

Executive summary



International
Labour
Organization

WORLD SOCIAL PROTECTION REPORT

Universal social protection
to achieve the Sustainable
Development Goals

2017–19

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Executive summary

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 and vulnerability throughout the life cycle. Social protection includes benefits for children and families, maternity, unemployment, employment injury, sickness, old age, disability, survivors, as well as health protection. 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.

Social protection plays a key role in achieving sustainable development, promoting social justice and realizing the human right to social security for all. Thus, social protection policies are vital elements of national development strategies to reduce poverty and vulnerability across the life cycle and support inclusive and sustainable growth by raising household incomes, fostering productivity and human development, boosting domestic demand, facilitating structural transformation of the economy and promoting decent work.

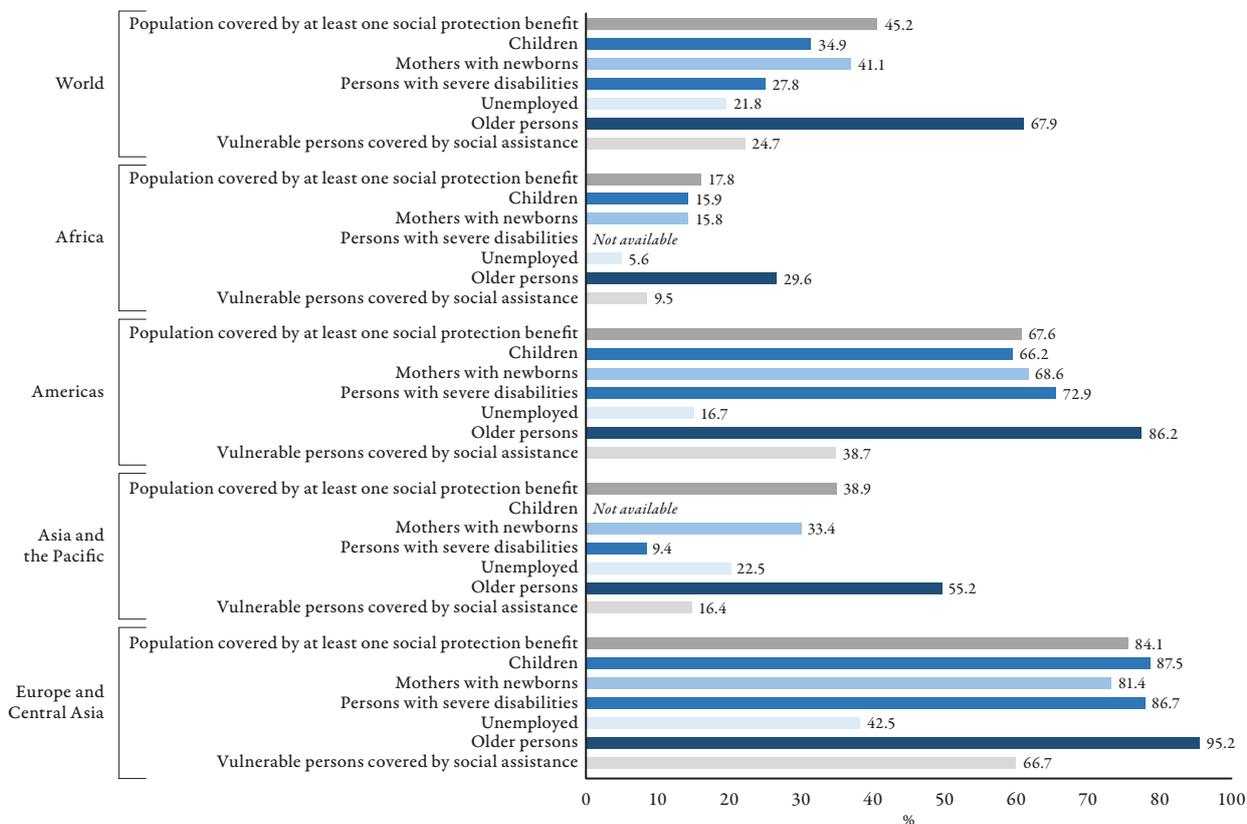
The Sustainable Development Goals (SDGs) adopted at the United Nations General Assembly in 2015 reflect the joint commitment of countries to “implement nationally appropriate social protection systems for all, including floors” for reducing and preventing poverty (SDG 1.3). This commitment to universalism reaffirms the global agreement on the extension of social security achieved by the Social Protection Floors Recommendation No. 202, adopted in 2012 by the governments and workers’ and employers’ organizations from all countries.

