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Strategies for integrated action to achieve poverty eradication: implications for public institutions

Rolling out national social protection floors

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Executive Summary

This paper examines the implications for public institutions in rolling out a social protection agenda in pursuit of poverty eradication. It begins by looking at the role played by social protection in the eradication of poverty and the relationship between the SDGs and social protection policies. This is followed by a review of the implications for public institutions of rolling out social protection floors and the importance of policy coherence in such roll-out.

A. Introduction

1. Social protection is concerned with protecting and transforming the lives of those who are poor and vulnerable, such as children, women, older people, people living with disabilities, the displaced, the unemployed, and the sick¹. It generally includes those initiatives (public and private) that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks and enhance the social status and rights of the marginalised; with the overall objective of reducing the economic and social vulnerability of these groups. (Devereux & Sabates-Wheeler, 2004: i).² In relation to this last objective the link between social protection and employment policies is fundamental to enabling people to find productive and decent jobs, avoiding long-term dependency and encouraging labour market participation.

2. The experience over the last two decades has demonstrated that immense potential exists to effectively reduce poverty and stimulate economic growth through the implementation of a universal, comprehensive social protection framework that both meets fundamental social and economic needs, and, at the same time facilitates equitable integration into the formal economy.

¹ <http://www.gsdrc.org/topic-guides/social-protection/what-is-social-protection/>

² <http://www.gsdrc.org/topic-guides/social-protection/what-is-social-protection/> Devereux, S. & Sabates-Wheeler, R. (2004). *Transformative social protection* (IDS Working Paper 232).

It involves extending social protections beyond simple social safety nets of income replacement coupled with disjointed and ad hoc programs of social assistance, to providing a more holistic response, in which all residents have guaranteed access to those basic social services and goods and employment opportunities essential for alleviating poverty.

3. In 2012 the International Labour Office (ILO) adopted a new set of basic minimum social security guarantees, as a global benchmark, in the form of social protection floors (SPFs).

4. The SPFs are nationally defined sets of basic social security guarantees which aim to ensure, as 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 that are defined as necessary. A determination is made at the national level as to what goods and services are deemed necessary. The actual policy principles and standards to be applied in respect of the SPFs are found, respectively, in the ILO *Social Protection Floors Recommendation, 2012 (no. 202)*, and the *Social Security (Minimum Standards) Convention, 1952 (no. 102)*.

5. Under the *1952 Minimum Standards Convention*, basic social safety nets are prescribed for workers and their dependents under a social insurance programme. In reality coverage under a social insurance scheme is generally confined to prescribed workers within the formal sector.

6. The *2012 Recommendation 202* requires states to provide to all residents and children (as nationally defined) SPFs that comprise, at a minimum the following four social security guarantees:

- 1) Access to essential health care, including maternity care.
- 2) Basic income security for children, providing access to nutrition, education, care and any other necessary goods and services.
- 3) 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.
- 4) Basic income security for older persons.

7. In pursuit of the 2030 agenda the ILO is promoting a two-pronged approach to implementing SPFs. First, there is a horizontal dimension in which the basic social security guarantees of the 1952 convention are extended to groups not yet covered, mainly those in the informal sector and other marginalized categories, so that there is universal application of these standards; and second, a vertical approach in which enhanced guarantees are pursued consistent with the Recommendation 202.

8. The SPFs were, in part, a response to the failure of economic growth strategies over the last several decades to effectively tackle poverty and the post-2015 development agenda.

9. Investments in SPFs have been shown to generate high returns in an economy, thereby contributing to more inclusive and prosperous societies.³ Additionally, it has been found that social protection can play a vital role as a stabilizer in times of crisis, providing much-needed income that can maintain or even boost demand and consumption during economic downturns.

B. The SDGs and SPFs

10. Five of the SDGs, namely goals 1, 3, 5, and 10 have embedded specifically within their targets the achievement of social protection policies.

