

The role of Social Security



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in sustainable development in the post-pandemic world

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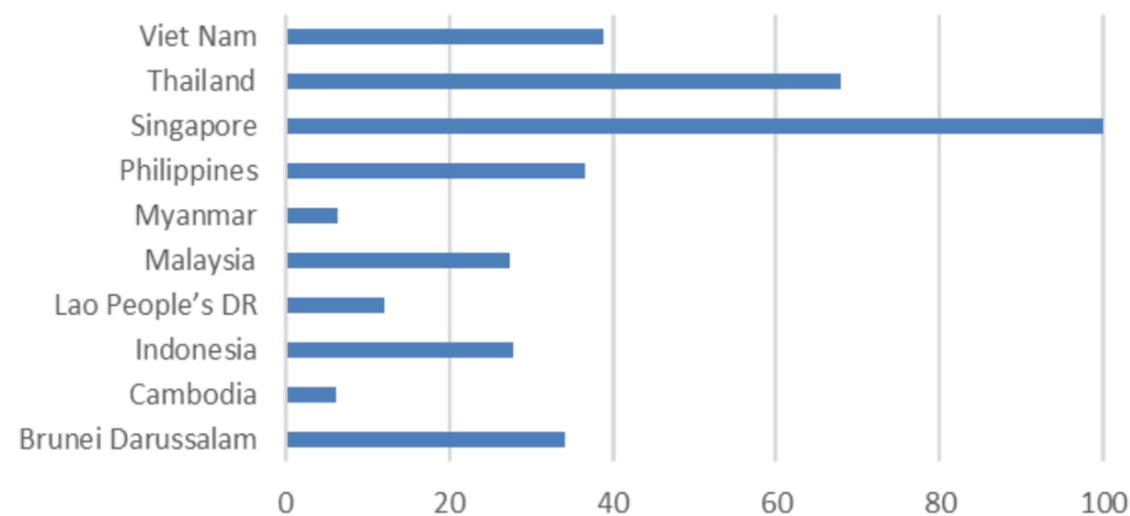
Social security is a universal human right, but...

In Asia, still **60%**

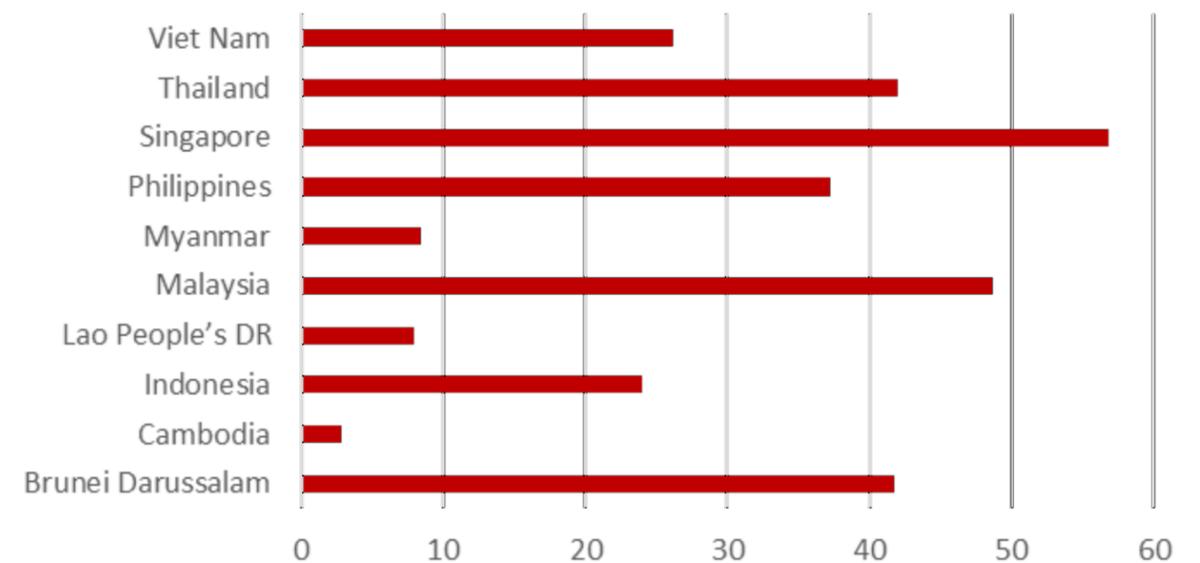
of the population in Asia do not have access to any form of social protection (SDG indicator 1.3.1)

only **54.7%** per cent of people in the workforce make payments to a contributory scheme