This ILO flagship report provides a global overview of recent trends in social protection systems, including social protection floors. It analyses the current state of social protection for children, for women and men of working age, and for older persons, following a life-cycle approach. Based on new data, the report offers a broad range of global, regional and country data on social protection coverage, benefits and public expenditures on social protection. It presents new estimates on effective social protection coverage for a comprehensive monitoring of social protection systems, including floors, thereby providing the 2015 baseline for the SDG indicator 1.3.1.

Highlights:

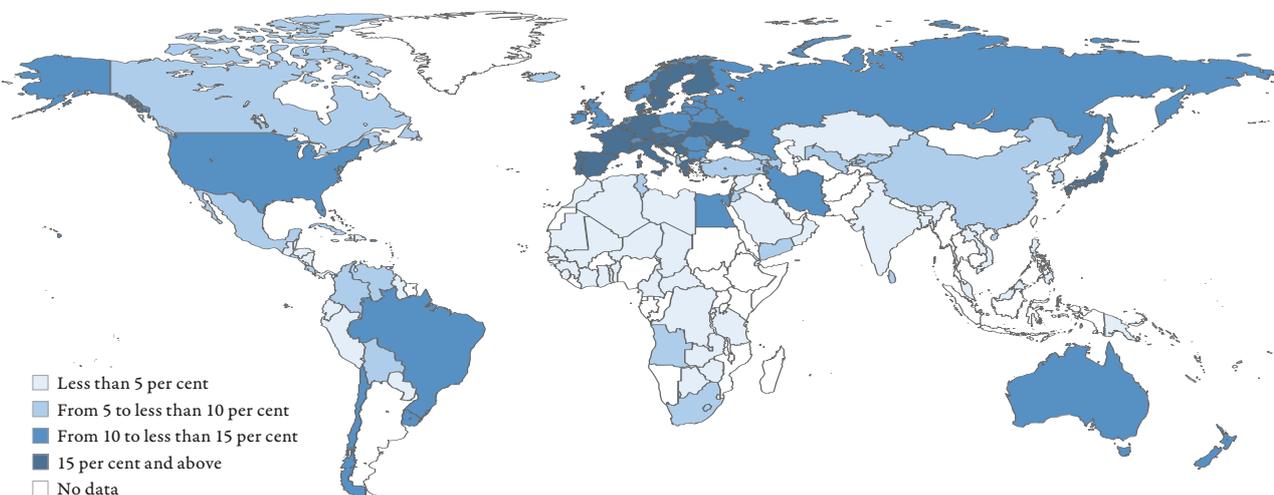
- Despite significant progress in the extension of social protection in many parts of the world, the human right to social security is not yet a reality for a majority of the world’s population. Only 45 per cent of the global population are effectively covered by at least one social protection benefit, while the remaining 55 per cent – as many as 4 billion people – are left unprotected (figure 1).
- ILO estimates also show that only 29 per cent of the global population are covered by comprehensive social security systems that include the full range of benefits, from child and family benefits to old-age pensions. Yet the large majority – 71 per cent, or 5.2 billion people – are not, or are only partially, protected.
- Coverage gaps are associated with a significant underinvestment in social protection, particularly in Africa, Asia and the Arab States (figure 2).

Figure 1. SDG indicator 1.3.1: Effective social protection coverage, global and regional estimates by population group (percentage)



Note: *Population covered by at least one social protection benefit (effective coverage)*: Proportion of the total population receiving at least one contributory or non-contributory cash benefit, or actively contributing to at least one social security scheme.
Children: Ratio of children/households receiving child/family cash benefits to the total number of children/households with children.
Mothers with newborns: Ratio of women receiving maternity cash benefits to women giving birth in the same year.
Persons with severe disabilities: Ratio of persons receiving disability cash benefits to the number of persons with severe disabilities.
Unemployed: Ratio of recipients of unemployment cash benefits to the number of unemployed persons.
Older persons: Ratio of persons above statutory retirement age receiving an old-age pension to the number of persons above statutory retirement age (including contributory and non-contributory).
Vulnerable persons covered by social assistance: Ratio of social assistance recipients to the total number of vulnerable persons (defined as all children plus adults not covered by contributory benefits and persons above retirement age not receiving contributory benefits (pensions)).
Sources: ILO, World Social Protection Database, based on the Social Security Inquiry (SSI); ILOSTAT; national sources.

