup>1</sup></li> <li>– <i>Block of National Trade Unions (BNS), Romania</i> <sup>1</sup></li> <li>– <i>Trade Union Confederation of Togolese Workers (CSTT)</i> <sup>1,6,8</sup></li> <li>– <i>National Union of Independent Unions of Togo (UNSIT)</i> <sup>1</sup></li> <li>– <i>Single Federation of Non-dependent and Allied Venezuelan Workers (FUTRAND), Ibero-American Federation of Informal Economy Workers (UTREIN) and StreetNet International, Bolivarian Republic of Venezuela</i> <sup>7</sup></li> </ul>
<p><b>Assistance requested to:</b></p> <ul style="list-style-type: none"> <li>– design and implementation of social protection policies in accordance with the Recommendation.</li> </ul>	<p><b>Employers' organizations:</b></p> <ul style="list-style-type: none"> <li>– <i>General Confederation of Enterprises of Côte d'Ivoire (CGECI)</i> <sup>1</sup></li> <li>– <i>Chamber of Industries of Uruguay (CIU) and National Chamber of Commerce and Services of Uruguay (CNCS)</i></li> </ul>

<sup>12</sup> For the purposes of concision, reported technical cooperation needs are summarized in bullet points that may not fully reflect the details provided in the original replies.

**Need for a process of assessment-based national dialogue on policy options**

**Assistance requested for:**

- a process of assessment-based national dialogue on policy options, including recommendations for a nationally defined social protection floor.

**Governments:**

*Bosnia and Herzegovina, Burundi, Cambodia, Islamic Republic of Iran, Jamaica, Lithuania, Nigeria, Pakistan, Philippines, Suriname, Tajikistan, Thailand*

**Assistance requested to:**

- assessment-based national dialogue on policy options.

**Workers' organizations:**

- *Canadian Labour Congress (CLC)*

743. The Committee notes the specific technical assistance requests received and invites the governments concerned and the Office to examine how they can best be followed up, including as part of the technical cooperation component of the standards strategy for social security, development cooperation projects and in the framework of the ILO's flagship programmes. The Committee emphasizes the importance of taking these requests into account in the context of Decent Work Country Programmes (DWCPs).<sup>13</sup>

**13.3.3. Progress in the ratification of the Social Security (Minimum Standards) Convention, 1952 (No. 102), and other more advanced social security Conventions**

744. The Recommendation indicates in Paragraph 18 that Members should consider, as part of their national social security extension strategy, ratifying Convention No. 102 as early as national circumstances allow, as well as the other social security Conventions setting out more advanced standards. The questionnaire therefore asked constituents to provide information on the prospects for the ratification of the social security Conventions and the related time frame (question 41). At the time of the finalization of the General Survey, Convention No. 102 had been ratified by 55 member States.<sup>14</sup> The Committee notes that, according to the plan of action adopted by the Governing Body as a follow-up to the discussion on social security at the 100th Session of the Conference in 2011,<sup>15</sup> and reiterated as part of the follow-up to the resolution concerning efforts to make social protection floors a national reality worldwide,<sup>16</sup> the Office undertook to bring the total number of ratifications of Convention No. 102 up to at least 60 by 2019 with the aim of ensuring that “at least 30 per cent of the global population would live in countries where

<sup>13</sup> Within the framework of the DWCPs, the capacity of governments, workers' and employers' organizations has been strengthened in 34 member States to plan, design and implement sustainable, rights-based social protection systems, including social protection floors, in accordance with Recommendation No. 202. Furthermore, in 39 countries, national social protection strategies guided by social security standards or policies have been developed with ILO support to enhance existing programmes for the extension of coverage or the improvement of benefit adequacy. See: [www.ilo.org/IRDashboard/#bscbate](http://www.ilo.org/IRDashboard/#bscbate).

<sup>14</sup> Countries that have ratified Convention No. 102 (as of 1 October 2018): *Albania, Argentina, Austria, Barbados, Belgium, Plurinational State of Bolivia, Bosnia and Herzegovina, Brazil, Bulgaria, Chad, Costa Rica, Croatia, Cyprus, Czech Republic, Democratic Republic of the Congo, Denmark, Dominican Republic, Ecuador, France, Germany, Greece, Honduras, Iceland, Ireland, Israel, Italy, Japan, Jordan, Libya, Luxembourg, North Macedonia, Mauritania, Mexico, Montenegro, Netherlands, Niger, Norway, Peru, Poland, Portugal, Romania, Saint Vincent and the Grenadines, Senegal, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Togo, Turkey, Ukraine, United Kingdom, Uruguay and Bolivarian Republic of Venezuela*.

<sup>15</sup> ILO: “Follow-up to the discussion on social security at the 100th Session of the International Labour Conference (2011)”, Governing Body, 312th Session, Geneva, Nov. 2011 (GB.312/POL/2).

<sup>16</sup> ILO: “Matters arising out of the work of the 101st Session (2012) of the International Labour Conference: Follow-up to the adoption of the resolution concerning efforts to make social protection floors a national reality worldwide”, Governing Body, 316th Session, Nov. 2012, para. 26(a) (GB.316/INS/5/1(&Corr.)).

the requirements of Convention No. 102 are accepted as minimum standards".<sup>17</sup> The Committee is pleased to note that eight new ratifications of the Convention have been registered since the adoption of the plan of action.<sup>18</sup> The Committee also welcomes the increase in the number of ratifications of other up-to-date social security standards since 2011, and particularly the 13 additional ratifications<sup>19</sup> of the Maternity Protection Convention, 2000 (No.183), has received, and it hopes that there will be more ratifications in the near future.

*Consideration of the ratification of ILO social security Conventions*

745. According to the reports of governments, concrete steps for the ratification of Convention No. 102 are being taken in *Morocco* and *Paraguay* and in the *Russian Federation*, where the ratification law was recently signed by the President.<sup>20</sup> A number of governments also report the intention to consider the ratification of Convention No. 102 in the near future, including *Burkina Faso*, *Chile*, *Comoros*, *Côte d'Ivoire*, *Ecuador*, *El Salvador*, *Gabon*, *Ghana*, *Guatemala*, *Islamic Republic of Iran*, *Iraq*, *Jamaica*, *Latvia*, *Lithuania*, *Madagascar*, *Malta*, *Namibia*, *Pakistan*, *Panama*, *Saint Kitts and Nevis*, *Seychelles*, *Sri Lanka*, *Suriname*, *Thailand*, *Trinidad and Tobago* and *Turkmenistan*, while others express general interest in the ratification of the social security Conventions, such as *Pakistan* and *Oman*.

746. The Committee further notes that the Office is actively promoting the ratification of Convention No. 102 and other social security standards and providing related support pre- and post-ratification in response to government requests,<sup>21</sup> for example in *Benin*, *Cabo Verde*, *Cameroon*, *China*, *Mongolia*, *Sao Tomé and Príncipe*, *South Africa*, *Ukraine* and *United Republic of Tanzania*.

**747. The Committee notes with satisfaction the continuing progress made in the ratification of Convention No. 102 and hopes that the Office will continue to provide technical assistance to member States which are considering its ratification, as well as that of other up-to-date social security Conventions. In this regard, the Committee observes that the consideration of the ratification of Convention No. 102 and the Conventions setting more advanced standards of protection, together with the provision of technical assistance, may offer an opportunity for countries which wish**

<sup>17</sup> ILO: GB.312/POL/2, 2011, op. cit., para. 7.

<sup>18</sup> *Argentina*, *Chad*, *Dominican Republic*, *Honduras*, *Jordan*, *Saint Vincent and the Grenadines*, *Togo* and *Ukraine*. Furthermore, *Bulgaria* has accepted Part IV in addition to previously accepted parts.

<sup>19</sup> *Benin*, *Burkina Faso*, *Dominican Republic*, *Kazakhstan*, *Montenegro*, *Morocco*, *Norway*, *Peru*, *Portugal*, *Sao Tome and Principe*, *Senegal*, *Switzerland* and *North Macedonia*. Furthermore, the Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128), and the Medical Care and Sickness Benefits Convention, 1969 (No. 130), have been ratified by *Belgium*.

<sup>20</sup> Federal Law No. 349-FZ on the ratification of the Social Security (Minimum Standards) Convention, 1952 (No. 102), 2018.

<sup>21</sup> This includes technical assistance for the preparation of reports on the compatibility of national law and practice with the requirements of the Convention for which ratification is envisaged, the formulation of Recommendations with a view to ratification, including advice on possible legislative modifications needed to ensure full conformity, participation in national tripartite workshops, explanations to constituents on the requirements of the Convention, training on the obligations deriving from Conventions and reporting and support for the preparation of the first (detailed) report following ratification.

**to develop or review their social protection policies, legislation and systems to establish a road map and set benchmarks, guided by these Conventions.**<sup>22</sup>

#### *Obstacles to ratification*

748. The Government of *Australia* notes that, if Convention No. 102 and the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), were more flexible, that would remove a significant barrier to ratification. With regard to Convention No. 168, the Government of the *Czech Republic* indicates that some of its provisions have been found to be incompatible with existing national legislation. The Governments of *Mali*, *Mauritius*, *New Zealand*, *San Marino* and *United States*, which have not ratified any up-to-date social security standards, indicate that they are not considering their ratification at this stage.

749. The *Single Federation of Non-dependent and Allied Venezuelan Workers (FUTRAND)*, the *Ibero-American Federation of Informal Economy Workers (UTREIN)* and *StreetNet International* in the *Bolivarian Republic of Venezuela* observe that adoption or ratification of international Conventions and Recommendations is envisaged in the national Constitution as supra-constitutional but that this is not currently on the agenda of the legislative authorities.

#### *The role of the social partners in promoting ratification*

750. The *ITUC* notes that its affiliates have been very active in promoting the ratification of Convention No. 102 and the more advanced social security Conventions, with a significant impact in *Argentina* and the *Dominican Republic*, where mobilization and promotional action have led to the ratification of Convention No. 102 in recent years. A strong union ratification campaign is being carried out in *Chile*. Similarly, the *Workers Confederation of Comoros (CTTC)* reports that the social partners are very active in promoting the ratification of the social security Conventions, and particularly Convention No. 102. The *National Confederation of Trade Unions of Moldova (CNSM)* also reports efforts to promote the ratification of Convention No. 102, which will be examined in September 2018 by the National Commission for Collective Bargaining and Consultation.

751. The *Central Organization of Finnish Trade Unions (SAK)*, the *Confederation of Unions of Professional and Managerial Staff in Finland (AKAVA)* and the *Finnish Confederation of Professionals (STTK)* and the *New Zealand Council of Trade Unions (NZCTU)* consider that Convention No. 102 should be ratified as soon as possible. The *Czech-Moravian Confederation of Trade Unions (CM KOS)* expresses interest in the ratification of the Employment Injury Benefits Convention, 1964 (No. 121).

#### 13.3.4. Proposals for standards-related action

752. The questionnaire asked constituents to provide suggestions for possible ILO standards-related action, including the possible consolidation of the up-to-date social security Conventions and Recommendations (question 42).

#### *Observations from governments*

753. Several governments, some of which also indicate interest in ratifying Convention No. 102, support a possible consolidation of up-to-date social security Conventions and Recommendations for various reasons. They include the Governments of *Belgium*,

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<sup>22</sup> ILO: *Social security and the rule of law, General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 100th Session, Geneva, 2011, para. 575.

*Central African Republic, Chile, Democratic Republic of the Congo, Guinea, Islamic Republic of Iran, Jamaica, Malta, New Zealand, Nigeria* (provided there is tripartite agreement), *Pakistan, Panama, Russian Federation, Senegal, Slovakia, Sudan and Sri Lanka*. The Government of *Denmark* welcomes the work done by the Office to ensure conformity between reporting obligations through consolidated reports and encourages further efforts to lighten and simplify the reporting burden on member States. The Government of *Senegal* considers that, to give more force to the principles of Recommendation No. 202, it would be necessary to consider an international Convention.

754. Some governments refer to the Standards Review Mechanism (SRM) and its Tripartite Working Group (TWG).<sup>23</sup> The Government of *Canada* expresses interest in the opinion of the SRM TWG on consolidation. The Government of *Lithuania* considers that the ILO social security instruments need to be reviewed by the SRM and abrogated/withdrawn, where necessary. It adds that, although Convention No. 102 is up to date per se, it reflects gender segregation and therefore needs to be revised. The Government of the *Netherlands* supports the discussion in the SRM to ensure that ILO Conventions and Recommendations are adapted to the present. The Committee wishes to recall that, while they are a product of their time, the ILO's social security Conventions do not define a conceptual "model" to be followed in national legislation but a minimum benchmark to be achieved with reference to a statistical reference point considered to be representative of the levels of earnings prevailing in a given national context. As observed in its 2011 General Survey, these provisions of Convention No. 102 and subsequent social security Conventions can be adapted to modern societies, taking into account ILO policy guidance on gender equality to strengthen outgoing efforts to increase the level of ratification of Convention No. 102.<sup>24</sup> In this respect, the International Labour Conference has recognized, in relation to the perceived gender bias of certain provisions of Convention No. 102, the "need for a pragmatic solution that would enable its interpretation in a gender-responsive way without revising the instrument itself or weakening the prescribed levels of protection and population coverage".<sup>25</sup> The Committee wishes to observe that, when monitoring Convention No. 102, it remains committed to being responsive to gender considerations while safeguarding the minimum level of protection to be ensured under each standard.

755. Other governments emphasize the need for policy guidance and awareness raising. The Government of *Thailand* notes that guidance should be provided to assist in the ratification and implementation of the related Conventions and Recommendations. The Government of *Tajikistan* indicates that the ILO should contribute to the dissemination of knowledge on the basic social security guarantees and provide technical advice to facilitate their implementation at the national level. The Government of the *Philippines* would welcome being updated on a regular basis on the latest trends, standards and best practices in social security, especially in the ASEAN region. The Government of *Pakistan* suggests that the ILO should provide more policy analysis to member States on the implications of these Conventions and Recommendations. The Governments of the *Central African*

<sup>23</sup> See ILO: "The Standards Initiative: Report of the second meeting of the Standards Review Mechanism Tripartite Working Group", Governing Body, 328th Session, 2016 (GB.328/LILS/2/1(Rev.)), Annex III, for further information on the social security standards included in the SRM TWG's initial programme of work. In October 2016, the SRM TWG found 18 instruments on social security to be outdated; the remaining eight instruments on social security in the initial programme of work of the SRM TWG will be reviewed later.