11. SDG 1 on ending poverty sets as an objective in target 1.3, *the implementation of nationally appropriate social protection systems and measures for all, including SPFs, to achieve substantial coverage of the poor and the vulnerable by 2030.*

12. Target 3.8 of SDG 3 on ensuring healthy lives and promoting well-being for all promotes the achievement of *universal health coverage (UHC), 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.*

13. Target 5.4 of SDG 5 on gender equality mandates *nationally appropriate recognition and value to be attributed to 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.*

14. Although SDG 8 is not specific to social protection policies, it is a very important complementarity to those SDGs that are, as employment and labour market policies have inextricable links with poverty alleviation policies. The aim of both SDG 8 and poverty reduction strategies is to ensure that policies are implemented to provide fair and equitable income earning opportunities to all, particularly those that are vulnerable and marginalised. Target 8.5 of SDG 8, which addresses the promotion of sustainable economic growth and decent work for all, specifically sets as an objective, *the achievement of full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.*

15. Target 10.4 of SDG 10 on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation calls for the *adoption of policies especially fiscal, wage, and social protection policies and progressively achieve greater equality.*

16. The targets and indicators for SDGs 16 and 17 have particular relevance for the successful implementation of SPFs as they do for the achievement of all the SDGs. These two

³ Building Social Protection Floors For All - ILO Global Flagship Programme Strategy (2016-20) <http://www.social-protection.org/gimi/gess/RessourcePDF.action?ressource.ressourceId=53284>

goals set the targets for the establishment of effective public institutions and structures that will be needed to ensure that the SDGs can be appropriately implemented. SDG 16 calls for the promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all and the building of effective, accountable and inclusive institutions at all levels. SDG 17 calls for strengthening the means of implementation and revitalizing the global partnership for sustainable development.

17. At a more granular level, target 16.6 specifically requires the *development of effective, accountable and transparent institutions at all levels*; whilst target 16.7 calls for ensuring *responsive, inclusive, participatory and representative decision-making at all levels*. Target 17.14 calls for *enhanced policy coherence for sustainable development*.

18. The SPFs offer a tailored made subset of the SDGs around which the theme that no one left behind and poverty eradication may be a focal point. They offer the means by which the main causes of poverty may be addressed through the provision of guarantees in the form of social transfers⁴ across the life cycle that meet basic human needs such as: income security, health care, education, food and nutrition for all residents and children.

19. The remainder of the paper will explore how policy coherence required by SDGs 16 and 17 is relevant to making the SPF mandates in SDGs 1, 3, 5, and 10 a reality. The review will particularly look at how policies for employment, social protection, gender equality, health and education have interlinkages for the purposes of the SPF floors and will produce more meaningful outcomes when delivered as a coordinated, integrated product.

C. Social Protection and Poverty Reduction

20. It is widely acknowledged⁵ that social transfers are an effective tool for fighting poverty which, in turn, can bring about a direct and immediate reduction in the vulnerability of the poor and marginalised. Cash transfers bring improvements in children's health, nutrition and education thereby having long-term effects on productivity and earnings, and contributing to breaking the intergenerational poverty cycle. The impact of social transfers have been found to be even greater when supported by legal measures to combat discrimination in areas such as employment, access to education and healthcare, access to credit, inheritance and land ownership.

21. Well-designed social transfer schemes also prevent the non-poor from falling into poverty as a result of economic or environmental shocks. Globalisation is continually creating new groups poor and excluded people due to changes in market and production patterns. Likewise, climate change threatens to bring unprecedented changes in production and migration

⁴ 'Social transfers' are regular and predictable grants – usually in the form of cash – provided by governments or non-governmental organisations to individuals or households to decrease chronic or shock induced poverty.