Population covered by at least one social protection benefit (excluding health) (SDG 1.3.1)



Labour force contributing to a pension scheme



In ASEAN, only recently, development of public social protection systems

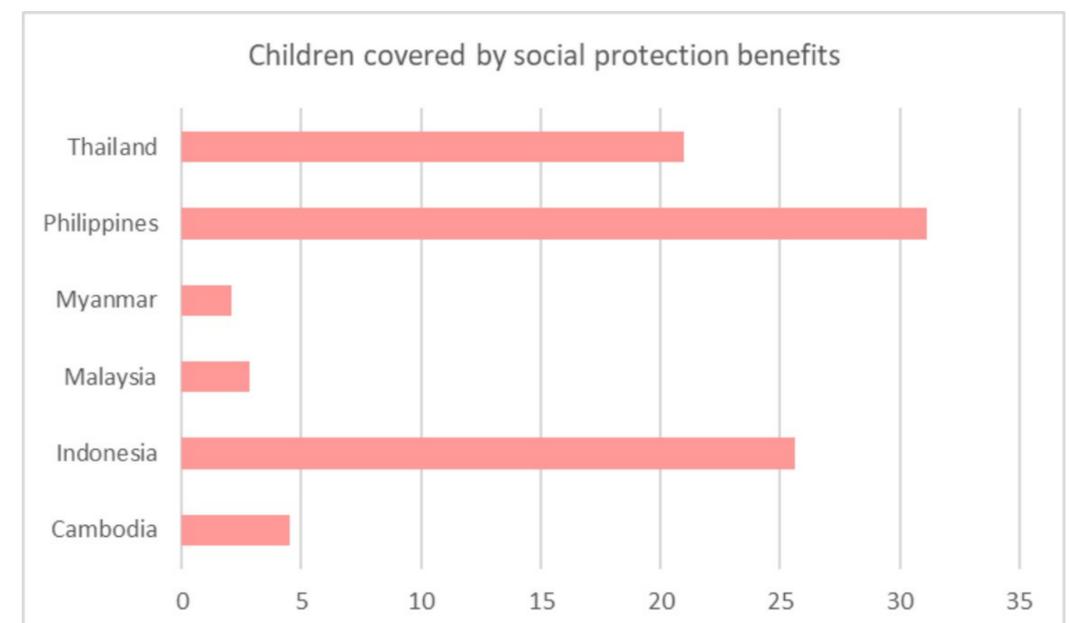
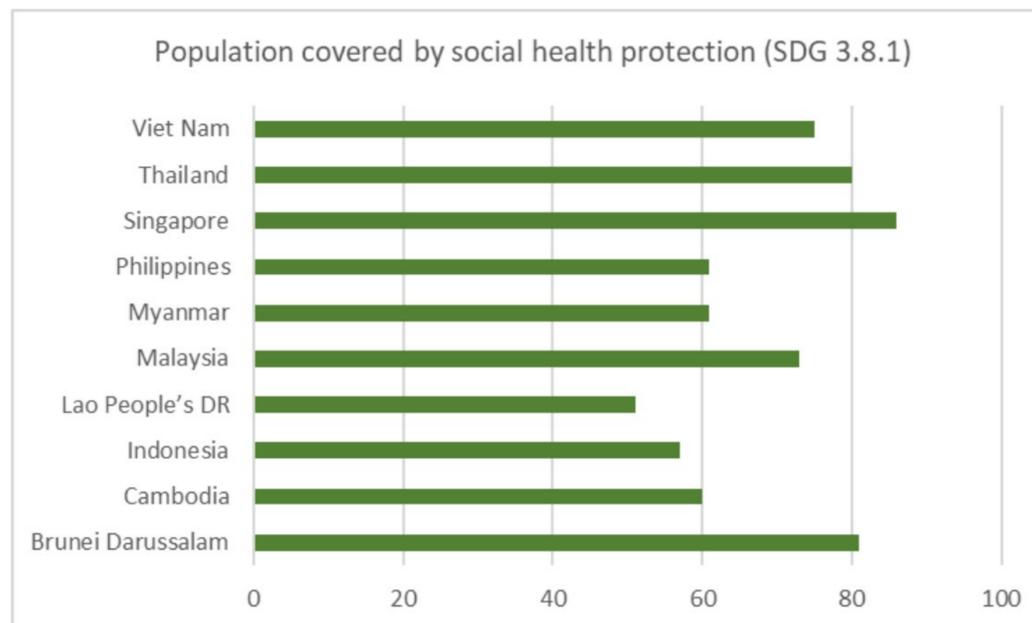
- In ASEAN, public expenditure on social protection (excl. health) varies between 4.2% of GDP annually and less than 1% (Asia: 7.5% of GDP; Americas: 16.6%; Global: 12.9%)
- Which limits income redistribution and positive effect on sustainable and inclusive economic growth