<sup>24</sup> 2011 General Survey, paras 630–631.

<sup>25</sup> ILO: *Conclusions concerning the recurrent discussion on social protection (social security)*, ILC, 100th Session Geneva, 2011, paras 30 and 38.



*Republic and the Democratic Republic of Congo* consider it advisable to improve the dissemination of standards.

#### *Observations from workers' organizations*

756. The *ITUC* considers that Recommendation No. 202, together with the other international labour standards in the area of social security, establish a good framework for adequate and comprehensive social protection systems, and that the various instruments are complementary and mutually reinforcing. It is opposed to any consolidation of the existing instruments. This view is supported by the *Confederation of Workers of Argentina (CTA Workers)*, the *CGT RA*, the *Canadian Labour Congress (CLC)* and the *Confederation of Trade Unions of Montenegro (CTUM)*.

757. The *Trade Union Confederation of Gabon (COSYGA)* considers that Convention No. 102, Recommendation No. 202 and the other social security instruments, provide a solid basic framework for the development of the national social protection system and that a consolidation of the instruments may be desirable. The *NZCTU* supports a process of updating the instruments, but not the suggestion that the ILO should move to principles-based standards. It adds that ILO Conventions need to be prescriptive and detailed, as a basis for effective enforcement.

758. The *ITUC* considers that the ILO should do more to raise awareness of these instruments among governments and to promote their ratification. The objective of the ratification of Convention No. 102 should be more systematically included in DWCPs, with the necessary ILO technical assistance, and should also be an important feature of the ILO Global Flagship Programme on Building Social Protection Floors for All, through which technical support is provided for the planning of reforms. The ILO could also envisage more public awareness activities on the benefits of its instruments and organize tripartite dialogue on ratification. Emphasis is also placed on the importance of awareness-raising activities in support of the ratification of Convention No. 102 and/or the implementation of Recommendation No. 202 by the *CLC*, the *CNSM*, the *CTA Workers* and the *Confederation of Workers of Niger (CNT)*. The *CTTC* adds that awareness should first be raised concerning existing Conventions, before considering their consolidation. The *General Confederation of Labour-Force Ouvrière (CGT-FO)* calls for a broad ratification campaign for social security standards at the global level.

759. The *Confederation of Workers Rerum Novarum (CTRN)* of *Costa Rica* suggests that coherent rules are needed for faster application at the local level and ways of expanding coverage to excluded sectors more rapidly. The *Autonomous Workers' Confederation of Peru (CATP)* refers to the need for standards-related action in other areas.<sup>26</sup>

760. The *National Union of Independent Unions of Togo (UNSIT)* would welcome the identification of the underlying problems that are delaying the implementation of social protection commitments. The *FUTRAND*, the *UTREIN* and *StreetNet International* in the *Bolivarian Republic of Venezuela* suggest that Recommendation No. 202 should be converted into a Convention.

#### *Observations from employers' organizations*

761. The *IOE* affirms its strong commitment to working with its members for the implementation of the Recommendation at the national level. It calls for changes related to the future of work to be considered carefully in the implementation of the Recommendation to ensure that ILO member States have in place the most suitable,

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<sup>26</sup> Including workplace violence, outsourcing, corporate social responsibility in vocational training and freedom of association.

sustainable and future-proof social protection systems. To achieve this, the *IOE* suggests several types of action at the national level, including: the involvement of the relevant stakeholders in giving effect to the Recommendation, taking into account changes in the world of work in the national context; the collection of information on different forms of work to better understand new developments in the labour market and evaluate the need for protection based on the characteristics of the type of employment; the discussion and examination of the extent to which it is possible to implement modernized, viable and sustainable social protection schemes with portable rights and global recognition; ensuring the feasibility and affordability of social protection floors in light of the availability of resources and national circumstances, while exploring various funding options to optimize the objectives of social protection schemes; and the exploration of alternative means of extending coverage and collecting resources in order to capture new forms of work or other earnings, including those that may escape traditional means of income tax collection.

## 13.4. The way forward

### 13.4.1. Customized technical advice to meet needs and priorities

762. The General Survey has provided an opportunity to present good practices and identify progress, as well as obstacles to and gaps in the implementation of the Recommendation at the national level. The replies to the questionnaire also show the clear need for technical assistance in many countries to achieve progress in furthering social security, in accordance with the Recommendation, and have served to identify specific areas in which such assistance would be useful (see table 13.1). The Committee notes that full use of the information and advice provided will enable the Office to optimize its technical assistance for the implementation of the Recommendation, particularly by developing approaches tailored to the needs, priorities and circumstances of the various population groups, and the social, health and economic context of each country. In this regard, the Committee wishes to draw the attention of member States to the wide range of expertise and tools available within the ILO to support the building and maintenance of social protection floors and comprehensive social security systems, as well as the formulation, implementation and monitoring of national social security extension strategies and policies. This includes technical advice on the social, economic, financial, fiscal, legal, actuarial and governance aspects of social security; the development of social security statistics to monitor social security systems; and the strengthening of the linkages between social security and other social policies, as well as with employment, public health and economic policies.

763. The Committee notes that, following the adoption of the Recommendation, the demand for ILO technical advice has increased, leading, among other measures, to the establishment of the Global Flagship Programme on Building Social Protection Floors for All<sup>27</sup> and the Global Programme on Employment Injury Insurance and Protection.<sup>28</sup> The Committee appreciates the range and quality of support provided by the Office, and

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<sup>27</sup> For more information, see <https://www.social-protection.org/gimi/gess/Flagship.action>.

<sup>28</sup> For more information, see <https://www.ilo.org/global/topics/geip/lang--en/index.htm>.

encourages the development and enhancement of additional tools to respond to requests for technical advice, in accordance with the guidance provided by the Governing Body.<sup>29</sup>

764. The Committee notes that the Office has responded to requests for assistance, to the extent possible, in close collaboration with other United Nations organizations in a “Delivering as One” approach, and that it is co-leading with the World Bank an initiative for the development of inter-agency social protection assessment tools.<sup>30</sup> The Committee welcomes the efforts made by the Office to coordinate inter-agency action in the field of social protection at the national, regional and international levels and to establish partnerships with other international organizations and development partners working in related areas with a view to enhancing the implementation of the Recommendation, and it hopes that these efforts will be continued and further strengthened. The Committee expects that this inter-agency coordination will strengthen joint action for the promotion of the Recommendation and its principles by all international organizations and development partners.

#### 13.4.2. Enhancing impact through technical cooperation

765. The Committee emphasizes the key role of technical cooperation in enhancing the impact of international labour standards. Linking the delivery of technical cooperation with tangible and sustainable action for implementation of standards optimizes outcomes, as emphasized in the Declaration on Social Justice for a Fair Globalization, 2008. In this regard, the Committee considers that the promotion and implementation of the Recommendation, together with that of Convention No. 102 and the more advanced social security standards, should be an integral component of country-level programming and technical cooperation within the framework of the DWCPs. The Committee notes the significance for member States of the linkage between technical cooperation and the promotion of standards, as indicated in their replies to the questionnaire. The Committee therefore hopes that these linkages will be reflected in DWCPs. The Committee also emphasizes the importance of a comprehensive and integrated policy approach for the progressive achievement of the objectives of the Recommendation. This should be taken into consideration in the design of DWCPs and other technical cooperation programmes and projects.

#### 13.4.3. Strengthening and broadening effective national dialogue

766. The Committee emphasizes the importance of broad and effective social dialogue and participation in the development of social security systems and policies, including the creation of the necessary policy and fiscal space, and is pleased to note, based on the replies of constituents, that this is also of importance to member States. However, the Committee observes that there are still gaps and obstacles that prevent national dialogue from being effective, fully participatory and having the necessary impact. It therefore hopes that constituents will avail themselves of the resources and expertise of the Office to strengthen the capacities of all stakeholders to engage in the design, implementation and monitoring of social security systems and policies at the national level. The Committee hopes that the Office will further increase its efforts to promote national dialogue in the implementation of the social security standards, for example by: supporting regular national consultations on the monitoring and evaluation of existing social security

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<sup>29</sup> ILO: “Matters arising out of the work of the 101st Session (2012) of the International Labour Conference: Follow-up to the adoption of the resolution concerning efforts to make social protection floors a national reality worldwide”, Governing Body, 316th Session, Nov. 2012, para. 26(a) (GB.316/INS/5/1(&Corr.)).

<sup>30</sup> The inter-agency social protection assessment tools are available at [www.ispatools.org](http://www.ispatools.org).

systems; identifying coverage gaps; extending social security systems and enhancing their adequacy; and identifying the possible fiscal space. It is also necessary to build the capacity of tripartite social dialogue institutions, such as economic and social councils and tripartite labour advisory councils, to support the development of national social security extension strategies and policies.

### 13.5. Concluding remarks

767. In the view of the Committee, Recommendation No. 202 is one of the ILO's most significant contributions to the body of international social security law in recent years. The ILO Centenary offers a crucial opportunity to promote the implementation of the Recommendation, with a view to furthering the achievement of the ILO's strategic objective of ensuring social protection for all as a pillar of Decent Work.<sup>31</sup> By providing concrete guidance on the progressive achievement of universal social protection, it has become a reference for global, regional and national action to ensure life in health and dignity and to make the right to social security a reality for everyone. It is one of the major outcomes of the relentless work of the ILO since its establishment to further among the nations of the world "the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care".<sup>32</sup> By adopting the Recommendation, constituents reaffirmed the ILO's mandate to assist member States in building comprehensive social protection systems, including social protection floors. More specifically, they have committed to establishing and maintaining social protection floors as a fundamental element of their national social security systems, and to embed these social protection floors within strategies for the extension of social security that progressively ensure higher levels of protection to as many people as possible, guided by the ILO's social security standards. They have further agreed to prioritize the provision of at least basic social protection to all in need in their policies and strategies and have confirmed the importance of the principles set out in the body of ILO social security standards and international human rights instruments for the establishment of sustainable and adequate social protection. As the ILO celebrates its Centenary, this General Survey is the Committee's contribution to the furtherance of universal social protection and social justice worldwide.

768. The adoption of the Recommendation was followed by the formulation by the international community of the SDGs, which include goals specifically aimed at achieving the objective of universal access to all dimensions of social protection. More particularly, all United Nations member States have committed to make significant progress towards implementing adequate social protection systems for all, including social protection floors, by 2030, as a significant measure for poverty reduction. The Committee emphasizes the relevance of the Recommendation in achieving this target and encourages member States to consider its implementation in light of their commitment to the SDGs. The future must be one where the right to human dignity is upheld for everyone, everywhere; No one must be left behind!

769. The Committee observes that the high number of replies to the questionnaire, and the information provided therein, confirm that these commitments are alive and are being translated into action at the national level. There is abundant evidence that countries have

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<sup>31</sup> ILO Declaration on Social Justice for a Fair Globalization, ILC, 97th Session, Geneva, 2008, I. Scope and Principles, (A)(ii).

<sup>32</sup> ILO Constitution; Declaration concerning the aims and purposes of the International Labour Organisation (Declaration of Philadelphia), Art. III(f).

adapted and modified their social and economic strategies and policies to expand access to social protection and that they have established and strengthened social protection floors within their social security systems, thereby progressively giving effect to the Recommendation. The replies of constituents, and the available statistics, presented throughout this General Survey, show that important progress has been made in a number of countries and that the guidance of the Recommendation is gradually being transformed into adequate and sustainable national policies. These efforts are contributing to the achievement of the objectives of the Recommendation in terms of poverty reduction, sustainable economic growth and greater social cohesion.

**770. However, challenges remain, particularly since only 29 per cent of the world population enjoys access to comprehensive social security coverage. The gaps and obstacles to the achievement of universal social protection observed in the present General Survey show the clear and pressing need for many countries to strengthen social protection policy and law and their effective implementation. To this effect, the Committee calls upon all member States to take up and carry forward the Recommendation by ensuring that its objectives and principles are given effect and that the right to social security becomes a reality for everyone, in particular in the context of the numerous challenges resulting from changes in the world of work. For the future, this is the high road to sustainable and cohesive societies and the realization of human rights.**

771. By raising household incomes, social transfers have a considerable impact on economies, promote decent work and transitions to formality, and foster inclusive and sustainable growth. They contribute to improvements in nutrition and health status, have a positive impact on schooling and the reduction of child labour and are associated with a significant reduction in poverty and vulnerability. Social protection is also critical to support the transition to an environmentally sustainable economy and is part of the answer to addressing the immense challenges posed by climate change.

772. Additional efforts are also needed to mobilize the necessary resources, through a variety of methods, to fulfil these objectives. While building social protection floors has become a priority in many countries, the Committee emphasizes that national social protection floors are a part of national social security systems, which are needed to ensure comprehensive and adequate protection. Building and maintaining comprehensive social security systems, in accordance with the Recommendation, entails the establishment of levels of protection that are higher than floor levels, for “as many people as possible” and “as soon as possible”, in accordance with national circumstances. With regard to health-care protection at all levels, priority should be given to answering access to quality care that is available, accessible and affordable.

773. While basic levels of protection, or social protection floors, are often achieved through a combination of contributory social insurance schemes and approaches such as tax subsidies and tax-financed systems, the achievement of higher levels of protection requires a system of social insurance as an effective and indispensable protection mechanism for those with contributory capacity. The implementation of inclusive social insurance schemes is also important in developing countries with high levels of informality. The replies to the questionnaire show that social insurance schemes have been adapted to changes in the labour market and to the different national contexts, and can facilitate the extension of coverage and the transition to the formal economy. While the reduction of the scope of social insurance through the introduction of mandatory or voluntary individual savings mechanisms is difficult to reconcile with the principles set out in the Recommendation, it should be ensured in all cases that these schemes are part of a broader system based on the principles of solidarity, risk-pooling and collective

financing, and the participation of the persons protected, rather than shifting economic and financial risk to the individual.