⁵ Social Protection: An Instrument for Poverty Reduction and Social Cohesion- **Barbara Caracciolo**
http://www.socialwatch.eu/wcm/instrument_for_poverty_reduction_and_social_cohesion.html#footnote-10230-4

patterns, which will create new pockets of poverty. Social transfers will be important in mitigating the effects of these economic and environmental changes on people's livelihoods (European Working Group on Social Protection and Decent Work and the Grow Up Free from Poverty Coalition 2010, p 5).⁶

22. In the last decade, there has been an increase in the number of large-scale cash transfer programmes in developing countries. Overall, these programmes make a significant contribution to addressing poverty and vulnerability among the poor and poorest households in these countries. One of the best known and successful is the Brazilian *bolsa familia* (family grant). The programme was estimated in 2014 to cover some 14 million households (around a ¼ of the population) and pays mothers a monthly allowance per child as long as their children attend school and receive medical checkups.⁷

23. In most developing countries, many people do not have access to healthcare unless they can pay for it. These 'out-of-pocket' payments for healthcare exacerbate social exclusion and poverty. Social health insurance mechanisms guarantee access to free healthcare for all.⁸

D. Design and Roll-out of National SPFs

I. Policy Coherence

24. It is important to underscore that the social protection floor is neither a prescription nor a universal standard. It is intended to be an adaptable policy approach that should be country-led and responsive to national needs, priorities and resources. Further, since SPFs is a long-term strategy, it is recommended that its implementation should take place on a phased-in basis.

25. To be successful a SPF strategy requires, foremost, clear political leadership; improved coordination among all actors to eliminate overlaps, reduce inefficiencies and develop synergies; and monitoring and evaluation capacity. The ILO identified a series of principles to be considered in designing and implementing national SPFs. Included amongst these are:

- coordination and coherence among social programmes - the floor should address vulnerabilities affecting people of different ages and socioeconomic conditions, and should be regarded as a framework for coordinated interventions at the household level, addressing multidimensional causes of poverty and social exclusion and aiming to unlock productive capacity;
- combining income transfers with educational, nutritional and health objectives;
- combining income replacement functions with active labour market policies as well as assistance and incentives that promote participation in the formal labour market; and

⁶ Fn. 5

⁷ <http://www.worldbank.org/en/news/opinion/2013/11/04/bolsa-familia-Brazil-quiet-revolution>

⁸ Fn. 5

- an adequate institutional framework with sufficient budgetary resources, well-trained professionals and effective governance rules with the participation of stakeholders.

26. Government leadership helps to ensure accountability, especially regarding the rights and entitlements of people supported by the floor, and that compatibility exists between programmes and policies on the one hand, and national development objectives on the other.

27. The SPFs form an integrated agenda with important linkages across the individual policy domains that deliver aspects of the SPFs. Policy coherence and policy integration of these distinct policy domains is therefore vital to the successful roll-out of national SPFs. It is not only necessary to examine interactions among the different policies with a view to minimizing negative effects of trade-offs and, at the same time, exploit synergies that may be present; but also to go beyond separate, sectoral policy making, and take action based on horizontal and vertical interconnections. This would include, as well, the promotion of policy integration between different levels of Government, by developing robust frameworks for sharing responsibilities and resources in pursuit of common objectives.

28. It has been noted that among the key leadership and analytical competencies needed to implement the policy coherence target of the SDGs are concrete assessment of the impact of policy options, evaluating regulatory quality, and conducting strategic foresight and scenario planning. The same will hold true for implementing SPFs. SPF decisions need to be evidence-based, so an inclusive and participatory approach to problem-solving, decision making and resource allocation will be important, which means that there will also be implications for the way those responsible for designing and implementing the SPFs work.

29. An important first step in implementing the SPFs, is a comprehensive understanding of the needs, priorities and capacities to meet the national SPF agenda as part of a stock-taking exercise. This allows for the responsive design of a national policy and strategy to determine what the national social protection floors should be. The national policy and strategy will produce better outcomes where there is broad consultation with stakeholders and civil society on its design, content and rollout. The poorest and most vulnerable should be engaged proactively, as well, in shaping policies and designing, monitoring and assessing programmes that respond to their needs. Complementary to these prerequisites is the need to strengthen the ability of national statistical offices to collect the data needed to analyse social protection needs and existing provisions, disaggregated by factors such as gender, age, and geographical locality.