Expenditure on social protection systems including floors, by broad age group

Country/territory	Total expenditure on social protection (excluding health) ^a	Children	Working-age population	Old age	Sector	Source	Domestic general government health expenditure (GGHE-D), WHO
Brunei Darussalam	0.2	0.4	General government	ILO/ADB	2.3
Cambodia	0.9	0.2	0.6	0.3	General government	GSWPlanned	1.3
Indonesia	1.3	0.4	1.3	0.9	General government	IMF	1.4
Lao People's DR	0.7	...	0.0	0.5	General government	National	0.9
Malaysia	4.2	...	0.6	5.0	General government	ADB	1.9
Myanmar	0.8	0.0	0.0	0.0	General government	IMF	0.7
Philippines	2.6	0.1	1.8	0.8	Budgetary central government	IMF	1.4
Singapore	1.0	0.4	1.3	3.8	General government	IMF	2.2
Thailand	3.0	0.0	1.5	1.5	General government	IMF	2.9
Viet Nam	4.3	...	0.1	4.2	General government	ADB	2.7

Progresses...

- Extension of social health protection (all ASEAN above 50% of coverage; 5 above 75%)
- Slow but extension of non-contributory family benefits and old-age pensions
- Extension of social insurance (Thailand, from 17% to 42% of the labour force since 2001)
- **higher coverage rates achieved through a combination of contributory and non-contributory schemes**