Figure 2. Public social protection expenditure, excluding health, latest available year (percentage of GDP)



Source: ILO, World Social Protection Database, based on SSI.

- Lack of social protection leaves people vulnerable to poverty, inequality and social exclusion across the life cycle, thereby constituting a major obstacle to economic and social development.
- The SDGs call for universal social protection. In particular, countries have a responsibility to guarantee at least a basic level of social security – a social protection floor – for all, as part of their social protection systems. While many countries have already achieved universal protection, more efforts are needed to extend coverage and ensure adequate benefits.

Social protection for children

Transfers for children and families, in cash or in kind, are critical for realizing children's rights by preventing them from falling into poverty, preventing child mortality, contributing to their healthy development and well-being, improving their access to essential goods and services, and reducing child labour. Social protection thus ensures that children can realize their full potential and enjoy an adequate standard of living.

Highlights:

- Only 35 per cent of children worldwide enjoy effective access to social protection, albeit with significant regional disparities. Almost two-thirds of children globally – 1.3 billion children – are not covered, most of them living in Africa and Asia.
- On average, 1.1 per cent of GDP is spent on child and family benefits for children aged 0–14, pointing to a significant underinvestment in children, which affects not only the children's overall well-being and long-term development, but also the future economic and social development of the countries they live in.
- Cash transfers for children have expanded in low- and middle-income countries over the past decades, with a number of countries reaching universal social protection coverage of children (e.g. Argentina, Brazil, Chile and Mongolia). However, coverage and benefit levels remain insufficient in many countries.
- A number of countries reduce social protection for children in the wake of fiscal consolidation policies, often narrow-targeting child benefits to the poor and leaving many vulnerable children without adequate protection. Efforts are required to step up

measures to adequately address the needs of children and families, extending coverage and benefits in accordance with SDG 1.3.

Social protection for women and men of working age: maternity and disability benefits, employment injury protection, unemployment support

Social protection plays a key role in ensuring income security for women and men of working age, in the form of maternity protection, unemployment support, employment injury protection, and disability benefits. These schemes contribute to smooth incomes and aggregate demand, enhance human capital, and promote decent and productive employment. Social protection also facilitates structural change within economies and labour markets, and contributes to inclusive and sustainable growth.

Highlights:

- Social protection coverage for persons of working age is still limited. Despite the positive developmental impacts of supporting childbearing women, only 41.1 per cent of mothers with newborns receive a maternity benefit, while 83 million new mothers remain uncovered.
- As only 21.8 per cent of unemployed workers are covered by unemployment benefits, 152 million unemployed workers remain without coverage.
- Only a minority of the global labour force have effective access to employment injury protection.
- New ILO data also show that only 27.8 per cent of persons with severe disabilities worldwide receive a disability benefit.
- Expenditure estimates show that worldwide only 3.2 per cent of GDP is spent on public social protection to ensure income security for persons of working age, although they constitute a large proportion of the global population.
- Effective universal maternity coverage has been achieved in Ukraine and Uruguay, and other developing countries such as Argentina, Colombia, Mongolia and South Africa have made significant progress. Additionally, Brazil, Chile and Mongolia have universal disability benefit programmes in place. However, significant coverage and adequacy gaps remain in many countries.

- A number of countries are scaling down protection for men and women of working age as part of fiscal consolidation or austerity policies, narrow-targeting benefits to the poor and leaving many persons unprotected, at a time when social protection is most needed.
- In light of the recent labour market and employment challenges, such as persistent unemployment and underemployment, the prevalence of precarious and informal employment as well as the rise of working poverty, social protection systems, including floors, are essential policies to ensure adequate income security and decent work, particularly where they are well coordinated with employment, wage and tax policies.