774. The Committee further notes that discussions are being held at the global level, and in certain countries, on the introduction of universal basic income schemes as a means of providing basic income security and meeting other social protection challenges. Such proposals should be carefully assessed, as they present challenges in terms of adequacy and financing. While the Committee firmly believes that an optimal combination of protection mechanisms needs to be found in each society, taking national circumstances duly into account, it considers that all approaches must be rooted in the principles set out in the Recommendation. Policies that only focus on establishing basic levels of protection, while neglecting higher levels of social security embedded in the principles of social solidarity, equality and non-discrimination, are not therefore in line with the guidance provided in the Recommendation. The Committee recalls in this respect that the Recommendation explicitly encourages member States to use the up-to-date ILO social security standards as a reference in building comprehensive systems based on the range and levels of benefits set out in Convention No. 102, or other Conventions and Recommendations establishing more advanced standards. It notes with interest that a significant number of countries are currently considering the ratification of Convention No. 102 and hopes that the target of 60 ratifications by the year of the ILO's Centenary, as set by the Governing Body, will be achieved.

775. The Committee recalls that member States may avail themselves of ILO technical assistance to make full use of the guidance provided in the Recommendation when building national social security systems. In accordance with the Recommendation, one of the key means for States to exercise their overall and primary responsibility to guarantee the human right to social security is through the design and implementation of national social protection strategies and policies. Such policy development processes are most effective when they mobilize all the available means of action, including financial and fiscal means, to achieve the established goals within a specific time frame, with progress being reviewed regularly and the strategies adjusted as necessary. These processes allow the involvement of all the relevant stakeholders in the determination of the main orientations of social protection, and therefore give better results, due in part to broader public acceptance and support.

776. Social protection requires a long-term vision. Accordingly, when designing their social protection systems, member States are shaping their future and determining how inclusiveness and sustainability are to be achieved. Through the design of comprehensive social protection policies and systems that are in line with the guidance and principles set out in the Recommendation, ILO constituents are basing their action on sound and sustainable policy orientations agreed by the representatives of the world's governments, workers and employers, based on a broad range of experience and innovative practices reflected in this General Survey. The Committee notes in this respect that the G20 Ministers of Labour and Employment adopted a Declaration in September 2018 which emphasizes that, in the context of the Future of Work, "social protection systems may face serious challenges regarding their sustainability, universal coverage as defined in national law and adequate level of protection. In that sense, it is key that we strengthen the policy frameworks that reinforce our social protection policies in a financially sustainable manner and provide scope for innovation".<sup>33</sup>

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<sup>33</sup> "Fostering opportunities for an inclusive, fair and sustainable future of work", Declaration by the G20 Ministers of Labour and Employment, Mendoza, Argentina, 6–7 Sep. 2018.

777. The design of strategies, policies and legislation based on the principles set out in the Recommendation may allow member States to overcome some of the major obstacles to implementation described in their replies to the questionnaire and to build inclusive social protection systems based on a nationally defined mix of contributory and non-contributory measures that address the challenges of demographic change, the evolving world of work and political context, migration and climate change. The process of developing policies and laws also provide scope for considering the ratification of the ILO social security Conventions and/or related regional standards.

778. In relation to the extension of social protection, even in the poorest countries, the development of comprehensive national social protection strategies and the generation or expansion of the necessary fiscal space should be seen as mutually supportive. Issues relating to the available options to ensure an adequate level of public social protection expenditure and the improvement of benefit adequacy need to be addressed effectively at the level of strategy and policy development. When they are based on sound policies, social protection systems are protected more effectively against short-term austerity or fiscal consolidation measures, which may compromise their long-term development.

779. Comprehensive strategies can also help to strengthen coordination between the various components of social protection systems, as well as between social protection policies and other social and economic policies, thereby enhancing national policy coherence and improving efficiency and effectiveness. In particular, effective and coordinated policy responses can help to prevent poverty and promote decent work by extending social protection coverage to those in the informal economy and facilitating their transition to the formal economy. As noted in this General Survey, many countries have therefore started to introduce innovative policy solutions that take into account changing work patterns, employment relationships and labour market structures. These include policies to close coverage gaps that are emerging with new forms of employment, such as work on digital platforms, and in response to the specific situations and needs of workers in these new environments.

780. **The Committee notes with interest the broad understanding of the social and economic importance of universal social protection in a large and growing majority of countries and the commitment of many member States to developing social protection policies as part of their national development frameworks.** As noted above, an important number of governments and social partners have requested ILO technical support for the development or review of national social protection policies, particularly with a view to ensuring policy coordination and coherence. The Committee therefore encourages constituents to continue developing and implementing social protection policies and legislation in accordance with the principles set out in the Recommendation and other ILO social security standards with a view to building universal and comprehensive social protection systems that provide adequate benefits.

781. **In 1944, with a view to giving effect to the principles of the Declaration of the Philadelphia, the ILO adopted the Income Security Recommendation, 1944 (No. 67), and the Medical Care Recommendation, 1944 (No. 69), which established the blueprint for the development of social security throughout the twentieth century and paved the way for the adoption of Convention No. 102 some eight years later. By adopting Recommendation No. 202 in 2012 as the first social protection standard of the twenty-first century, the ILO resumed its standard-setting activity in the field of social security with a new high-impact Recommendation setting out fundamental principles on which the future development of national policy and legislation and international cooperation should be based. The Committee hopes that the information contained in this General Survey, and its evaluation of the**

**implementation of the Recommendation in member States, will inform the preparation of the next recurrent discussion on social protection (social security) by the International Labour Conference as a follow-up to the Social Justice Declaration, which will review trends and developments in social protection and determine how the needs of member States can be addressed more efficiently by the ILO, including through standards-related action, technical cooperation and research.**



# Appendix I

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## Texts of the examined instruments

### Recommendation No. 202

#### RECOMMENDATION CONCERNING NATIONAL FLOORS OF SOCIAL PROTECTION

- The General Conference of the International Labour Organization,  
Having been convened at Geneva by the Governing Body of the International Labour Office, and  
having met in its 101st Session on 30 May 2012, and  
Reaffirming that the right to social security is a human right, and  
Acknowledging that the right to social security is, along with promoting employment, an economic  
and social necessity for development and progress, and  
Recognizing that social security is an important tool to prevent and reduce poverty, inequality,  
social exclusion and social insecurity, to promote equal opportunity and gender and racial  
equality, and to support the transition from informal to formal employment, and  
Considering that social security is an investment in people that empowers them to adjust to changes  
in the economy and in the labour market, and that social security systems act as automatic  
social and economic stabilizers, help stimulate aggregate demand in times of crisis and  
beyond, and help support a transition to a more sustainable economy, and  
Considering that the prioritization of policies aimed at sustainable long-term growth associated  
with social inclusion helps overcome extreme poverty and reduces social inequalities and  
differences within and among regions, and  
Recognizing that the transition to formal employment and the establishment of sustainable social  
security systems are mutually supportive, and  
Recalling that the Declaration of Philadelphia recognizes the solemn obligation of the International  
Labour Organization to contribute to “achiev[ing] ... the extension of social security  
measures to provide a basic income to all in need of such protection and comprehensive  
medical care”, and  
Considering the Universal Declaration of Human Rights, in particular Articles 22 and 25, and the  
International Covenant on Economic, Social and Cultural Rights, in particular Articles 9, 11  
and 12, and  
Considering also ILO social security standards, in particular the Social Security (Minimum  
Standards) Convention, 1952 (No. 102), the Income Security Recommendation, 1944  
(No. 67), and the Medical Care Recommendation, 1944 (No. 69), and noting that these  
standards are of continuing relevance and continue to be important references for social  
security systems, and  
Recalling that the ILO Declaration on Social Justice for a Fair Globalization recognizes that “the  
commitments and efforts of Members and the Organization to implement the ILO’s

constitutional mandate, including through international labour standards, and to place full and productive employment and decent work at the centre of economic and social policies, should be based on ... (ii) developing and enhancing measures of social protection ... which are sustainable and adapted to national circumstances, including ... the extension of social security to all”, and

Considering the resolution and Conclusions concerning the recurrent discussion on social protection (social security) adopted by the International Labour Conference at its 100th Session (2011), which recognize the need for a Recommendation complementing existing ILO social security standards and providing guidance to Members in building social protection floors tailored to national circumstances and levels of development, as part of comprehensive social security systems, and

Having decided upon the adoption of certain proposals with regard to social protection floors, which are the subject of the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of a Recommendation;

adopts this fourteenth day of June of the year two thousand and twelve the following Recommendation, which may be cited as the Social Protection Floors Recommendation, 2012.

## I. OBJECTIVES, SCOPE AND PRINCIPLES

1. This Recommendation provides guidance to Members to:

- (a) establish and maintain, as applicable, social protection floors as a fundamental element of their national social security systems; and
- (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.

2. For the purpose of this Recommendation, social protection floors are nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion.

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

- (a) universality of protection, based on social solidarity;
- (b) entitlement to benefits prescribed by national law;
- (c) adequacy and predictability of benefits;
- (d) non-discrimination, gender equality and responsiveness to special needs;
- (e) social inclusion, including of persons in the informal economy;
- (f) respect for the rights and dignity of people covered by the social security guarantees;
- (g) progressive realization, including by setting targets and time frames;
- (h) solidarity in financing while seeking to achieve an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes;
- (i) consideration of diversity of methods and approaches, including of financing mechanisms and delivery systems;
- (j) transparent, accountable and sound financial management and administration;
- (k) financial, fiscal and economic sustainability with due regard to social justice and equity;
- (l) coherence with social, economic and employment policies;

- (m) coherence across institutions responsible for delivery of social protection;
- (n) high-quality public services that enhance the delivery of social security systems;
- (o) efficiency and accessibility of complaint and appeal procedures;
- (p) regular monitoring of implementation, and periodic evaluation;
- (q) full respect for collective bargaining and freedom of association for all workers; and
- (r) tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

## II. NATIONAL SOCIAL PROTECTION FLOORS

4. Members should, in accordance with national circumstances, establish as quickly as possible and maintain their social protection floors comprising basic social security guarantees. The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- (d) basic income security, at least at a nationally defined minimum level, for older persons.

6. Subject to their existing international obligations, Members should provide the basic social security guarantees referred to in this Recommendation to at least all residents and children, as defined in national laws and regulations.

7. Basic social security guarantees should be established by law. National laws and regulations should specify the range, qualifying conditions and levels of the benefits giving effect to these guarantees. Impartial, transparent, effective, simple, rapid, accessible and inexpensive complaint and appeal procedures should also be specified. Access to complaint and appeal procedures should be free of charge to the applicant. Systems should be in place that enhance compliance with national legal frameworks.

8. When defining the basic social security guarantees, Members should give due consideration to the following:

- (a) persons in need of health care should not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care. Free prenatal and postnatal medical care for the most vulnerable should also be considered;
- (b) basic income security should allow life in dignity. Nationally defined minimum levels of income may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice, and may take into account regional differences;
- (c) the levels of basic social security guarantees should be regularly reviewed through a transparent procedure that is established by national laws, regulations or practice, as appropriate; and

(d) in regard to the establishment and review of the levels of these guarantees, tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured.

9. (1) In providing the basic social security guarantees, Members should consider different approaches with a view to implementing the most effective and efficient combination of benefits and schemes in the national context.

(2) Benefits may include child and family benefits, sickness and health-care benefits, maternity benefits, disability benefits, old-age benefits, survivors' benefits, unemployment benefits and employment guarantees, and employment injury benefits as well as any other social benefits in cash or in kind.

(3) Schemes providing such benefits may include universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, public employment schemes and employment support schemes.

10. In designing and implementing national social protection floors, Members should:

- (a) combine preventive, promotional and active measures, benefits and social services;
- (b) promote productive economic activity and formal employment through considering policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and that promote education, vocational training, productive skills and employability; and
- (c) ensure coordination with other policies that enhance formal employment, income generation, education, literacy, vocational training, skills and employability, that reduce precariousness, and that promote secure work, entrepreneurship and sustainable enterprises within a decent work framework.

11. (1) Members should consider using a variety of different methods to mobilize the necessary resources to ensure financial, fiscal and economic sustainability of national social protection floors, taking into account the contributory capacities of different population groups. Such methods may include, individually or in combination, effective enforcement of tax and contribution obligations, reprioritizing expenditure, or a broader and sufficiently progressive revenue base.

(2) In applying such methods, Members should consider the need to implement measures to prevent fraud, tax evasion and non-payment of contributions.

12. National social protection floors should be financed by national resources. Members whose economic and fiscal capacities are insufficient to implement the guarantees may seek international cooperation and support that complement their own efforts.

### III. NATIONAL STRATEGIES FOR THE EXTENSION OF SOCIAL SECURITY

13. (1) Members should formulate and implement national social security extension strategies, based on national consultations through effective social dialogue and social participation. National strategies should:

- (a) prioritize the implementation of social protection floors as a starting point for countries that do not have a minimum level of social security guarantees, and as a fundamental element of their national social security systems; and
- (b) seek to provide higher levels of protection to as many people as possible, reflecting economic and fiscal capacities of Members, and as soon as possible.

(2) For this purpose, Members should progressively build and maintain comprehensive and adequate social security systems coherent with national policy objectives and seek to coordinate social security policies with other public policies.

14. When formulating and implementing national social security extension strategies, Members should:

- (a) set objectives reflecting national priorities;
- (b) identify gaps in, and barriers to, protection;
- (c) seek to close gaps in protection through appropriate and effectively coordinated schemes, whether contributory or non-contributory, or both, including through the extension of existing contributory schemes to all concerned persons with contributory capacity;
- (d) complement social security with active labour market policies, including vocational training or other measures, as appropriate;
- (e) specify financial requirements and resources as well as the time frame and sequencing for the progressive achievement of the objectives; and
- (f) raise awareness about their social protection floors and their extension strategies, and undertake information programmes, including through social dialogue.

15. Social security extension strategies should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality, and should be consistent with, and conducive to, the implementation of the social, economic and environmental development plans of Members.

16. Social security extension strategies should ensure support for disadvantaged groups and people with special needs.

17. When building comprehensive social security systems reflecting national objectives, priorities and economic and fiscal capacities, Members should aim to achieve the range and levels of benefits set out in the Social Security (Minimum Standards) Convention, 1952 (No. 102), or in other ILO social security Conventions and Recommendations setting out more advanced standards.