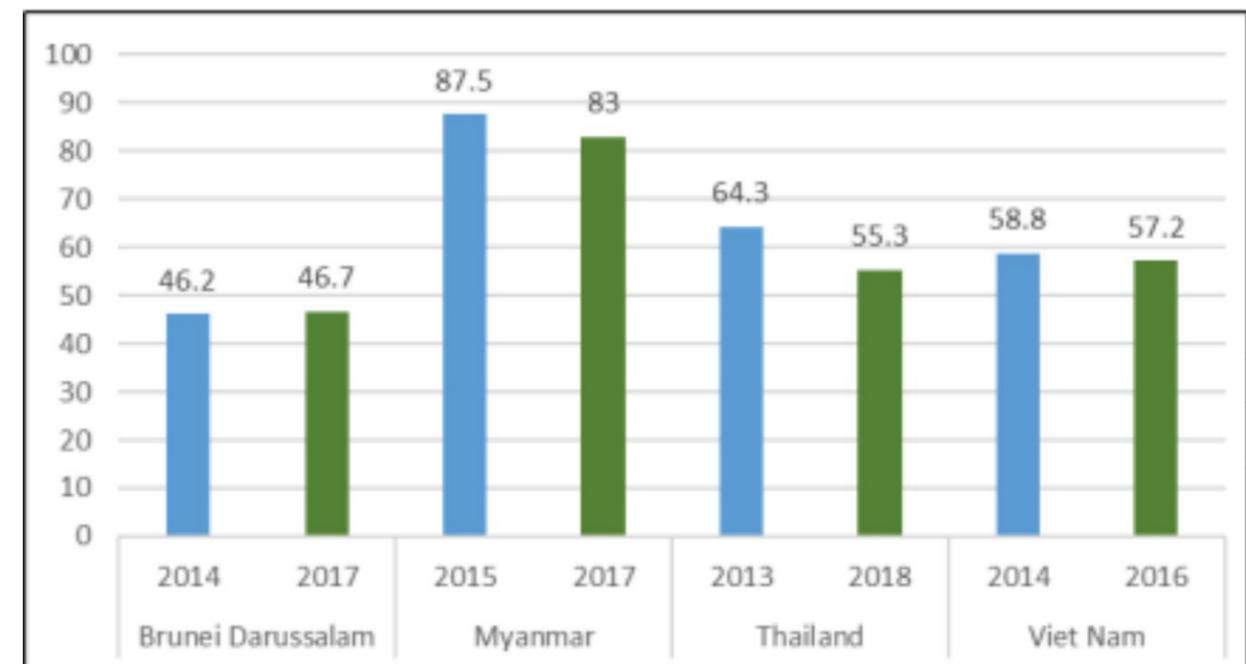
Structural challenges

- Demographic and societal: population ageing; change in family structures
- Urbanization and cross-country migration
- Informality (from 37% in Thailand to 90% in Cambodia)
- Transformations of the economies, digitalization
- Climate change and natural disasters



- Difficult extension of social insurance
 - Non-contributory programmes focusing on limited population
- Urgent need to invest in social protection for sustainable and inclusive development

Figure 3.2. Informal Employment Rate over time

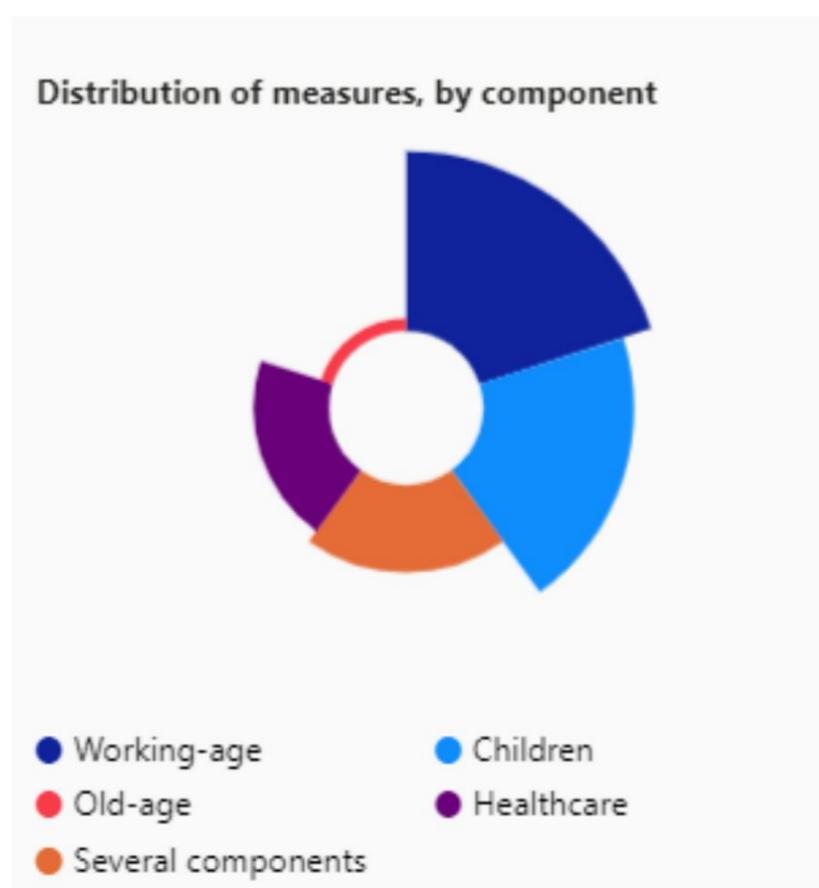


Source: Various government LFS reports or stand-alone informal employment reports
ASEAN: Regional study on informal employment statistics to support decent work promotion in ASEAN 2019 (ASEAN, 2020)