Social protection for older women and men

Pensions for older women and men are the most widespread form of social protection in the world, and a key element in SDG 1.3.

Highlights:

- Worldwide, 68 per cent of people above retirement age receive an old-age pension, which is associated with the expansion of both non-contributory and contributory pensions in many middle- and low-income countries.
- A number of countries have achieved universal pension coverage, including Argentina, Belarus, the Plurinational State of Bolivia, Botswana, Cabo Verde, China, Georgia, Kyrgyzstan, Lesotho, Maldives, Mauritius, Mongolia, Namibia, Seychelles, South Africa, Swaziland, Timor-Leste, Trinidad and Tobago, Ukraine, Uzbekistan and Zanzibar (United Republic of Tanzania). Other developing countries, such as Azerbaijan, Armenia, Brazil, Chile, Kazakhstan, Thailand and Uruguay are close to universal coverage.
- However, benefit levels are often low and not sufficient to push older persons out of poverty. The adequacy of pension benefits remains a challenge in many countries.
- Expenditures on pensions and other benefits for older persons account for 6.9 per cent of GDP on average, with large variations across regions.
- Fiscal consolidation or austerity pressures in many countries continue to jeopardize the long-term adequacy of pensions; it is necessary to maintain a good balance between sustainability and adequacy in the context of ageing populations.
- A noticeable trend is the reversal of pension privatizations: privatization policies did not deliver the expected results and countries like Argentina, the Plurinational State of Bolivia, Hungary, Kazakhstan and Poland are returning to public solidarity-based systems.

Towards universal health coverage

Universal health coverage, providing effective access to at least essential health care including long-term care, is key to achieving the SDGs, particularly SDG 3.

Highlights:

- ILO estimates show that the right to health is not yet a reality in many parts of the world, especially in rural areas where 56 per cent of the population lack health coverage as compared to 22 per cent in urban areas.
- An estimated 10 million health workers are needed to achieve universal health coverage and ensure human security, including from highly infectious diseases like Ebola. The shortfall of 7 million skilled health workers in rural areas as well as high deficits in per capita health spending add to these rural–urban inequities. Ensuring equity in access to quality care and solidarity in financing is central to extending health protection.
- Long-term care (LTC) is mostly needed by older persons with limited ability to care for themselves due to physical or mental conditions. Currently, more than 48 per cent of the world’s population live in countries which do not provide any LTC protection to older persons, with women disproportionately affected. Another 46.3 per cent of the older global population are largely excluded from LTC due to narrow means-testing regulations that require older persons to be poor to become eligible for LTC services. Only 5.6 per cent of the global population live in countries that provide LTC coverage based on national legislation to the whole population.
- Given ageing populations, LTC needs to be properly addressed by public policies. Currently, an estimated global 57 million unpaid “voluntary” workers are filling in the LTC workforce gap and carry out the

bulk of this work; many of them are women who have to provide informal care for family members.

- Care services can generate millions of jobs to address the shortage of skilled care workers, estimated at 13.6 million globally. Efforts are needed to improve working conditions for many health and care workers, including labour rights and adequate compensation, to transform unpaid work into decent jobs and contribute to full employment and inclusive growth.

Monitoring progress in social protection: Regional trends

Observed trends in social protection coverage (SDG indicator 1.3.1) vary substantially across regions and even between countries within the same region.