18. Members should consider ratifying, as early as national circumstances allow, the Social Security (Minimum Standards) Convention, 1952 (No. 102). Furthermore, Members should consider ratifying, or giving effect to, as applicable, other ILO social security Conventions and Recommendations setting out more advanced standards.

#### IV. MONITORING

19. Members should monitor progress in implementing social protection floors and achieving other objectives of national social security extension strategies through appropriate nationally defined mechanisms, including tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

20. Members should regularly convene national consultations to assess progress and discuss policies for the further horizontal and vertical extension of social security.

21. For the purpose of Paragraph 19, Members should regularly collect, compile, analyse and publish an appropriate range of social security data, statistics and indicators, disaggregated, in particular, by gender.

22. In developing or revising the concepts, definitions and methodology used in the production of social security data, statistics and indicators, Members should take into consideration relevant guidance provided by the International Labour Organization, in

particular, as appropriate, the resolution concerning the development of social security statistics adopted by the Ninth International Conference of Labour Statisticians.

23. Members should establish a legal framework to secure and protect private individual information contained in their social security data systems.

24. (1) Members are encouraged to exchange information, experiences and expertise on social security strategies, policies and practices among themselves and with the International Labour Office.

(2) In implementing this Recommendation, Members may seek technical assistance from the International Labour Organization and other relevant international organizations in accordance with their respective mandates.

## **Appendix II**

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**Report form sent to member States  
and social partners**

INTERNATIONAL LABOUR OFFICE

REPORTS ON  
UNRATIFIED CONVENTIONS AND RECOMMENDATIONS

*(article 19 of the Constitution  
of the International Labour Organisation)*

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REPORT FORM FOR THE FOLLOWING INSTRUMENT:

**SOCIAL PROTECTION FLOOR RECOMMENDATION, 2012, (NO. 202)**

GENEVA  
2016



INTERNATIONAL LABOUR OFFICE

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*Article 19 of the Constitution of the International Labour Organization relates to the adoption of Conventions and Recommendations by the Conference, as well as to the obligations resulting therefrom for the Members of the Organization. The relevant provisions of paragraphs 5, 6 and 7 of this article read as follows:*

5. In the case of a Convention:

...

- (e) if the Member does not obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the Member except that it shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of its law and practice in regard to the matters dealt with in the Convention, showing the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement or otherwise and stating the difficulties which prevent or delay the ratification of such Convention.

6. In the case of a Recommendation:

...

- (d) apart from bringing the Recommendation before the said competent authority or authorities, no further obligation shall rest upon the Members, except that they shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice in their country in regard to the matters dealt with in the Recommendation, showing the extent to which effect has been given, or is proposed to be given, to the provisions of the Recommendation and such modifications of these provisions as it has been found or may be found necessary to make in adopting or applying them.

7. In the case of a federal State, the following provisions shall apply:

- (a) in respect of Conventions and Recommendations which the federal Government regards as appropriate under its constitutional system for federal action, the obligations of the federal State shall be the same as those of Members which are not federal States;
- (b) in respect of Conventions and Recommendations which the federal Government regards as appropriate under its constitutional system, in whole or in part, for action by the constituent states, provinces or cantons rather than for federal action, the federal Government shall:

...

- (iv) in respect of each such Convention which it has not ratified, report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice of the federation and its constituent states, provinces or cantons in regard to the Convention, showing the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement, or otherwise;
- (v) in respect of each such Recommendation, report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice of the federation and its constituent states, provinces or cantons in regard to the Recommendation, showing the extent to which effect has been given, or is proposed to be given, to the provisions of the Recommendation and such modifications of these provisions as have been found or may be found necessary in adopting or applying them.

*In accordance with the above provisions, the Governing Body of the International Labour Office examined and approved the present report form. This has been drawn up in such a manner as to facilitate the supply of the required information on uniform lines.*

REPORT

to be made no later than 31 December 2017, in accordance with article 19 of the Constitution of the International Labour Organisation by the Government of ....., on the position of national law and practice in regard to matters dealt with in the instruments referred to in the following questionnaire.

## Major terms and abbreviations used in the questionnaire

In accordance with Recommendation No. 202, national social security extension strategies should pursue “**horizontal and vertical extension of social security**” [Paragraph 20].

The **horizontal extension** aims at the extension of social security coverage to as many people as possible, including through the rapid implementation of national social protection floors.

The **vertical extension** aims at the progressive achievement of higher levels of protection, within comprehensive social security systems guided by the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the more advanced ILO social security instruments.

For the purpose of this questionnaire, the terms “**social security**” and “**social protection**” have been used interchangeably, as in Recommendation No. 202, with the aim of encompassing and gathering information on all contributory and non-contributory schemes, benefits and social services that provide income support in cash or in kind and access to health care to the persons protected against one or more of the contingencies defined by Convention No. 102 and Recommendation No. 202.

**Comprehensive social security/protection systems**, as stipulated by Recommendation No. 202, should “achieve the range and levels of benefits set out in the Social Security (Minimum Standards) Convention, 1952 (No. 102), or in other ILO social security Conventions and Recommendations setting out more advanced standards”, [Paragraph 17].

For the purpose of this questionnaire, **national social security/protection system** is understood as the combination of all existing social security/social protection schemes, benefits and services in the country, irrespective of whether they form part of a social insurance system, social welfare system, social assistance system or other similar systems however they might be called.

**Schemes providing social security/protection benefits** may include universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, public employment schemes and employment support schemes [Paragraph 9(3)].

“**Benefits** may include child and family benefits, sickness and health-care benefits, maternity benefits, disability benefits, old-age benefits, survivors’ benefits, unemployment benefits and employment guarantees, and employment injury benefits as well as any other social benefits in cash or in kind” [Paragraph 9(2)].

**Social protection floor (SPF)** – a fundamental element of the national social security system comprising “nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion” [Paragraph 2].

**Basic social security guarantees (BSSGs)** – legally established provisions ensuring “at a minimum that, over the life cycle, 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” [Paragraph 4].

**Essential health care** – nationally defined set of goods and services, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality [Paragraph 5(a)].

**Basic income security (BIS)** – nationally defined minimum levels of benefits in cash and in kind, at least at a nationally defined minimum level, which secure access to the necessary goods and services allowing life in dignity for children, persons in active age and for older persons [Paragraph 5(b), (c) and (d)].

## I. Conceptual framework of the Recommendation

Recommendation No. 202 contains a number of conceptual and value statements concerning the role and functions of social security in modern society, which underpin the regulatory framework laid down in the Recommendation and the principles of its implementation listed in Paragraph 3 of Recommendation No. 202. Some of them are explicitly included in ILO standards for the first time. The following questions try to elucidate to what extent these concepts and principles as presented in Social Protection Floors Recommendation, 2012 (No. 202), are recognized in law and implemented in practice in your country. Key notions, marking the stepping stones on the way to rights-based sustainable development, are put in italics.<sup>1</sup>

### Human rights-based approach to social security: Universality of protection, social inclusion and life in dignity

1. Recommendation No. 202 reaffirms that “the right to social security is a *human right*” ensuring “*universality of protection*, based on *social solidarity*” [Preamble and Paragraph 3(a)].

- (a) Is the human right to social security supported by a policy of your government to extend social security to “as many people as possible ... and as soon as possible” to achieve universal coverage of all residents and children [Paragraphs 6 and 13(1)(b)]?
- (b) Do policies of your government operationalize the principles of social solidarity and “solidarity in financing” and, if so, how? How do these policies maintain a fair balance “between responsibilities and interests of those who finance and benefit from social security schemes [Paragraph 3(h)]?”

(a)

(b)

2. Recommendation No. 202 affirms the inclusive nature of social protection floors (SPFs) which are directed against “poverty, *vulnerability* and *social exclusion*” [Paragraph 2] and in favour of “non-discrimination, gender equality and responsiveness to *special needs*” [Paragraph 3(d)], “social inclusion, including of persons in the informal economy” [Paragraph 3(e)], “reduction of *informality*” [Paragraph 15], support for “the most vulnerable” [Paragraph 8(a)], “disadvantaged groups and people with special needs” [Paragraphs 3(d) and 16].

- (a) Are there social security/protection laws, policies and mechanisms that ensure the non-discriminative and inclusive design of the national SPF? If so, please specify which.
- (b) Do they define vulnerability, social exclusion and informality, and determine the vulnerable and disadvantaged groups, and people with special needs? If so, please specify how.

(a)

(b)

3. Recommendation No. 202 calls for “respect for the rights and *dignity* of people covered by the social security guarantees” [Paragraph 3(f)], which should ensure “*adequacy* and predictability of benefits” [Paragraph 3(c)] and “allow *life in dignity*” [Paragraph 8(b)].

- (a) Do the national legislation and judicial decisions guarantee respect for human dignity of the persons living on social security guarantees? If so, please specify how.

<sup>1</sup> Italics have been added by the Office with a view to drawing attention to these key notions and concepts.

- (b) Are certain benchmarks used to assess adequacy of social security guarantees in terms of ensuring life in dignity? If so, please specify which.

(a)  
(b)

**Integrated design of social protection: Basic guarantees, flexible structures and coherence of policies**

4. Recommendation No. 202 substantiates the human right to social security by establishing, as a starting point, the core obligations of the State in the form of *basic social security guarantees* (BSSG) included in the SPF. The floor should become a *fundamental element* on which “Members should progressively build and maintain *comprehensive* and adequate social security systems” [Paragraphs 1(a), 3(g), 13(1)(a) and (2)]. Members without developed systems should establish “a minimum level of social security guarantees” [Paragraph 13(1)(a)] in schemes which do not have a guaranteed minimum.]
- (a) Have measures been taken or envisaged with a view to complementing the design, organization and financing of social security/protection with a fundamental element setting a floor to benefits, on the one side, while maintaining the objectives of progressively building more comprehensive and adequate social security systems, on the other side? If so, please specify which.

(a)

5. In building SPFs, Recommendation No. 202 advises Members to consider a “*diversity of methods* and approaches, including of financing mechanisms and delivery systems” [Paragraphs 3(i) and 11(1)], select those that work better, and recombine them to implement “the *most effective and efficient combination* of benefits and schemes” [Paragraph 9(1)], “contributory and non-contributory schemes” [Paragraph 14(c)] and “preventive, promotional and active measures, benefits and social services” [Paragraph 10(a)].
- (a) Have different methods and approaches to financing and delivery of basic guarantees been considered for the purpose of making the social security system more efficient? If so, please specify which.
- (b) What combinations of benefits and schemes proved to be most effective in lifting people out of poverty, vulnerability, social exclusion and informality?

(a)  
(b)

6. Social security systems should be “*coherent* with national policy objectives” [Paragraph 13(2)] and “with social, economic and employment policies” [Paragraph 3(l)]; coherence should also be enhanced “*across institutions* responsible for delivery of social protection” [Paragraph 3(m)]. Furthermore, in designing SPFs as an integral part of a comprehensive social security system, Members should “*coordinate* social security policies with *other public policies*” [Paragraph 13(2)] “within a decent work framework” [Paragraph 10(c)].
- (a) Do standing institutional mechanisms exist for the coherence of different contributory and non-contributory social security/protection schemes and benefits and for the coordination of social security policies with other social, economic, employment and fiscal policies? If no such mechanisms exist, do you consider introducing them a necessity?

- (b) What are the challenges and difficulties met in designing and implementing SPFs?

(a)

(b)

**The right to social security as an economic necessity:  
Reduction of poverty, more sustainable economy  
and growth with equity**

7. Recommendation No. 202 recognizes that “social security is an *important tool* to prevent and reduce poverty, inequality, social exclusion and social insecurity” and that SPFs are established to “secure protection aimed at *preventing or alleviating poverty*, vulnerability and social exclusion” [Paragraphs 2 and 3(e)].
- (a) Does your Government have a national plan, programme or strategy to combat poverty and inequality and what is the role of social security/protection in attaining its objectives?
- (b) How is poverty defined and measured in your country? What national poverty lines are established particularly for extreme poverty and how are they calculated and monitored?
- (c) Is the social security/protection system used to prevent or reduce poverty? If so, please explain how.

(a)

(b)

(c)

8. Recommendation No. 202 acknowledges that “the right to social security is, along with promoting employment, an economic and social necessity for development and progress, and ... that social security systems act as automatic social and economic stabilizers, help stimulate aggregate demand in times of crisis and beyond, and help support a transition to a more sustainable economy” [Preamble].
- (a) Please indicate whether and, if so, how the current economic, financial and labour market policies in your country support and implement these conclusions, in particular by enhancing “coherence with social, economic and employment policies” [Paragraph 3(l)].
- (b) Does the national SPF help to enhance formal employment, income generation, education, literacy, vocational training, skills and employability, reduce precariousness, and promote secure work, entrepreneurship and sustainable enterprises [Paragraph 10(c)]? If so, please indicate how.

(a)

(b)

9. The Preamble to Recommendation No. 202 states that “sustainable long-term growth associated with social inclusion helps overcome extreme poverty and reduces social inequalities and differences within and among regions” [Preamble and Paragraphs 3(e) (l) and 15].
- (a) Please provide information you consider relevant on the experiences of combining economic growth with the extension of social security/protection, which may have been acquired by your country.

- (b) Are investments in social security/protection regarded as a factor sustaining long-term growth? Please give the most pertinent examples of the impact on poverty and social and regional inequalities of the policies which prioritize growth with equity.

(a)  
(b)

## II. Institutional and legal frameworks of social security – social responsibility of the State

10. Recommendation No. 202 recognizes “the overall and primary responsibility of the State” [Paragraph 3] in establishing and maintaining a comprehensive social security system, including SPFs, exercised according to a defined set of principles.

- (a) Is the social responsibility of the State defined in the constitutional and legal framework of your country? If so, please specify how. Does the State bear the overall and primary responsibility for the adequacy of benefits [Paragraph 3(c)] and the “financial, fiscal and economic sustainability” of the social security system, including SPF, “with due regard to social justice and equity” [Paragraph 3(k)]?
- (b) How are the social protection responsibilities, competencies and related financial resources distributed between the different levels of government – central government, regional governments, and local (municipal) authorities – and how is coherence ensured across these levels in national law and practice?