COVID-19 pandemic and social protection responses

121 social protection measures between Feb 2020 and Dec 2021 in ASEAN

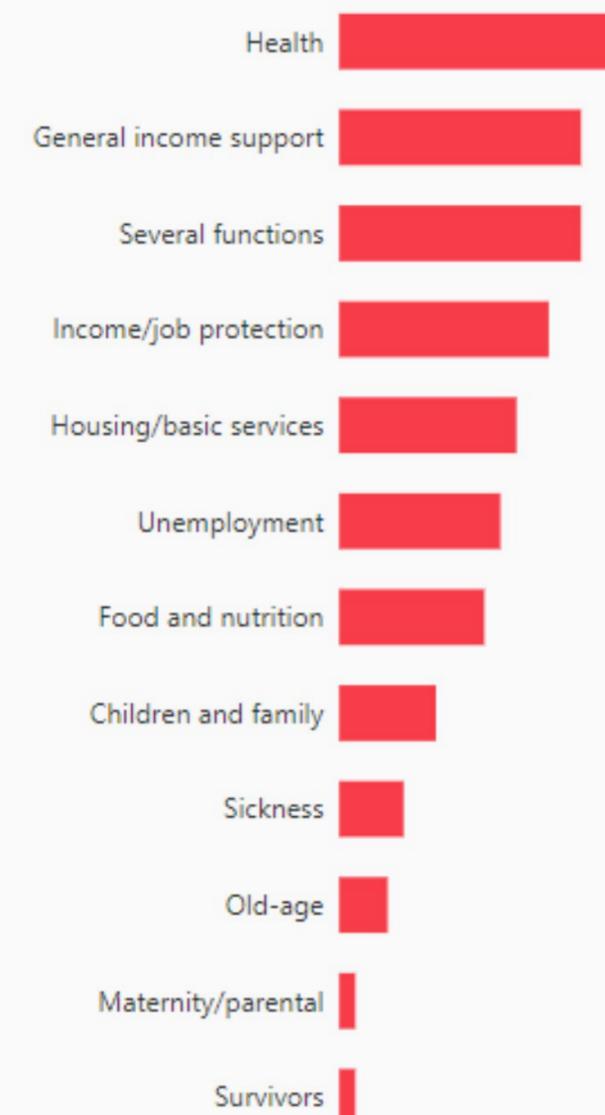
Capacity of countries to respond was challenged by their fiscal capacity, but in many cases also because of the weakness of the social protection systems



Top-10 announced measures

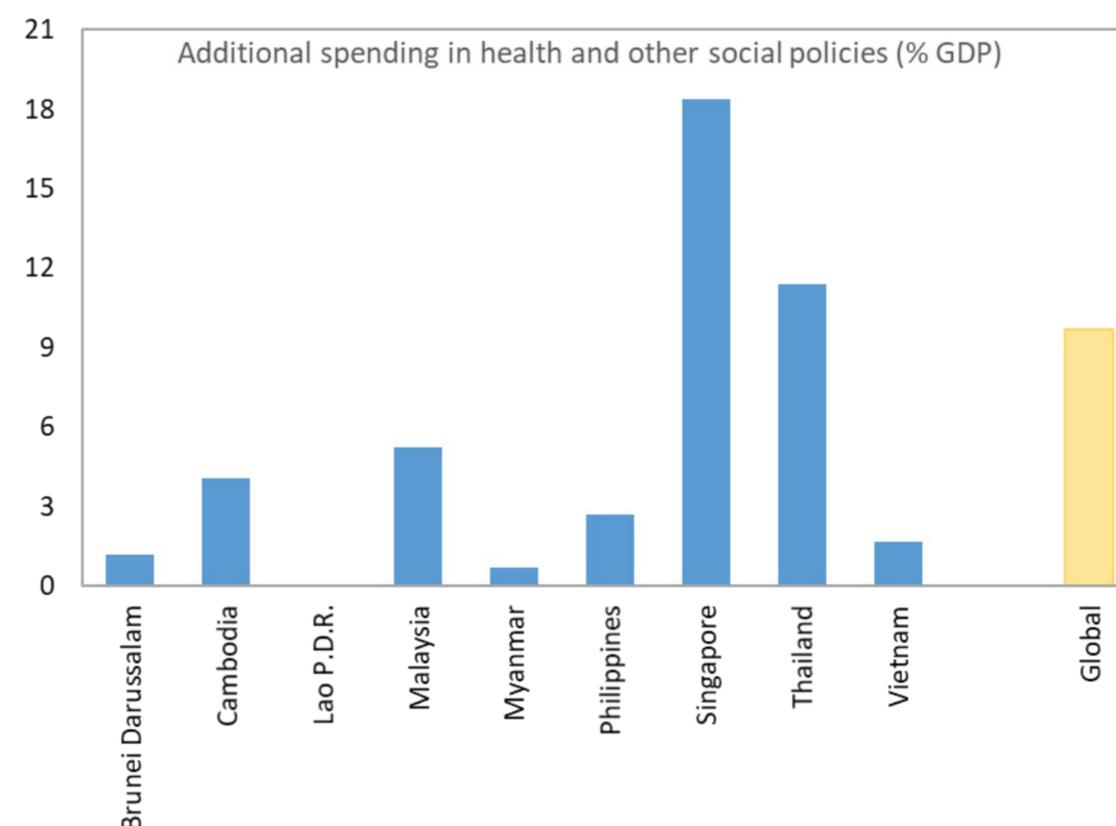
Measure	Number
Introducing benefit for workers/dependents	21
Extending coverage	13
Introducing new programme or benefit	12
Increasing resources/budgetary allocation	11
Introducing benefit for poor or vulnerable population	9
Introducing subsidies to or deferring or reducing cost of necessities/utilities	9
Deferring, reducing or waiving contribution	7
Improving delivery mechanism/capacity	6
Increasing benefit level	6
Increasing benefit duration	5
Increasing package of services/benefits	5