- In Africa, despite significant progress in the extension of social protection coverage, only 17.8 per cent of the population receive at least one social protection cash benefit, with significant variation across countries. Owing to greater efforts towards extending old-age protection, 29.6 per cent of Africa's older population now receive a pension. Countries such as Botswana, Cabo Verde, Lesotho, Mauritius and Namibia have reached, or approached, universal pension coverage. However, significant coverage gaps remain with respect to children, mothers with newborns, unemployed workers, persons with disabilities as well as vulnerable populations. The development of social protection floors is therefore an urgent priority in Africa.
- In the Americas, 67.6 per cent of the population are effectively covered by at least one social protection cash benefit, primarily as a result of the extension of social protection systems over recent decades. More than two-thirds of children, pregnant women and mothers of newborns, as well as older persons, are covered by social protection cash benefits, yet larger gaps exist for disability and unemployment benefits. Some countries have successfully achieved universal or near-universal coverage of children (Argentina, Brazil, Chile), mothers with newborns (Canada, Uruguay), persons with disabilities (Brazil, Chile, Uruguay, United States) and older persons (Argentina, Plurinational State of Bolivia, Canada, Trinidad and Tobago, United States). However, countries in the region need to intensify efforts to close coverage gaps, reinforce social protection floors and enhance the adequacy of benefits.
- In the Arab States, the lack of data allows only a partial assessment of effective social protection coverage. Coverage for old-age pensions is limited, estimated at 27.4 per cent, and is expected to persist due to the low share (32.9 per cent) of active contributors in the total labour force. Positive achievements in the region include the introduction of a social insurance scheme for private sector workers in the Occupied Palestinian Territory, the establishment of unemployment insurance schemes in Bahrain, Kuwait and Saudi Arabia, and enhanced coverage for maternity protection in Jordan and Iraq. Extending social protection floors to vulnerable groups remains central in the region, especially in light of large social needs and high informal employment in some countries.
- In the Asia and Pacific region, only 38.9 per cent of the population are effectively covered by at least one social protection cash benefit, although significant progress has been made in strengthening social protection systems and building social protection floors. Large coverage gaps remain in the areas of child and family benefits, maternity protection, unemployment protection and disability benefits. It is however worth noting that some countries have achieved universal coverage of children (Australia, Mongolia); others have extended maternity protection coverage (Bangladesh, India, Mongolia), or introduced non-contributory pension schemes to achieve universal coverage for older persons (China, Mongolia, New Zealand, Timor-Leste); yet adequacy of benefits remains a concern.
- In Europe and Central Asia, given relatively comprehensive and mature social protection systems, including floors, 84.1 per cent of the region's population have access to at least one cash social protection benefit. Regional coverage estimates exceed 80 per cent for child and family benefits, maternity cash benefits, disability benefits and old-age pensions, with several countries reaching universal coverage. However, there are concerns regarding persistent coverage gaps in the areas of maternity and unemployment protection, as well as regarding the adequacy of pensions and other social protection benefits in the light of demographic change and short-term austerity fiscal pressures.

Global trends and outlook

Looking ahead to 2030, world governments have agreed to make significant progress towards implementing nationally appropriate social protection systems for all, including floors, as part of the SDG agenda.

- With nearly half of the world population covered by at least one social protection benefit in 2015 (SDG 1.3 baseline), many countries have come a long way in strengthening their social protection systems, including social protection floors to guarantee at least a basic level of social security to all. However, more efforts are necessary to ensure that the right to social security becomes a reality for all.
- The aggregate level of public expenditure on social protection needs to be increased to extend social protection coverage, particularly in African, Asian and Arab States' countries with marked underinvestment in social protection.
- While extending coverage is a primary objective, attention needs to be paid to benefit adequacy, as the levels of social protection benefits are often insufficient to bring people out of poverty and insecurity.
- The extension of social protection coverage to those in the informal economy and facilitating their transition to the formal economy are key to promoting decent work and preventing poverty. Coverage extension can be achieved in multiple ways, the most common being a mix of contributory and non-contributory schemes.
- Building inclusive social protection systems also requires the adaptation of social protection systems to demographic change, the evolving world of work, migration, fragile contexts and environmental challenges.
- Short-term austerity or fiscal consolidation reforms are undermining long-term development efforts. Reforms often have a fiscal objective to achieve cost savings, ignoring negative social impacts with regard to coverage and benefit adequacy and thus jeopardizing advances towards achieving the SDGs. Further efforts are needed to prevent fiscal consolidation policies from destabilizing the important progress achieved.
- Fiscal space exists even in the poorest countries. There is a wide variety of options to generate resources for social protection. It is imperative that countries become proactive in exploring all possible financing alternatives to promote the SDGs and national development through decent jobs and social protection.
- Universal social protection is supported through the joint efforts of the United Nations agencies “working as one”, by the concerted joint efforts with relevant international, regional, subregional and national institutions and social partners, including through the Global Partnership for Universal Social Protection.