(a)  
(b)

11. Does the government ensure “transparent, accountable and sound financial management and administration” of the schemes constituting the social security/protection system, including SPFs [Paragraph 3(j)]? If so, please indicate how.

- (a) Are social security/protection institutions required by law to undertake audits, publish budget documents, prepare annual reports, and take other measures enhancing their transparency and accountability?
- (b) Are any of the social security/protection schemes in deficit and what measures are taken to redress the situation?

(a)  
(b)

12. Recommendation No. 202 provides that “entitlement to benefits”, in any social protection scheme, including those providing BSSGs, should be “established by law” [Paragraphs 3(b) and 7].

- (a) Please give a brief description of the legal framework implementing national SPF, specifying key provisions establishing coverage, qualifying conditions, level and duration of benefits delivering BSSGs.
- (b) Please indicate whether any modifications are envisaged or have been made to national legislation with a view to giving effect to the provisions of Recommendation No. 202.

(a)  
(b)

13. Are measures put in place that “enhance compliance with national legal frameworks” establishing schemes providing BSSGs [Paragraph 7], including “measures to prevent fraud, tax evasion and non-payment of contributions” [Paragraph 11(1) and (2)]?

14. Does the national legal framework establishing BSSGs specify the complaint and appeal procedures that should be “impartial, transparent, effective, simple, rapid, accessible and inexpensive”? Is access to these procedures free of charge to the applicant [Paragraphs 3(o) and 7]?

### III. Policy framework – national strategies for the extension of social security

15. Have national objectives and priorities been identified in the area of social protection [Paragraphs 13–15]? Please indicate which and whether they include one or more of the following and enter the necessary explanations in the box below:

- establish and implement, as a priority, a national SPF or some elements of the floor as a starting point;
- implement the SPF as a new fundamental element of the national social security system;
- extend protection by establishing new social security guarantees covering additional risks;
- extend existing contributory schemes to all concerned persons with contributory capacity;
- extend existing social security schemes and benefits to persons in the informal economy;
- increase the existing minimum level of certain social security guarantees;
- consolidate, contain or reduce social security/protection expenses and budgets;
- complement social security/protection with active labour market policies and coordinate it better with other public policies;
- better coordinate existing contributory and non-contributory schemes, and social insurance with social assistance, so as to close gaps in protection;
- improve the design and regulatory framework for building a comprehensive social security system;
- undertake national consultations on social security matters through effective social dialogue and social participation;
- other objectives (please specify).



16. Have any of the above-mentioned national objectives and priorities been framed into a national plan, programme or strategy for the extension of social security [Paragraph 13]?
- Yes, we are currently implementing a national plan/programme/strategy (NS).
  - Yes, we are in the process of formulating an NS.
  - No, but we intend to formulate an NS.
  - No, we have not yet thought about developing an NS.
  - No, we already possess a comprehensive social security/protection system.
  - No, we are currently pursuing a strategy of fiscal consolidation and contraction of social spending.

17. In case the government has adopted an NS or is in the process of formulating one, please:
- (a) attach copies or web references of the official documents formulating the strategy;
  - (b) specify the time frame and sequencing of measures, as well as the financial requirements and resources necessary for the progressive achievement of the objectives, including relevant international cooperation and support [Paragraphs 12 and 14(e)];
  - (c) specify what objectives concerning the NS and SPF may have been included in the Decent Work Country Programme (DWCP).

18. In case the government does not have a national strategy for the extension of social security, please indicate the measures taken or envisaged by the government with a view to [Paragraph 14]:
- raising awareness about SPFs and social security extension strategies and undertaking information programmes, including through social dialogue;
  - setting objectives for the extension of social security reflecting national priorities and economic and fiscal capacities, and identifying gaps in, and barriers to, protection.

19. In case your government is currently pursuing a policy of fiscal consolidation and contraction of social spending, please indicate whether, before undertaking such a policy, an impact assessment of these policies on different categories of the population was carried out with a view to mitigating its effects on the most vulnerable and disadvantaged groups and persons with special needs in line with the principles of social solidarity, social inclusion, solidarity in financing and coherence between social protection and other public policies [Paragraphs 3(a), (e), (h) and (l), 13(2) and 16].

20. (a) Have mechanisms for regular monitoring progress in establishing and implementing SPFs and achieving other objectives of national social security policies and strategies been established in your country? If so, please specify which [Paragraphs 13 and 19].

- (b) Do they include tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations (please specify which) [Paragraph 19]?

(a)

(b)

21. Does the government regularly convene national consultations to assess progress and discuss policies for the further horizontal and vertical extension of social security [Paragraph 20]? If not, what measures are taken to ensure better participation and consultation in the future?

22. Are social security/protection data, statistics and indicators regularly collected and published for this purpose and are they disaggregated, in particular, by gender [Paragraphs 21 and 22]? Please indicate which and provide a full list of relevant national databases and publications with web references.

#### IV. Basic social security guarantees constituting social protection floors

23. According to Paragraph 6 of Recommendation No. 202, Members should provide the BSSGs to at least all residents and children, as defined in national laws and regulations, subject to their existing international obligations.

- (a) How are the terms “residents” and “children” defined in national legislation? Do non-resident children or children of non-residents have access to some or all BSSGs for children? What residency status gives access to BSSGs as of right?
- (b) Which, if any, categories of residents are excluded? Would persons in an irregular or undocumented situation (e.g. homeless, victims of human trafficking, internally displaced persons, refugees, etc.) and their children have access in case of need to essential health care and basic income security (BIS)? (See also question 2(b).)

(a)

(b)

24. BSSGs should ensure that, “over the life cycle, all in need have access ... to goods and services defined as necessary at the national level” [Paragraph 4].

- (a) Is the situation of need defined by national laws and regulations? If so, what goods and services are defined as necessary for children, persons in active age and older persons [Paragraphs 4, 5(b) and 8(b)]?
- (b) How is the monetary value of a set of necessary goods and services calculated (e.g. reference budget method, minimum consumption basket, food and non-food costs, etc.) [Paragraph 8(b)]?

(a)

(b)

- (c) What income thresholds for statutory social assistance are established for different types of households and how are they calculated [Paragraph 8(b)]?
- (d) What other income thresholds are established for social protection purposes (e.g. minimum wage, guaranteed minimum income scheme, social pension, etc.) [Paragraph 8(b)]?

(c)  
(d)

25. BIS should be established “at least at a nationally defined minimum level” [Paragraph 5].
- (a) Has a minimum level of income in cash or in kind guaranteeing BIS been legally defined for the following age groups (please specify age) and how is it calculated for [Paragraph 8(c)]:
    - children;
    - persons in active age who are unable to earn sufficient income;
    - older persons.
  - (b) Do minimum levels of income defined in your country take into account regional differences and differences in age, gender, family composition, level of disability and other special needs [Paragraphs 3(d), 8(b) and 16]?

(a)  
(b)

26. Does a procedure exist for the regular revision of the levels of BSSGs and when were they last reviewed? If so, please specify which [Paragraph 8(c)]. Does it include “tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned” [Paragraph 8(c) and (d)]?

27. What criteria and methods are used for reviewing the levels [Paragraph 8(c)]?
- (a) Do they help to prevent an increased risk of poverty?
  - (b) Have the levels of BSSGs been, or could they be, reviewed downwards?

28. Please specify which methods of resource mobilization are used to ensure financial, fiscal and economic sustainability of BIS and of essential health care [Paragraph 11]. (Please see note at the end of the questionnaire.)

## A. Basic income security (BIS)

29. Please supply data on the level and coverage of existing benefits, schemes, social services and other public programmes providing BIS [Paragraph 5(b), (c) and (d)] for:

- children, including “access to nutrition, education, care and any other necessary goods and services” (table 1);
- “persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability” (table 2); and
- older persons (table 3).

30. Has the effectiveness and efficiency of the combination of benefits and schemes been assessed in terms of extending coverage and reducing poverty, vulnerability and social exclusion [Paragraph 9]? If not, would your government like the ILO to carry out such an assessment?

31. Please indicate the gaps in, and barriers to, protection which may have been identified and what measures have been considered to enhance the delivery of BIS [Paragraph 14(b) and (c)].

32. Is the minimum level of BIS for children sufficient to ensure access to nutrition, education, care and any other necessary goods and services (please specify which) [Paragraph 5(b)]?

33. How is provision of BIS for children coordinated with other policies that enhance education, literacy, vocational training, skills and employability [Paragraph 10(c)]?

## B. Essential health care

34. How is the notion of “essential health care” (or equivalent notion of minimum national set of health care services) defined in national laws or regulations [Paragraph 5(a)]?

- (a) What types of care are included in the basic package for children, persons in active age and older persons? Does it include maternity care?
- (b) Is it regularly reviewed with “tripartite participation of representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned” [Paragraph 8(c) and (d)]?

(a)

(b)

35. Please supply data on coverage and nature of benefits, schemes, social services and other public programmes delivering essential health care for children, persons in active age and older persons (table 4).

36. Have the effectiveness and efficiency of this combination been assessed by the “criteria of availability, accessibility, acceptability and quality” [Paragraph 5(a)]? (Please see note at the end of the questionnaire.)

If not, would your government like the ILO to assist you in carrying out such an assessment?

37. What gaps in coverage and barriers to protection have been identified, in particular for the population in rural and remote regions, the informal economy, disadvantaged groups and persons with special needs? What measures have been considered to enhance the delivery of essential health care to as many people as possible [Paragraphs 3(a) and (e), 15 and 16]?

38. Are the national rules concerning financing of the cost of essential health care, and in particular those imposing cost-sharing by the beneficiaries, so designed as to avoid hardship and prevent an increased risk of poverty for persons in need of health care [Paragraph 8(a)]?

39. Are prices of goods and services comprising essential health care subject to government supervision, regulation, tax incentives or subsidies so as to make them accessible to persons of small means [Paragraphs 3(e) and (h), and 8(a)]?

40. Is prenatal and postnatal medical care provided free of charge for the most vulnerable and under what conditions [Paragraph 8(a)]? If not, has a feasibility study been carried out for this purpose?

## V. Standards-related action and technical cooperation

41. Recommendation No. 202 calls on countries to consider ratifying, as early as national circumstances allow, the Social Security (Minimum Standards) Convention, 1952 (No. 102), or other ILO social security Conventions setting out more advanced standards to guide the development of comprehensive social security systems [Paragraphs 17 and 18]. Would your country consider such ratification and in what time frame?

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42. What suggestions would your country wish to make concerning possible standards-related action to be taken by the ILO, including possible consolidation of up-to-date social security Conventions and Recommendations?

43. Please identify any obstacles impeding or delaying implementation of Recommendation No. 202 and indicate any measures taken or envisaged to overcome these obstacles.

44. Have there been any requests for policy support or technical cooperation provided by the ILO and what has been the effect of ILO assistance? What are your country's needs in terms of future policy advisory support and technical cooperation to give effect to the objectives of Recommendation No. 202? How could the ILO best support country efforts in the horizontal and vertical extension of social security? Would your country wish to undertake, in cooperation with the ILO, a process of Assessment-Based National Dialogue on Policy Options in Social Protection?

45. If your country is a federal State, please indicate:

- (a) whether, under the constitutional system, the provisions of this Recommendation are regarded by the federal government as appropriate for federal action or for action, in whole or in part, by the constituent states, provinces or cantons;
- (b) whether it has been possible to make any arrangements within the federal State with a view to promoting coordinated action to give effect to all or some of the provisions of Recommendation No. 202; please give a general indication of any results achieved through such action.

(a)

(b)

46. Please indicate the representative organizations of employers and workers to which copies of the present report have been communicated in accordance with article 23, paragraph 2, of the Constitution of the ILO. Please state whether you have received from the organizations of employers and workers concerned any observations concerning the effect given, or to be given, to Recommendation No. 202. If so, please communicate a copy of the observations received together with any comments that you may consider useful.

## Tables to questions 30 and 35

### Combination of benefits, schemes and policies providing basic social security guarantees, which are deemed to form part of the national social protection floor

- Table 1. Benefits, schemes and policies providing basic income security for children aged 0–15/...
- Table 2. Benefits, schemes and policies providing basic income security for persons in active age (15–65).
- Table 3. Benefits, schemes and policies providing basic income security for older persons aged 65+.
- Table 4. Benefits, schemes and policies providing essential health care.

In each table, please enter into the cell corresponding to the type of benefit and scheme/policy providing basic income security or essential health care ONLY the exact name of the benefit which forms part of the national social protection floor. All other information about each benefit thus entered into the table shall be provided separately following the template below:

1. Name of the benefit/guarantee.
2. Categories of persons protected and qualifying conditions.
3. Guaranteed minimum amount(s) of cash benefit or quantity of benefit in kind (for each category of persons protected).
4. Average number of persons actually receiving such minimum amounts or quantity of benefit.
5. Total number (or estimate) of persons covered by the corresponding scheme/programme.
6. Total expenditure spent annually on the scheme/programme, including cost of administration and delivery of benefits.