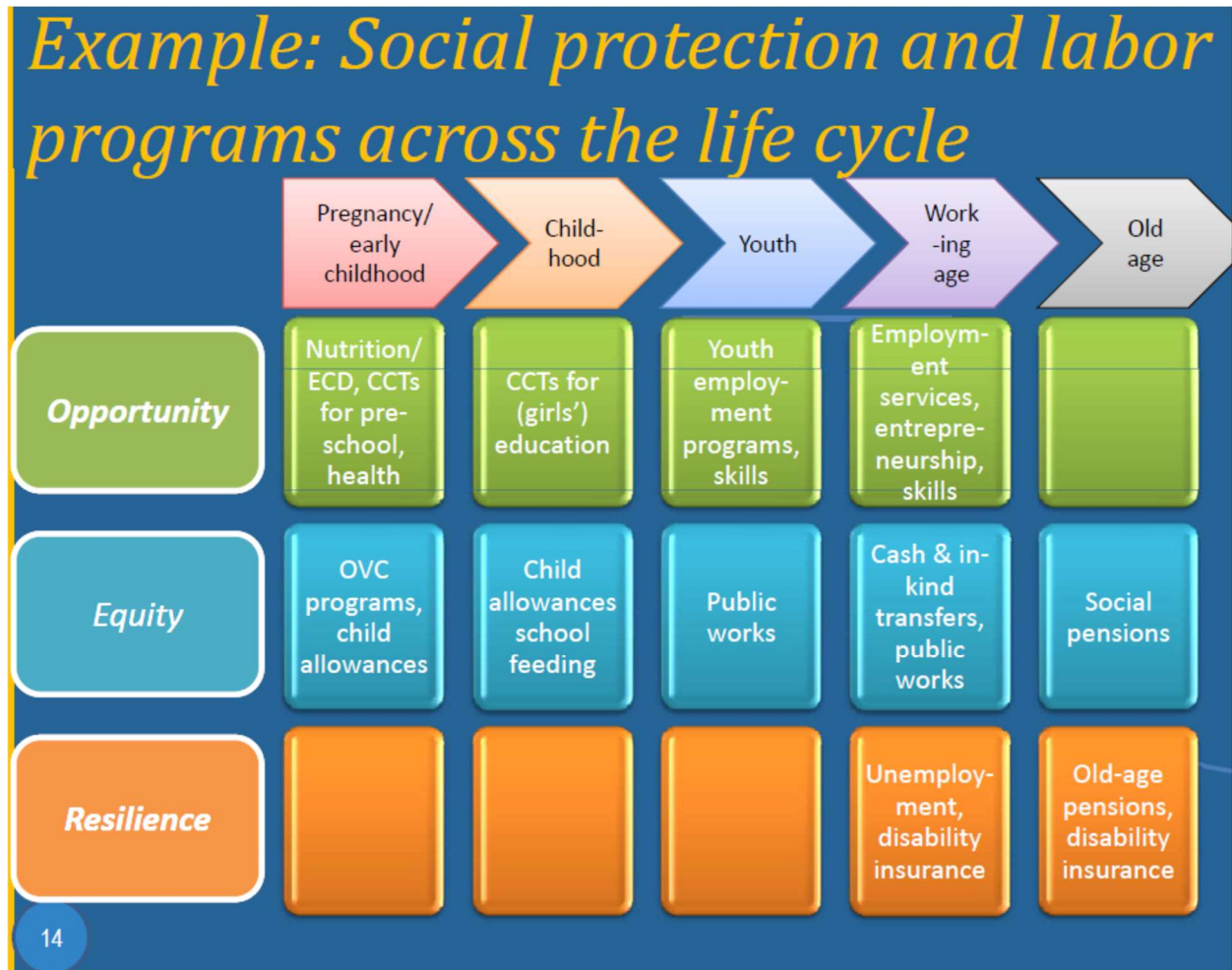
30. In designing a national SPF framework funding will be a key factor in sustaining the programme. This demands a thorough analysis of the obligations and commitments, particularly future ones, that such a framework is intended to address. Funding considerations will be part of the integrative assessment process that determines the national priorities and the roll-out schedule for the floors.

