

**Expert Group Meeting on  
“Full Employment and Decent Work for All”  
2 - 4 October 2007**

**Background Note**

**“Policies to promote social protection for all”**

**Introduction**

The World Summit for Social Development identified the generation of full and decent work as one of the critical pathways to addressing the challenge of persistent poverty around the world. At the 2005 World Summit, Governments reaffirmed their commitment to this goal and resolved to make the creation of full employment and decent work for all, including for women and young people, a central objective of national and international policies.

To achieve this goal, countries need to implement policies that promote social protection for all as well as narrow the gap between the social inclusion objectives they have set for themselves and the policy efforts to attain them. Public actions or social protection policies and programmes that address socially unacceptable levels of risk and vulnerability are necessary if societies are to reduce extreme poverty and deprivation. Comprehensive social protection systems should include a wide range of programmes as compared to stand alone alternatives such as ‘social security’ or ‘social insurance’. They should be based on the three building blocks of social protection systems: labor market policies, pensions, and social assistance. They should also place particular emphasis on risks and vulnerability as the main determinants of poverty affecting workers, their families and communities. Without them, countries face serious difficulties in their efforts to cope with the full materialization of these risks, thereby undermining efforts to protect all members of society from extreme poverty and hunger.

Today, there are major national and regional disparities in the coverage of social protection systems. In high income countries, the majority of people have access to some social protection programme. By contrast, most low income countries have never developed fully fledged social protection programmes that protect all members of society even though the numbers of the unemployed, the elderly, youth, ethnic minorities, the disabled and other socially excluded groups are increasing. Consequently, the majority of people are relatively less well off. For instance, currently, less than 10 percent of Africa’s workforce is covered by social security programmes. To a large extent, most anti-poverty programmes in the developing world have disproportionately focused on prime age workers and children. As a result, informal sector workers, subsistence farmers and other socially excluded groups continue to live under the threat of chronic poverty and hunger, and poor health. They are also disproportionately marginalized

from decent employment opportunities and health care services. And for countries in Central and Eastern Europe, the transition from planned to market economies has led to the disappearance of guaranteed jobs and retirement security as well as the erosion of social protection mechanisms for the elderly, large families and for the disabled.

These disparities in coverage affect the incidence of poverty in old age, among women, people living alone, minorities and among other vulnerable groups. Because of lower levels of education and other personal attributes, these groups tend to have inadequate incomes, material resources and financial well-being. Poverty levels amongst these groups are much lower in high income countries where social protection systems with a variety of social safety nets exist. Therefore, there is a need for comprehensive social protection systems in developing countries and in transition economies. Such social protection systems facilitate social cohesion, integration and inclusion.

### **Policy response**

One key way to ensure that all members of society are protected from the risk of sliding into extreme poverty and deprivation is to ensure that everyone has access to full and decent employment. Full and decent work opportunities are strong predictors of decent incomes, material resources and financial well-being.

Although globalization brings many positive benefits to countries, it is also imperative to protect vulnerable groups from its negative impacts, especially the working poor who hardly receive any social protection from the state. Unlike high income countries that have social safety nets that are designed to help displaced workers adjust, global competitive pressures can impact negatively on the livelihoods of poor workers in low income countries in the absence of some social protection from the state. Therefore, social protection systems in low income countries should include programmes that can help displaced workers get retrained and/or redeployed, receive unemployment benefits, as well as guarantee access to basic health insurance programmes.

Countries should also strengthen informal social protection systems that are often used by the poor. These include traditional solidarity networks, co-operatives, self-help groups and rotating savings and credit clubs. The possibility of linking these informal systems to formal social protection systems should be explored in order to strengthen them and to help them assume some of the characteristics of conventional social security programmes.

Therefore, the discussions of this meeting can address key policy priorities such as increasing labor market participation for all groups, particularly women, people with disabilities, immigrants and ethnic minorities; expanding and modernizing social protection programmes; and improving education and training opportunities for the working poor. The role of donor countries should also be explored. Should poor countries that implement inclusive social protection programmes expect to receive assistance from the international community? There is also a need to discuss the relevance and sustainability of short-term redistributive policies that only provide immediate poverty relief to families as compared to long-term social protection programmes that address some of the underlying causes of inter-generational poverty and

deprivation. A good example of a new type of social protection programme that countries have been able to scale-up are the conditional cash transfer programmes in Latin America and the Caribbean that provide money to poor families subject to certain behavior such as sending children to school and health care centers on a regular basis. In the short-term, such programmes address the immediate needs of poor families. And in the long-term, they address the accumulation of human capital by boosting school enrolment rates and improving preventive health care coverage.

And in order to adequately address the issue of social exclusion, and enhance the coverage and quality of social protection programmes, including access to basic social services, the discussions on social protection programmes should address the following three dimensions of these programmes:

1. Social assistance – non-contributory pension programmes and targeted resource transfers either in cash or in kind to vulnerable individuals or households to mitigate the most negative consequences of poverty and deprivation. These transfers can include child allowances, disability and old age benefit payments, food or housing subsidies. These transfers can be made on a conditional or unconditional basis.
2. Social insurance – individuals should have the choice to make contributions to risk mitigation schemes such as unemployment or health insurance schemes.
3. Labor market interventions – both the public and private sectors should put in place programmes to protect workers such as establishing a minimum wage as well as training and skills development programmes. There is also a need to develop programmes that protect the rights of people who work in the formal sector without adequate social protection such as short-term consultants.

### **Suggestions for the roundtable discussion**

The meeting may wish to consider the following three key questions:

- What are the main challenges the traditional social protection systems face in the present? What are the new approaches/promising ways to improve social security systems that provide universal coverage for basic risks to address these challenges?
- Based on national/regional experience what are the best ways/policies to overcome obstacles in the extension of social protection to excluded workers, including those in the informal economy, rural, agricultural sector, in unpaid work, and migrant workers?
- What issues need to be considered in formulating comprehensive social protection systems that go beyond the traditional focus on short-term poverty alleviation and income redistribution and instead address longer-term human capital formation objectives that have a bearing on addressing structural poverty?