**Table 1. Benefits, schemes and policies providing basic income security for children aged 0–15/...**

<b>Benefits, schemes and policies</b>	<b>Child cash benefits</b>	<b>Cash benefits to families with children</b>	<b>Orphans' (survivors') benefits</b>	<b>Benefits in kind (food, clothing, holidays, etc.)</b>	<b>Other benefits and guarantees</b>	<b>Vulnerable, disadvantaged groups – abandoned, homeless children</b>	<b>Children with special needs, disabled children</b>
Universal							
Social insurance							
Social assistance, housing allowance, GMI							
Social safety nets, targeted anti-poverty programmes							
Social policy: services, care, education							
Fiscal policy: negative income tax, tax incentives, etc.							
Employment policy: public works, employment support, vocational training, etc.							
Economic policy: SME, microcredit, regional development, etc.							
Other public policies providing social benefits (e.g. youth and sports, family planning, etc.)							
Schemes supported by international donors and NGOs							



**Table 2. Benefits, schemes and policies providing basic income security for persons in active age (15–65 years old)**

Benefits, schemes and policies	Maternity/paternity	Sickness	Disability	Employment injury	Widow/ widower (survivors' benefit)	Unemployment	Other benefits and guarantees	Benefits to vulnerable and disadvantaged groups	Benefits to persons with special needs
Universal									
Social insurance									
Social assistance, housing allowance, GMI									
Social safety nets, targeted anti-poverty programmes									
Social policy: services, care, education									
Fiscal policy: negative income tax, tax incentives, etc.									
Employment policy: public works, employment support, vocational training, etc.									
Economic policy: SME, microcredit, regional development, etc.									
Other public policies providing social benefits									
Schemes supported by international donors and NGOs									

**Table 3. Benefits, schemes and policies providing basic income security for older persons aged 65+**

Benefits, schemes and policies	Main old-age pension	Supplementary provisions	Benefits for advanced age (80+)	Other benefits and guarantees, benefits in kind	Benefits to vulnerable, disadvantaged groups	Benefits to persons with special needs
Universal						
Social insurance						
Social assistance, housing allowance, GMI						
Social safety nets, targeted anti-poverty programmes						
Social policy: services, care, education						
Fiscal policy: negative income tax, tax incentives, etc.						
Employment policy: public works, employment support, vocational training, etc.						
Economic policy: SME, microcredit, regional development, etc.						
Other public policies providing social benefits (e.g. healthy ageing, gender equality, etc.)						
Schemes supported by international donors and NGOs						

**Table 4. Benefits, schemes and policies providing essential health care**

<b>Benefits, schemes and policies</b>	<b>Emergency health care</b>	<b>Preventive care, vaccination</b>	<b>Maternity care</b>	<b>Health care to children (0–15 years)</b>	<b>Health care to adults (15–65 years)</b>	<b>Health care to older persons (65+ years)</b>	<b>Medicines and in-kind benefits</b>	<b>Vulnerable, disadvantaged groups</b>	<b>Persons with special needs</b>
Universal									
Social insurance									
Social assistance, housing allowance, GMI									
Social safety nets, targeted anti-poverty programmes									
Social policy: services, care, education									
Fiscal policy: negative income tax, tax incentives, etc.									
Employment policy: public works, employment support, vocational training, etc.									
Economic policy: SME, microcredit, regional development, etc.									
Other public policies providing social benefits (e.g. youth, sports, family planning, gender equality, etc.)									
Schemes supported by international donors and NGOs									

NOTE: During the preparatory work, it was agreed to use, with respect to the notion of essential health care, wording consistent with the agreed definition set out in general comment No. 14 (2000) regarding the right to the highest attainable standard of health (Article 12 of the International Covenant on Economic, Social and Cultural Rights).

**(a) Availability.** Functioning public health and health-care facilities, goods and services, as well as programmes, have to be available in sufficient quantity within the State party. The precise nature of the facilities, goods and services will vary depending on numerous factors, including the State party's level of development. They will include, however, the underlying determinants of health, such as safe and potable drinking water and adequate sanitation facilities, hospitals, clinics and other health-related buildings, trained medical and professional personnel receiving domestically competitive salaries, and essential drugs, as defined by the WHO Action Programme on Essential Drugs.

**(b) Accessibility.** Health facilities, goods and services have to be accessible to everyone without discrimination, within the jurisdiction of the State party. Accessibility has four overlapping dimensions: (i) non-discrimination: health facilities, goods and services must be accessible to all, especially the most vulnerable or marginalized sections of the population, in law and in fact, without discrimination on any of the prohibited grounds; (ii) physical accessibility: health facilities, goods and services must be within safe physical reach for all sections of the population, especially vulnerable or marginalized groups, such as ethnic minorities and indigenous populations, women, children, adolescents, older persons, persons with disabilities and persons with HIV/AIDS. Accessibility also implies that medical services and underlying determinants of health, such as safe and potable water and adequate sanitation facilities, are within safe physical reach, including in rural areas. Accessibility further includes adequate access to buildings for persons with disabilities; (iii) economic accessibility (affordability): health facilities, goods and services must be affordable for all. Payment for health-care services, as well as services related to the underlying determinants of health, has to be based on the principle of equity, ensuring that these services, whether privately or publicly provided, are affordable for all, including socially disadvantaged groups. Equity demands that poorer households should not be disproportionately burdened with health expenses as compared to richer households; (iv) information accessibility: accessibility includes the right to seek, receive and impart information and ideas concerning health issues. However, accessibility of information should not impair the right to have personal health data treated with confidentiality.

**(c) Acceptability.** All health facilities, goods and services must be respectful of medical ethics and culturally appropriate, i.e. respectful of the culture of individuals, minorities, peoples and communities, sensitive to gender and life cycle requirements, as well as being designed to respect confidentiality and improve the health status of those concerned.

**(d) Quality.** As well as being culturally acceptable, health facilities, goods and services must also be scientifically and medically appropriate and of good quality. This requires, inter alia, skilled medical personnel, scientifically approved and unexpired drugs and hospital equipment, safe and potable water, and adequate sanitation.

## Appendix III

### Governments that provided reports

Algeria *	Greece	Paraguay
Antigua and Barbuda	Guatemala	Peru
Argentina	Guinea	Philippines
Australia	Honduras	Poland
Austria	Hungary	Portugal
Azerbaijan	Iceland	Qatar
Bahrain	Indonesia	Romania
Belarus	Iran, Islamic Republic of	Russian Federation
Belgium	Iraq	Saint Kitts and Nevis
Bosnia and Herzegovina	Ireland	Saint Vincent and the Grenadines
Brazil **	Israel	San Marino
Bulgaria	Italy	Saudi Arabia
Burkina Faso	Jamaica	Senegal
Burundi	Japan	Serbia
Cabo Verde	Jordan	Seychelles
Cambodia	Kazakhstan	Slovakia
Canada	Kenya *	South Africa
Central African Republic	Korea, Republic of	Spain
Chile	Kyrgyzstan	Sri Lanka
China	Latvia	Sudan*
Colombia	Lebanon	Suriname
Comoros	Lithuania	Switzerland
Costa Rica	Madagascar	Syrian Arab Republic
Côte d'Ivoire	Mali	Tajikistan
Croatia	Malta	Thailand
Cuba	Mauritius	Togo
Czech Republic	Mexico	Trinidad and Tobago
Democratic Republic of the Congo	Montenegro	Tunisia
Denmark	Morocco	Turkey
Dominican Republic	Mozambique	Turkmenistan
Ecuador	Myanmar	Ukraine
Egypt	Namibia	United Kingdom
El Salvador	Netherlands	United States
Estonia	New Zealand	Uruguay
Finland	Nigeria	Uzbekistan
France	Norway	Venezuela, Bolivarian Republic of
Georgia	Oman	Zimbabwe
Germany	Pakistan	
Ghana	Panama	

\* These reports were received too late to be taken into account in the text of the General Survey. However, they have been included in the data compiled for the table on Obstacles and challenges impeding, delaying or complicating the implementation of the Recommendation (Appendix V) and table 13.1 on Reported technical assistance needs (chapter 13, section 13.3.2). \*\* This report was received too late to be taken into account.

## Appendix IV

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### Workers' and employers' organizations that provided reports

#### Workers' organizations

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##### International Trade Union Confederation (ITUC)

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##### Argentina

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- Confederation of Workers of Argentina (CTA Workers)
- General Confederation of Labour of the Argentine Republic (CGT RA)

##### Austria

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- Federal Chamber of Labour (BAK)

##### Bulgaria

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- Confederation of Independent Trade Unions in Bulgaria (KNSB/CITUB)
- Confederation of Labour (PODKREPA)

##### Burkina Faso

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- National Confederation of Workers of Burkina (CNTB)

##### Canada

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- Canadian Labour Congress (CLC)

##### Colombia

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- Confederation of Workers of Colombia (CTC)
- Single Confederation of Workers of Colombia (CUT)

##### Comoros

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- Workers Confederation of Comoros (CTTC)

##### Costa Rica

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- Confederation of Workers Rerum Novarum (CTRN)

##### Finland

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- Central Organization of Finnish Trade Unions (SAK)
- Confederation of Unions for Professional and Managerial Staff in Finland (AKAVA)
- Finnish Confederation of Professionals (STTK)

##### France

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- General Confederation of Labour – Force Ouvrière (CGT-FO)

##### Gabon

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- Trade Union Confederation of Gabon (COSYGA)

##### Germany

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- German Confederation of Trade Unions (DGB)

##### Latvia

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- Free Trade Union Confederation of Latvia (FTUCL)

##### Lebanon

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- General Confederation of Lebanese Workers (CGTL)

**Moldova, Republic of**

- National Confederation of Trade Unions of Moldova (CNSM)

**Montenegro**

- Confederation of Trade Unions of Montenegro (CTUM)

**Morocco**

- Democratic Confederation of Labour (CDT)

**Netherlands**

- National Federation of Christian Trade Unions (CNV)
- Netherlands Trade Union Confederation (FNV)
- Trade Union Federation for Professionals (VCP)

**New Zealand**

- New Zealand Council of Trade Unions (NZCTU)

**Niger**

- Confederation of Labour of the Niger (CNT)

**Nigeria**

- Nigeria Labour Congress (NLC)

**Peru**

- Autonomous Workers' Confederation of Peru (CATP)

**Poland**

- Independent and Self-Governing Trade Union "Solidarnosc"

**Portugal**

- General Confederation of Portuguese Workers–National Trade Unions (CGTP–IN)
- General Workers' Union (UGT)

**Romania**

- Block of National Trade Unions (BNS)

**Senegal**

- National Federation of Independent Trade Unions of Senegal (UNSAS)

**Serbia**

- Confederation of Autonomous Trade Unions of Serbia (CATUS)
- Trade Union Confederation "Nezavisnost"

**Spain**

- Trade Union Confederation of Workers' Commissions (CCOO)

**Togo**

- National Union of Independent Unions of Togo (UNSI)
- Trade Union Confederation of Workers of Togo (CSTT)

**Turkey**

- Confederation of Turkish Trade Unions (TÜRK-İS)

**Venezuela, Bolivarian Republic of**

- Single Federation of Non-dependent and Allied Venezuelan Workers (FUTRAND)
- Ibero-American Federation of Informal Economy Workers (UTREIN)
- StreetNet International

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**Employers' organizations**

**International Organisation of Employers (IOE)**

**Côte d'Ivoire**

- General Confederation of Enterprises of Côte d'Ivoire (CGECI)

**Finland**

- Federation of Finnish Enterprises

**Italy**

- Italian Confederation of Small and Medium Private Enterprises (CONFAP)

**Korea, Republic of**

- Korea Employers' Federation (KEF)

**New Zealand**

- Business New Zealand

**Serbia**

- Serbian Association of Employers (SAE)

**Seychelles**

- Association of Seychelles Employers

**Turkey**

- Turkish Confederation of Employers' Associations (TİSK)

**Uruguay**

- Chamber of Industries of Uruguay (CIU)
- National Chamber of Commerce and Services of Uruguay (CNCS)

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**National bipartite bodies**

**Belgium**

- National Labour Council (CNT)



## Appendix V

### Summary of obstacles and challenges impeding, delaying or complicating the implementation of the Recommendation

This summarizes the obstacles and challenges reported by governments and employers' and workers' organizations, where the numbers indicated next to each country correspond to the obstacles and challenges listed in the column on the left.

**Table V.1. Obstacles and challenges impeding, delaying or complicating the implementation of the Recommendation**<sup>1</sup>

Fragmented legislation, lack of coordination, poor governance and/or the changing world of work	
<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. the development and/or coordination of policy and legal frameworks;</li> <li>2. institutional capacities;</li> <li>3. cooperation and coordination between the institutions and departments responsible for social protection and/or other stakeholders;</li> <li>4. coordination between different levels of governance (the state, provincial, regional, cantonal or municipal levels);</li> <li>5. coordination between social security and employment (and other) policies and finding the right balance between benefits and activation measures.</li> </ol>	<p><b>Governments:</b></p> <p><i>Algeria, <sup>1</sup> Argentina, <sup>1,4</sup> Austria, <sup>4</sup> Belgium, <sup>5</sup> Bosnia and Herzegovina, <sup>1,3,4</sup> Burkina Faso, <sup>1,2</sup> Burundi, <sup>1,3</sup> Chile, <sup>1,3</sup> Cambodia, <sup>1,2</sup> Canada, <sup>1,3</sup> Central African Republic, <sup>1</sup> Comoros, <sup>1,2,3</sup> Costa Rica, <sup>3</sup> Czech Republic, <sup>5</sup> Egypt, <sup>1</sup> Ecuador, <sup>1,4</sup> Estonia, <sup>1,5</sup> Finland, <sup>5</sup> Guatemala, <sup>1</sup> Honduras, <sup>1</sup> Islamic Republic of Iran, <sup>1,3,5</sup> Israel, <sup>3</sup> Italy, <sup>1,3,4</sup> Jamaica, <sup>1,3</sup> Kenya, <sup>1,3</sup> Latvia, <sup>1,3,5</sup> Lithuania, <sup>1,3,4,5</sup> Namibia, <sup>1,4</sup> Peru, <sup>1,3</sup> Madagascar, <sup>3</sup> Mali, <sup>2,3</sup> Malta, <sup>5</sup> Netherlands, <sup>1,5</sup> Paraguay, <sup>1,2</sup> Philippines, <sup>1</sup> Saint Kitts and Nevis, <sup>1</sup> Saint Vincent and the Grenadines, <sup>1</sup> Senegal, <sup>1,3</sup> South Africa, <sup>1</sup> Sri Lanka, <sup>3</sup> Suriname, <sup>1,3</sup> Switzerland, <sup>1,4,5</sup> Tajikistan, <sup>1,3,4</sup> Thailand, <sup>1</sup> Tunisia, <sup>1</sup> United Kingdom, <sup>5</sup> United States, <sup>3,4,5</sup> Zimbabwe <sup>1,3</sup></i></p>
<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. multi-sectoral nature of social protection;</li> <li>2. insufficient coordination between ministries, institutions and/or different levels of governance;</li> <li>3. high turnover in responsible ministries;</li> <li>4. lack of a single national policy on social protection;</li> <li>5. lack of coordinated and sustainable social, economic, employment and fiscal policies;</li> <li>6. governance deficits and/or corruption in the management of resources;</li> <li>7. weak political support;</li> <li>8. insufficient facilitation for the participation of workers' organizations.</li> </ol>	<p><b>Workers' organizations:</b></p> <ul style="list-style-type: none"> <li>– <i>Confederation of Workers of Argentina (CTA Workers)</i> <sup>1,4,5</sup></li> <li>– <i>Confederation of Workers Rerum Novarum (CTRN), Costa Rica</i> <sup>2</sup></li> <li>– <i>Trade Union Confederation of Gabon (COSYGA)</i> <sup>6,8</sup></li> <li>– <i>National Federation of Christian Trade Unions (CNV), Netherlands Trade Union Confederation (FNV) and Trade Union Federation for Professionals (VCP), Netherlands</i> <sup>2</sup></li> <li>– <i>Confederation of Labour of Niger (CNT)</i> <sup>3</sup></li> <li>– <i>Nigeria Labour Congress (NLC)</i> <sup>7</sup></li> <li>– <i>Autonomous Workers' Confederation of Peru (CATP)</i> <sup>5,7,8</sup></li> <li>– <i>National Federation of Independent Trade Unions of Senegal (UNSAS)</i> <sup>1,2</sup></li> <li>– <i>Trade Union Confederation 'Nezavisnost', Serbia</i> <sup>8</sup></li> <li>– <i>Trade Union Confederation of Togolese Workers (CSTT)</i> <sup>1,2,4</sup></li> <li>– <i>National Union of Independent Unions of Togo (UNSI)</i> <sup>1,4</sup></li> </ul>

<sup>1</sup> The lists in this table may not be exhaustive, as constituents may have noted other obstacles and challenges in their responses under different questions and in relation to specific schemes or benefits. Furthermore, for the purpose of concision, the reported obstacles and challenges have been summarized in bullet points that may not fully reflect the details provided in the replies.