Distribution of measures, by function



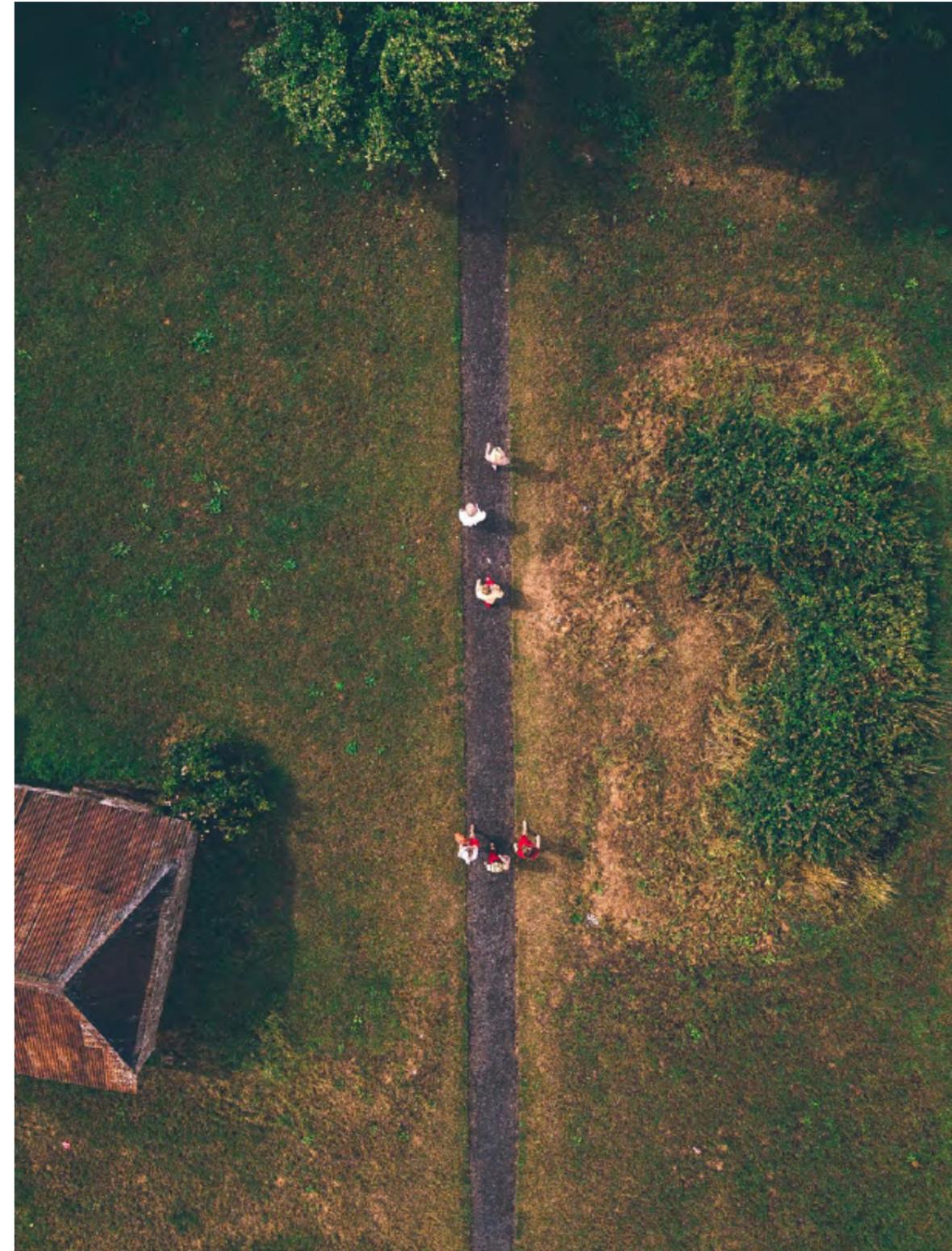
Social protection in post COVID-19 crisis