31. As an on-going exercise there will be a continuing need to deepen understanding on how to maximize the effectiveness of social policy interventions. Monitoring, together with evaluation, is an essential management tool to provide regular information about how well a

programme is working. This allows for improvements to programme implementation as a continuous process throughout the life of a programme.

II. Social Protection and Labour/Employment Policies

32. The floor approach, as highlighted earlier, inherently promotes coherence and coordination in social protection and employment policies, thereby ensuring that individuals may benefit from services and social transfers across the entire life cycle. The diagram⁹ below illustrates this.



III. Whole of Government approach to SPFs implementation

33. Ultimately, SPFs, in and of themselves, and also in partnerships with other national policy objectives including labour/employment policies, promote a “whole of government” (WoG) approach. A WoG approach involves public service agencies working across portfolio

⁹ Resilience, Equity and Opportunity -World Bank Social Protection and Labour Strategy 2012-2022
<http://siteresources.worldbank.org>

boundaries to achieve a shared goal and an integrated government response to particular issues. Such approaches can be formal and informal. A WoG approach for SPFs links social protection with other national policy objectives so sectoral ministries, in elaborating and implementing policies in their respective area, take due account of the interrelationships inherent in delivering on the SPFs.

34. The World Bank (WB) in its Social Protection and Labour Strategy 2012-2022¹⁰ described social protection and labour systems as portfolios of coherent programmes that can (i) communicate with each other, (ii) often share administrative sub-systems, and (iii) work together to deliver resilience, equity and opportunity. In addition the WB found that social protection and labour systems operate at different levels. The first level is the Administration level in which basic subsystems are built to support one or more programmes for security, equity or opportunity. The second level is the Program level which aims to improve the design of existing programmes and harmonise across portfolio of programmes. The third and final level is the Policy Level which aims to ensure overall policy coherence across programs and levels of government. Both scenarios are equally appropriate to the policy domains within the SPF framework as well as to the relationship between SPFs and other national policy objectives.

35. Although there is a wide variation amongst countries in relation to the actual organizational architecture for administration of SPFs, typically, state agencies with responsibility for labour and employment issues, social security, health, social services/social welfare, gender equality would have some role to play. In relation to financing SPFs, Ministries of Finance/Treasury Departments play a leading role.

36. Traditionally these agencies, empowered through separate legislative enactments, would typically have operated as independent units. In some instances mechanisms to facilitate cross-agency cooperation did not, and, in some countries still do not, exist. Consequently while the SPFs call for integration of its delivery mechanism, in reality the concerned agencies may be constrained either by legislative instruments, policy or practice from doing so.

37. This may lead to undesirable administrative fragmentation and siloed modes of operating that may serve to frustrate the smooth roll-out of the SPF agenda.

38. It is imperative therefore that those agencies which have a role to play in delivering the SPFs and employment/labour market policies work together, by identifying areas for policy integration to deliver the desired outcomes. This collaborative working construct calls, at the outset, for a plan or strategy for implementation that is the result of meaningful stakeholder engagement, and, which where relevant, must include clarity about the roles of the respective agencies in meeting the agenda. This may be accomplished through the establishment of a coordinating unit that has responsibility for overseeing the smooth roll-out of the floors, as in the case of Korea, Finland, Sweden and Germany¹¹. In the absence of such a unit there must be, at

¹⁰ Fn. 9

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http://www.wri.org/sites/default/files/Universality_Integration_and_Policy_Coherence_for_Sustainable_Development_Early_SDG_Implementation_in_Selected_OECD_Countries.pdf

the very least, a mechanism that ensures the desired levels of coordination between the respective agencies.

39. Once agencies have a framework for coordinating their programmes, the next important factor is the need to ensure periodic programme reviews and that the public understands, as an on-going exercise, what the national social protection agenda is. There should be clear means for accessing such information (whether in person or online) and the information itself should be both in layman's language and clear about what programmes for social protection exist, which members of the population are covered, what the rules are for coverage including appeal mechanisms, and what agencies have responsibility for delivery of benefits when multiple delivery outlets exist. Fragmented systems that are not coordinated may result in a lack of information about social protection programmes, overly cumbersome bureaucracies to manoeuvre, etc. It may also impact the ability to introduce desired efficiencies in the overall coordination of benefits and services.