<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. poor coordination between responsible institutions;</li> <li>2. governance deficits;</li> <li>3. responsiveness of social security schemes to the changing world of work (resulting from technology and innovation; the changing nature of work; climate change; and demographic change).</li> </ol>	<p><b>Employers' organizations:</b></p> <ul style="list-style-type: none"> <li>– Chamber of Industries of Uruguay (CIU) and National Chamber of Commerce and Services of Uruguay (CNCS) <sup>1,2</sup></li> <li>– International Organisation of Employers (IOE) <sup>3</sup></li> </ul>
<p><b>Generation and allocation of funds, economic obstacles, supervision and inspection issues</b></p>	
<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. limited financial resources/economic crisis;</li> <li>2. collection of taxes and contributions/strengthening supervision, anti-abuse mechanisms and efficiency;</li> <li>3. allocation of funds (e.g. targeting the very poor);</li> <li>4. defining levels of adequate benefits and health care;</li> <li>5. sustainability and effectiveness of schemes (e.g. in view of the ageing of society, the changing world of work).</li> </ol>	<p><b>Governments:</b></p> <p>Algeria, <sup>1</sup> Belarus, <sup>1</sup> Belgium, <sup>2,4</sup> Bosnia and Herzegovina, <sup>1,2</sup> Burkina Faso, <sup>1,3</sup> Burundi, <sup>2</sup> Cambodia, <sup>1,2</sup> Central African Republic, <sup>2</sup> Côte d'Ivoire, <sup>1</sup> Czech Republic, <sup>5</sup> Ecuador, <sup>1</sup> Egypt, <sup>1</sup> El Salvador, <sup>1</sup> Finland, <sup>1,5</sup> Germany, <sup>5</sup> Ghana, <sup>1,2</sup> Guatemala, <sup>2</sup> Guinea, <sup>2</sup> Hungary, <sup>1,5</sup> Iceland, <sup>5</sup> Iraq, <sup>1</sup> Islamic Republic of Iran, <sup>1,2</sup> Jamaica, <sup>1,4</sup> Jordan, <sup>1</sup> Kenya, <sup>1</sup> Latvia, <sup>5</sup> Mauritius, <sup>2</sup> Madagascar, <sup>1</sup> Mali, <sup>1</sup> Mexico, <sup>1</sup> Montenegro, <sup>2</sup> Nigeria, <sup>2</sup> Pakistan, <sup>1,3</sup> Panama, <sup>1</sup> Paraguay, <sup>1</sup> Saint Vincent and the Grenadines, <sup>2</sup> San Marino, <sup>1,3,5</sup> Seychelles, <sup>2</sup> Sri Lanka, <sup>1</sup> Sudan, <sup>1</sup> Tajikistan, <sup>1,3,4</sup> Togo, <sup>1,2</sup> Trinidad and Tobago, <sup>5</sup> Turkey, <sup>2</sup> Peru, <sup>1</sup> Zimbabwe, <sup>1</sup> United States <sup>1,5</sup></p>
<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. lack of financial resources and/or insufficient allocation to social protection;</li> <li>2. misallocation of funds for social protection;</li> <li>3. tax evasion and illicit financial flows/inadequate supervision;</li> <li>4. ageing of the population;</li> <li>5. insufficiently progressive taxation;</li> <li>6. austerity measures;</li> <li>7. targeted approaches rather than promotion of universal measures, following interventions by the international financial institutions;</li> <li>8. liberal approaches to public policies, including the privatization of social protection services and health systems, and the establishment of individual accounts;</li> <li>9. possible inadequacy of national minimum levels of protection.</li> </ol>	<p><b>Workers' organizations:</b></p> <ul style="list-style-type: none"> <li>– International Trade Union Confederation (ITUC) <sup>1,3,4,5,7</sup></li> <li>– Confederation of Workers of Argentina (CTA Workers) <sup>1,7</sup></li> <li>– General Confederation of Labour of the Argentine Republic (CGT RA) <sup>1</sup></li> <li>– National Confederation of Workers of Burkina (CNTB), Burkina Faso <sup>1</sup></li> <li>– Canadian Labour Congress (CLC) <sup>1,7</sup></li> <li>– Confederation of Workers of Colombia (CTC) and Single Confederation of Workers of Colombia (CUT) <sup>8,9</sup></li> <li>– Confederation of Workers Rerum Novarum (CTRN), Costa Rica <sup>1,3</sup></li> <li>– Central Organization of Finnish Trade Unions (SAK) and Finnish Confederation of Professionals (STTK) <sup>1,4</sup></li> <li>– General Confederation of Labour–Force Ouvrière (CGT–FO) in France <sup>8</sup></li> <li>– German Confederation of Trade Unions (DGB) <sup>6</sup></li> <li>– General Confederation of Lebanese Workers (CGTL) <sup>1</sup></li> <li>– National Confederation of Trade Unions of Moldova (CNSM) <sup>1</sup></li> <li>– New Zealand Council of Trade Unions (NZCTU) <sup>9</sup></li> <li>– National Federation of Christian Trade Unions (CNV), Netherlands Trade Union Confederation (FNV) and Trade Union Federation for Professionals (VCP), Netherlands <sup>9</sup></li> <li>– Confederation of Workers of Niger (CNT) <sup>2,3,7,9</sup></li> <li>– Autonomous Workers' Confederation of Peru (CATP) <sup>3</sup></li> <li>– General Confederation of Portuguese Workers - National Trade Unions (CGTP-IN) <sup>9</sup></li> <li>– Block of National Trade Unions (BNS), Romania <sup>1,2</sup></li> <li>– Trade Union Confederation 'Nezavisnost', Serbia <sup>1</sup></li> <li>– Trade Union Confederation of Togolese Workers (CSTT) <sup>1,2</sup></li> <li>– National Union of Independent Unions of Togo (UNSI) <sup>1</sup></li> </ul>

Summary of obstacles and challenges impeding, delaying or complicating  
the implementation of the Recommendation

<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. financial constraints;</li> <li>2. poor management of the system;</li> <li>3. ageing populations;</li> <li>4. climate change (disruptive effects on the labour market).</li> </ol>	<p><b>Employers' organizations:</b></p> <ul style="list-style-type: none"> <li>– <i>Federation of Finnish Enterprises</i> <sup>1,3</sup></li> <li>– <i>Chamber of Industries of Uruguay (CIU) and National Chamber of Commerce and Services of Uruguay (CNCS)</i> <sup>1,2</sup></li> <li>– <i>Turkish Confederation of Employers' Associations (TISK)</i> <sup>1</sup></li> <li>– <i>International Organisation of Employers (IOE)</i> <sup>3,4</sup></li> </ul>
<b>Difficulties in covering workers in the informal economy, rural workers, the self-employed and other categories of the population</b>	
<p><b>Obstacles and challenges related to:</b></p> <ul style="list-style-type: none"> <li>– gaps in social security coverage of workers in the informal economy, the rural population, and/or the self-employed.</li> </ul>	<p><b>Governments:</b></p> <p><i>Burkina Faso, Burundi, Democratic Republic of the Congo, Central African Republic, Chile, Costa Rica, Ecuador, Republic of Korea, Mauritius, Montenegro, Namibia, Pakistan, Saint Vincent and the Grenadines, Senegal, Tajikistan, Trinidad and Tobago</i></p>
<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. exclusion of self-employed workers and/or other workers in non-standard employment relationships from the social security system;</li> <li>2. insufficient protection of the working poor.</li> </ol>	<p><b>Workers' organizations:</b></p> <ul style="list-style-type: none"> <li>– <i>Confederation of Workers Rerum Novarum (CTRN), Costa Rica</i> <sup>1</sup></li> <li>– <i>German Confederation of Trade Unions (DGB)</i> <sup>1</sup></li> <li>– <i>National Confederation of Trade Unions of Moldova (CNSM)</i> <sup>1</sup></li> <li>– <i>National Federation of Christian Trade Unions (CNV), Netherlands Trade Union Confederation (FNV) and Trade Union Federation for Professionals (VCP), Netherlands</i> <sup>1</sup></li> <li>– <i>Confederation of Workers of Niger (CNT)</i> <sup>1</sup></li> <li>– <i>General Confederation of Portuguese Workers - National Trade Unions (CGTP-IN)</i> <sup>1</sup></li> <li>– <i>Confederation of Autonomous Trade Unions of Serbia (CATUS)</i> <sup>2</sup></li> <li>– <i>Single Federation of Non-dependent and Allied Venezuelan Workers (FUTRAND), Ibero-American Federation of Informal Economy Workers (UTREIN) and StreetNet International, Bolivarian Republic of Venezuela</i> <sup>1</sup></li> </ul>
<p><b>Obstacles and challenges related to:</b></p> <ul style="list-style-type: none"> <li>– gaps in social security coverage related to new forms of work and the increasing mobility of workers.</li> </ul>	<p><b>Employers' organizations:</b></p> <ul style="list-style-type: none"> <li>– <i>International Organisation of Employers (IOE)</i></li> </ul>
<b>Lack of data and assessments of social protection gaps</b>	
<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. data collection for analyses and assessments of social protection gaps/information systems;</li> <li>2. necessity of multi-sectoral assessments.</li> </ol>	<p><b>Governments:</b></p> <p><i>Burkina Faso, <sup>1</sup> Cambodia, <sup>1</sup> Honduras, <sup>1</sup> Jamaica, <sup>1,2</sup> Madagascar, <sup>1,2</sup> Mauritius, <sup>1</sup> Peru, <sup>1,2</sup> Philippines, <sup>1,2</sup> Seychelles, <sup>1</sup> Sudan, <sup>1</sup> Suriname, <sup>1</sup> Tajikistan, <sup>1</sup> Trinidad and Tobago</i> <sup>1,2</sup></p>
<b>Poor infrastructure and/or services</b>	
<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. lack of infrastructure (in certain regions);</li> <li>2. non-existence or insufficiency of appropriate social security institutions, social infrastructure, information technology and/or qualified personnel.</li> </ol>	<p><b>Governments:</b></p> <p><i>Argentina, <sup>1</sup> Belarus, <sup>1,2</sup> Burkina Faso, <sup>2</sup> Burundi, <sup>2</sup> Comoros, <sup>2</sup> Ecuador, <sup>2</sup> Egypt, <sup>2</sup> Ghana, <sup>2</sup> Iraq, <sup>2</sup> Jamaica, <sup>2</sup> Senegal, <sup>2</sup> Seychelles, <sup>2</sup> Tajikistan, <sup>2</sup> Zimbabwe</i> <sup>2</sup></p>
<p><b>Obstacles and challenges related to:</b></p> <ol style="list-style-type: none"> <li>1. lack of infrastructure in certain regions where access to health, education and housing is difficult;</li> <li>2. lack of social security services.</li> </ol>	<p><b>Workers' organizations:</b></p> <ul style="list-style-type: none"> <li>– <i>General Confederation of Labour of the Argentine Republic (CGT RA)</i> <sup>1</sup></li> <li>– <i>Workers Confederation of Comoros (CTTC)</i> <sup>2</sup></li> <li>– <i>Trade Union Confederation of Gabon (COSYGA)</i> <sup>2</sup></li> </ul>

# Appendix VI

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## Glossary <sup>1</sup>

This glossary focuses on the basic concepts, definitions and methodology guiding the analytical work of the ILO on social security or social protection. It does not set out to assert any universal definitions; its purpose is rather to simply clarify terms and concepts as they are used in this General Survey and in the ILO.

**Cash transfer programme.** Non-contributory scheme or programme providing cash benefits to individuals or households, usually financed out of taxation, other government revenue, or external grants or loans. Cash transfer programmes <sup>2</sup> may or may not include a means test.

Cash transfer programmes that provide cash to families subject to the condition that they fulfil specific behavioural requirements are referred to as conditional cash transfer programmes (CCTs). This may mean, for example, that beneficiaries must ensure their children attend school regularly, or that they utilize basic preventative nutrition and health-care services.

**Contributory scheme.** Scheme in which contributions made by protected persons directly determine entitlement to benefits (acquired rights). The most common form of contributory social security schemes is a statutory social insurance scheme, usually covering workers in formal wage employment and, in some countries, the self-employed. Other common types of contributory schemes, providing – in the absence of social insurance – a certain level of protection include national provident funds, which usually pay a lump sum to beneficiaries when particular contingencies occur (typically old age, invalidity or death). In the case of social insurance schemes for those in waged or salaried employment, contributions are usually paid by both employees and employers (though, in general, employment injury schemes are fully financed by employers). Contributory schemes can be wholly financed through contributions but are often partly financed from taxation or other sources; this may be done through a subsidy to cover the deficit, or through a general subsidy supplanting contributions altogether, or by subsidizing only specific groups of contributors or beneficiaries (e.g. those not contributing because they are caring for children, studying, in military service or unemployed, or have too low a level of income to fully contribute, or receive benefits below a certain threshold because of low contributions in the past).