- Significant funding was mobilized for social protection response, 70% were of a non-contributory nature
- coverage gaps became more visible and hoc responses triggered debates on the challenges faced by those working in the informal economy.
- Those particularly affected by 2 year of crisis: women, youth, migrant workers
- Some sectors (tourism, manufacturing) severely impacted, inequal recovery
- Broad consensus that without social protection, socioeconomic fallout of the crisis would have been a lot worse
- **Post COVID-19: war in Ukraine, energy and food crisis, inflation, cost of the debt, growing inequalities among countries and within countries**
- **Economic growth without adequate investment in social protection generates unsustainable gains, mostly concentrated in a limited proportion of the population, leaving others extremely vulnerable to shocks.**



Social protection at the cross-roads: Taking the ‘high road’ towards universal social protection

- Social protection has played a key role in the COVID-19 policy response as **stabilizer** to protect **people’s health, jobs and incomes** and smooth recovery.
- Universal social protection is at the core of **sustainable, equitable and inclusive development**
- ensuring that everyone, including workers in all types of employment, can enjoy adequate and comprehensive social protection,
- financed in a sustainable and equitable way based on solidarity.
- **Critical policy window** for making the right choices regarding the **future** of their social protection systems.
 - **“high-road”** strategy of investments in universal social protection systems.
 - **“low-road”** approach of minimalist social protection policies and fiscal consolidation.
- The 2021 International Labour Conference adopted a **high-road strategy for universal social protection.**



What is needed for social protection to promote sustainable development?

Priority actions

- Social protection policies should be **reinforced**, guided by **international social security standards** and supported by effective **social dialogue**.
- **Coverage and adequacy gaps must be closed**; especially for women, workers in the informal economy and migrants.
- **Adequate protection** should be extended to all, including workers in all types of employment, to:
 - reduce their **vulnerability** and enable them to **seize opportunities**;
 - support **their life and work transitions**;
 - help them to **better navigate economic transformations**.
- It requires better coordination between social protection and **decent employment policies**
- Social protection is essential to support a **just transition to a green economy and prepare for future shocks** (automatic stabilizers).
- UN Secretary General initiative, launched in Sept. 2021: **Global accelerator of jobs and social protection for just transitions**
- Investing in social protection is the **ethical and rational choice** for a better future.

Many countries have arrived at a crossroads: now is the time to pursue a "high-road" strategy towards universal social protection.

Neglecting social protection systems through:

-  Underinvestment
-  Austerity and undue fiscal consolidation
-  Minimal benefits insufficient to ensure a dignified life
-  Weak coordination with labour market, employment and other relevant policies
-  Persistent large coverage gaps in social protection

HIGH ROAD

Strengthening social protection systems requires:

-  Universal coverage
-  Adequate benefit levels
-  A comprehensive range of benefits
-  Sustainably financed systems
-  Provision that is rights-based and inclusive
-  Adaptation to developments in the world of work



Social Protection
& Public Finance Management



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THANK YOU

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