40. To illustrate the point on the multiplicity of actors involved with SPFs, in The Bahamas this spectrum covers no less than 10 ministries and 8 departments. These are Office of the Prime Minister, Ministry of Finance, Ministry of Labour and National Insurance, Ministry of Social Services and Community Development, Ministry of Health, Ministry of Education Science and Technology, Ministry of Youth, Sports and Culture, Ministry of Agriculture, Marine Resources and Local Government, Ministry of Grand Bahama, Ministry of Works and Urban Development, Department of Labour, Department of Social Services, Department of Public Health, Public Hospitals Authority, National Insurance Board, Department of Education, the National Health Insurance Secretariat and the Urban Renewal Commission. Ministries have been highlighted because most of the governing enactments for the various SPF programmes grant the Minister with the relevant portfolio responsibility, powers to direct the activity of the agencies.

41. In the case of The Bahamas, whilst no universal policy exists for policy coherence or policy integration within the public governance framework some degree of coordination, though limited, does in fact occur as-

- the Department of Social Services collaborates with NIB on means-testing for NIB social assistance purposes;
- in relation to the introduction of NHI, the NIB smart card is to be used for NHI beneficiary registration purposes and NIB will be responsible for collecting the payroll NHI tax once introduced;
- the Urban Renewal programme¹² attempts to coordinate responses by several public agencies at the community level to address poverty and criminal activity amongst the youth.

42. On the delivery side, the one-stop shop (OSS) or "single window services" model may be used to provide a combination of services for SPFs. OSSes are increasingly being used as a way to improve access to social protection, particularly in rural and remote areas. Such services allow for access to several social protection programmes, as well as other services (social services,

¹² <https://www.facebook.com/Urban-Renewal-Bahamas-900782156732557/>

health services, employment services, services for entrepreneurs and small businesses, etc.) through a single entry point.¹³ To ensure that the SPFs are localized, where a country integrates its several social protection programmes, it is essential also to establish integrated units at local level rather than each programme maintaining separate staff at local level to facilitate single social protection actors who work across a range of programmes.

E. Conclusion

43. At the start of the post 2015 agenda the ILO estimated that approximately 27 per cent of the world's population had adequate social security coverage. A disproportionate number of countries outside of the high-income group account for the 73 per cent that have inadequate social security coverage.

44. In summary the paper has sought to re-affirm that –

- Well-organized social protection systems are a critical component in poverty reduction.
- Countries are at liberty to adopt different ways to achieve social protection outcomes specific to their needs, capacities and resources.
- Policy coherence and integration across policy domains for SPFs and other national policy objectives such as employment/labour market policies, are essential for effectively addressing the root causes of poverty.

45. In the end, SPF is a framework for coordinated public support at the household level, addressing several causes of poverty and social exclusion and aiming at unlocking the productive capacity of those able to work. It also pays particular attention to gender empowerment, as indicated by the role ascribed to women within the household in income transfer and social service schemes. To meet the objectives of the SPFs will require transformational changes to the way functions have been discharged within and amongst the public institutions that have responsibility for implementing and administering the SPFs. A more cohesive approach to service delivery is necessary that takes due account of public administration policy coherence and integration models.

46. On the basis of the preceding analysis the following recommendations are proposed:

- SPFs should be addressed as a long term strategy with phased implementation according to a country's needs, capacities and resources.
- A comprehensive analysis should be undertaken inclusive of stakeholder engagement to determine what SPFs are appropriate as a first step.
- Implementation and administration of SPFs are best accomplished through a whole of government approach.
- One stop shop model for delivering SPFs and related programmes should be explored and localized where appropriate.

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¹³ <http://socialprotection-humanrights.org/key-issues/administration-and-delivery-of-benefits-and-services/>