**Employment guarantee scheme.** Public employment programme which provides a guaranteed number of workdays per year to poor households, generally providing wages at a relatively low level (typically at the minimum wage level if this is adequately defined).

**Means-tested scheme.** A scheme that provides benefits upon proof of need and targets certain categories of persons or households whose means fall below a certain threshold, often referred to as *social assistance schemes*. A means test is used to assess whether the individual's or household's own resources (income and/or assets) are below a defined threshold to determine whether the applicants are eligible for a benefit at all, and if so at what level benefit will be provided. In some countries, proxy means tests are used; that is, eligibility is determined without actually

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<sup>1</sup> This glossary is taken from: ILO: *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals*, Geneva, 2017.

<sup>2</sup> Strictly speaking, this term would encompass all social transfers provided in cash, including fully or partially contributory transfers, yet it is usually understood as limited to non-contributory transfers.

assessing income or assets, on the basis of other household characteristics (proxies) that are deemed more easily observable. Means-tested schemes may also include entitlement conditions and obligations, such as work requirements, participation in health check-ups or (for children) school attendance. Some means-tested schemes also include other interventions that are delivered on top of the actual income transfer itself.

**Non-contributory schemes.** Non-contributory schemes, including non-means-tested and means - tested schemes, normally require no direct contribution from beneficiaries or their employers as a condition of entitlement to receive relevant benefits. The term covers a broad range of schemes, including universal schemes for all residents (such as national health services), categorical schemes for certain broad groups of the population (e.g. for children below a certain age or older persons above a certain age), and means-tested schemes (such as social assistance schemes). Non-contributory schemes are usually financed through taxes or other state revenues, or, in certain cases, through external grants or loans.

**Public employment programme.** Government programme offering employment opportunities to certain categories of persons who are unable to find other employment. Public employment programmes include employment guarantee schemes and “cash for work” and “food for work” programmes (see box 3.2).

**Social assistance scheme/programme.** A scheme that provides benefits to vulnerable groups of the population, especially households living in poverty. Most social assistance schemes are means-tested.

**Social insurance scheme.** Contributory social protection scheme that guarantees protection through an insurance mechanism, based on: (1) the prior payment of contributions, i.e. before the occurrence of the -insured contingency; (2) risk- sharing or “pooling”; and (3) the notion of a guarantee. The contributions paid by (or for) insured persons are pooled together and the resulting fund is used to cover the expenses incurred exclusively by those persons affected by the occurrence of the relevant (clearly defined) contingency or contingencies. Contrary to commercial insurance, risk-pooling in social insurance is based on the principle of solidarity as opposed to individually calculated risk premiums.

Many contributory social security schemes are presented and described as “insurance” schemes (usually “social insurance schemes”), despite being in actual fact of mixed character, with some non-contributory elements in entitlements to benefits; this allows for a more equitable distribution of benefits, particularly for those with low incomes and short or broken work careers, among others. These non-contributory elements take various forms, being financed either by other contributors (redistribution within the scheme) or by the State.

**Social protection.** Social protection, or social security, is a human right and is defined as the set of policies and programmes designed to reduce and prevent poverty, vulnerability and social exclusion throughout the life cycle. Social protection includes nine main areas: child and family benefits, maternity protection, unemployment support, employment injury benefits, sickness benefits, health protection (medical care), old-age benefits, invalidity/disability benefits, and survivors’ benefits. Social protection systems address all these policy areas by a mix of contributory schemes (social insurance) and non-contributory tax-financed benefits (including social assistance).

As a human right, social protection, or social security, is enshrined as such in the Universal Declaration of Human Rights (1948), the International Covenant on Economic, Social and Cultural Rights (1966), and in other major United Nations human rights instruments. States have the legal obligation to protect and promote human rights, including the right to social protection, or social security, and ensure that people can realize their rights without discrimination. The overall responsibility of the State includes ensuring the due provision of benefits according to clear and transparent eligibility criteria and entitlements, and the proper administration of the institutions and services. Where benefits and services are not provided directly by public institutions, the effective enforcement of the legislative frameworks is particularly important for the provision of benefits and services (CESCR, 2008).

“Social protection” is a current term to refer to “social security” and generally both terms are used interchangeably. It must be noted that sometimes the term “social protection” is used with a wider variety of meanings than “social security”, including protection provided between members of the family or members of a local community; on other occasions it is also used with a narrower meaning, understood as comprising only measures addressed to the poorest, most vulnerable or excluded members of society. In the majority of contexts, however, the two terms, “social security” and “social protection”, are largely interchangeable, and the ILO and in general UN institutions use both in discourse with their constituents and in the provision of relevant advice to them.

**Social protection floor.** ILO Recommendation No. 202 sets out that member States should establish and maintain national social protection floors as a nationally defined set of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion (ILO, 2012a). These guarantees should ensure at a minimum that, over the life cycle, all in need have access to at least essential health care and basic income security. These together ensure effective access to essential goods and services defined as necessary at the national level. More specifically, national social protection floors should comprise at least the following four social security guarantees, as defined at the national level:

- (a) access to essential health care, including maternity care;
- (b) basic income security for children;
- (c) basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- (d) basic income security for older persons.<sup>3</sup>

Such guarantees should be provided to all residents and all children, as defined in national laws and regulations, and subject to existing international obligations.

Recommendation No. 202 also states that basic social security guarantees should be established by law. National laws and regulations should specify the range, qualifying conditions and levels of the benefits giving effect to these guarantees, and provide for effective and accessible complaint and appeal procedures.

Social protection floors correspond in many ways to the existing notion of “core obligations”, to ensure the realization of, at the very least, minimum essential levels of rights embodied in human rights treaties (UN, 2014; OHCHR, 2013).

**Social protection programme/scheme (or social security programme/scheme).** Distinct framework of rules to provide social protection benefits to entitled beneficiaries. Such rules would specify the geographical and personal scope of the programme (target group), entitlement conditions, the type of benefits, benefit amounts (cash transfers), periodicity and other benefit characteristics, as well as the financing (contributions, general taxation, other sources), governance and administration of the programme.

While “programme” may refer to a wide range of programmes, the term “scheme” is usually used in a more specific sense referring to a programme that is anchored in national legislation and characterized by at least a certain degree of “formality”.

A programme/scheme can be supported by one or more social security institutions governing the provision of benefits and their financing. It should, in general, be possible to draw up a separate account of receipts and expenditure for each social protection programme. It is often the case that a social protection programme provides protection against a single risk or need, and covers a single specific group of beneficiaries. Typically, however, one institution will administer more than one benefit programme.

**Social security.** The fundamental right to social security is set out in the Universal Declaration on Human Rights (1948) and other international legal instruments. The notion of social

<sup>3</sup> Recommendation No. 202, Para. 5.

security adopted here covers all measures providing benefits, whether in cash or in kind, to secure protection, inter alia, from:

- ❑ lack of work-related income (or insufficient income) caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member;
- ❑ lack of (affordable) access to health care;
- ❑ insufficient family support, particularly for children and adult dependants;
- ❑ general poverty and social exclusion.

Social security thus has two main (functional) dimensions, namely “income security” and “availability of medical care”, reflected in the Declaration of Philadelphia (1944), which forms part of the ILO’s Constitution: “social security measures to provide a basic income to all in need of such protection and comprehensive medical care” (Article III(f)).<sup>4</sup> Recommendation No. 202 sets out that, at least, access to essential health care and basic income security over the life cycle should be guaranteed as part of nationally defined social protection floors, and that higher levels of protection should be progressively achieved by national social security systems in line with Convention No. 102 and other ILO instruments.

Access to social security is essentially a public responsibility, and is typically provided through public institutions, financed from either contributions or taxes or both. However, the delivery of social security can be and often is mandated to private entities. Moreover, there exist many privately run institutions (of an insurance, self-help, community-based or mutual character) which can partially assume selected roles usually played by social security, such as the operation of occupational pension schemes, that complement and may largely substitute for elements of public social security schemes. Entitlements to social security are conditional either on the payment of social security contributions for prescribed periods (contributory schemes, most often structured as social insurance arrangements) or on a requirement, sometimes described as “residency plus”, under which benefits are provided to all residents of the country who also meet certain other criteria (non-contributory schemes). Such criteria may make benefit entitlements conditional on age, health, labour market participation, income or other determinants of social or economic status and/or even conformity with certain behavioural requirements.

Two main features distinguish social security from other social arrangements. First, benefits are provided to beneficiaries without any simultaneous reciprocal obligation (thus it does not, for example, represent remuneration for work or other services delivered). Second, it is not based on an individual agreement between the protected person and the provider (as is, for example, a life insurance contract); the agreement applies to a wider group of people and so has a collective character.

Depending on the category of applicable conditions, a distinction is also made between non-means-tested schemes (where the conditions of benefit entitlement are not related to the total level of income or wealth of the beneficiary and her or his family) and means-tested schemes (where entitlement is granted only to those with income or wealth below a prescribed threshold). A special category of “conditional” schemes includes those which, in addition to other conditions, require beneficiaries (and/or their relatives or families) to participate in prescribed public programmes (for example, specified health or educational programmes).

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<sup>4</sup> These two main dimensions are also identified in the ILO Income Security Recommendation, 1944 (No. 67), and the Medical Care Recommendation, 1944 (No. 69), respectively, as “essential element[s] of social security”. These Recommendations envisage that, first, “income security schemes should relieve want and prevent destitution by restoring, up to a reasonable level, income which is lost by reason of inability to work (including old age) or to obtain remunerative work or by reason of the death of a breadwinner” (Recommendation No. 67, Guiding principles, Para. 1); and, second, that “a medical care service should meet the need of the individual for care by members of the medical and allied professions” and “the medical care service should cover all members of the community” (Recommendation No. 69, Paras 1 and 8). Recommendation No. 202 also reflects these two elements in the basic social protection guarantees that should form part of national social protection floors.

**Social security system/social protection system.** Totality of social security/protection schemes and programmes in a country, taking into account that the latter term is often used in a broader sense than the former.

All the social security schemes and institutions in a country are inevitably interlinked and complementary in their objectives, functions and financing, and thus form a national social security system. For reasons of effectiveness and efficiency, it is essential that there is close coordination within the system, and that – not least for coordination and planning purposes – the receipts and expenditure accounts of all the schemes are compiled into one social security budget for the country so that its future expenditure and financing of the schemes comprising the social security system are planned in an integrated way.

**Social transfer.** All social security benefits comprise transfers either in cash or in kind, i.e. they represent a transfer of income, goods or services (for example, health-care services). This transfer may be from the active to the old, the healthy to the sick, or the affluent to the poor, among others. The recipients of such transfers may be in a position to receive them from a specific social security scheme because they have contributed to such a scheme (contributory scheme), or because they are residents (universal schemes for all residents), or because they fulfil specific age criteria (categorical schemes), or specific resource conditions (social assistance schemes), or because they fulfil several of these conditions at the same time. In addition, it is a requirement in some schemes (employment guarantee schemes, public employment programmes) that beneficiaries accomplish specific tasks or adopt specific behaviours (conditional cash transfer programmes). In any given country, several schemes of different types generally coexist and may provide benefits for similar contingencies to different population groups.

**Targeted scheme/programme.** See *Social assistance scheme*.

**Universal scheme/categorical scheme.** Strictly speaking, universal schemes provide benefits under the single condition of residence. However, the term is also often used to describe categorical schemes that provide benefits to certain broad categories of the population without a means test or a proxy means test. The most frequent forms of such schemes are those that transfer income to older persons above a certain age, to all persons with disabilities, or to children below a certain age. Some categorical schemes also target households with specific structures (one-parent households, for example) or occupational groups (such as rural workers). Most categorical schemes are financed by public resources.



## Appendix VII

### ILO technical assistance programmes

Countries which obtained results following ILO development cooperation in selected social protection areas (2008–17)  
(by country and thematic area)

Countries	National social protection strategies	Health protection	Child benefits	Maternity benefits	Unemployment insurance	Public employment programmes	Old-age pensions
Argentina		X	XX	X			X
Benin		X					
Botswana							X
Burkina Faso	X	XX	X		X		X
Burundi	X						
Cambodia	XXX	XXX					X
Cameroon	X	XXXX	X	X	X		XX
China		XX		XX		X	XXXX
Colombia		X					X
Costa Rica							X
Cyprus							X
Dem. Rep. Of Congo	X	X					X
Dominica							X
Ecuador		X					X
Egypt							X
Eswatini							X
Ethiopia	X						X
Gambia	X						
Ghana	X	X	X	X			X
Greece							XX
Grenada							X
Honduras	X		X				X
India		XXXX					X
Indonesia					X		XX
Iraq					X		XX
Jordan		XXX	X	XXX	XX		XXX
Kuwait							XX
Kyrgyzstan			XX	X			XX
Lao		XX		X			XX
Lebanon		X					XX
Lesotho				X	X		X
Liberia		X	X	X	X		X
Malaysia					X		
Moldova		X					X
Mongolia	X		X	X			XXX
Mozambique	XX		X			X	XX
Myanmar	X						X
Nepal		X	X	XXX	XXX	X	XX
Nicaragua		X					X
Nigeria	X						
Oman					X		
Peru	X	X					
Poland							X
Rwanda		X		X			
Saint Lucia							X
Saudi Arabia					X		
Senegal		XX					X
Tajikistan		X	X	X			X
Tanzania Zanzibar	X	X	X	X		X	
Thailand		X					
Timor Leste				X	X		XX
Togo	X	X					
Trinidad and Tobago							X
Viet Nam	XX	X		XX	XXX		XXX
Zambia	X	X		X			X
<b>TOTAL</b>	<b>22</b>	<b>41</b>	<b>15</b>	<b>23</b>	<b>18</b>	<b>4</b>	<b>63</b>
<b>GRAND TOTAL</b>	<b>186</b>						

The symbol "X" refers to each iteration where a result was obtained during the reference period