



## NOTES

# SOCIAL SECURITY FOR SOCIAL JUSTICE AND A FAIR GLOBALIZATION

ITUC – ETUC WORKSHOP

WITH THE SUPPORT OF FES and ILO- ACTRAV

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The objective of this workshop was to prepare the debate of the 100<sup>th</sup> International Labour Conference (ILC) on social security from a European perspective. It was attended by 21 participants from 12 European countries (Belgium, Bulgaria, Finland, France, Germany, Great Britain, Hungary, Luxemburg, Netherlands, Portugal, Spain and Switzerland).

During the workshop the participants discussed the issues at stake and debated an advocacy strategy for modern and inclusive social protection systems. A special focus was

put on the role European trade unions can play in this regard.

The global financial and economic crisis that emerged in 2008 demonstrated once more the importance of social security to help absorb the shocks inherent to a global capitalist market economy. As a result and after three decades of neglect, the benefits of social security have attracted the attention of the international community, not least of the G20.

As one of their responses to the crisis, the United Nations eventually utilized the Global Campaign on Social Security and Coverage for All that was officially launched by the International Labor Organization (ILO) as early as June 2003. In April 2009, the High Level Committee on Programmes of the UN Chief Executive Board adopted the Social Protection Floor (SPF) as one of its Joint Crisis Initiatives, and instructed the ILO and the World Health Organization to jointly lead this initiative. It involves a group of 17 collaborating agencies, including UN agencies and international financial institutions. This positive development and the scheduled discussion of the SPF at the ILO's International Labour Conference in June 2011 puts the ILO at the very centre of the debate on social protection.

For workers and their trade unions alike it is indeed crucial that social security is discussed within the legal framework of the UN and more particularly within the tripartite structure of the ILO. Convention 102 is fundamental for an approach building on established ILO-rights. In addition, Geneva is the location of the UN Human Rights Council and of the office of the High Commissioner for Human Rights. An important outcome of this year's ILC will be to ensure sufficient pressure on governments to effectively deliver on the realisation of the human right to social security. Just to mention it: Article 22 of the Universal Declaration of Human Rights and Article 9 of the Social Pact postulate the human right to social security.

While we have seen some positive steps on UN and G20 levels, these developments have been overshadowed by the fact that for several countries, including European ones, the crisis and subsequent fiscal consolidation measures have intensified the debate about the affordability of social protection systems. They have reinvigorated the arguments of those promoting a reduction of the scope and benefits of social security provisions. Several austerity measures implemented in Europe are, indeed, directly targeting social protection budgets and instruments. They are threatening to reduce the level of public expenditure dedicated to social protection which until now has remained relatively stable.

It is therefore of crucial importance that the discussion at the ILC in 2011 will focus on the simultaneous realization of two dimensions of establishing social security. The documents prepared by the ILO refer to the need to extend social security coverage to the global South and to respond to today's challenges in the global North by strengthening the existing social security net. More generally, the extension of coverage is envisaged along two dimensions, one focussing on the number of people covered (horizontal extension) and one focussing on the level of benefits and the types of contingency covered (vertical extension).

The horizontal dimension encompasses the notion of universal access to a set of basic

guarantees for social protection - a universal social floor. This is particularly relevant for developing countries where an overwhelming majority of workers and their families have no or inadequate access to social protection. The trade union movement is supportive of the establishment of social protection floors at national levels accessible to all men and women, regardless of their employment situation.

The ILO is promoting a social protection floor that should guarantee basic protection in four areas namely universal access to health care, conditional child allowance, basic pension and disability benefits and basic income replacement for people aged between 18 and 65 who cannot earn a living, i.e., for the unemployed and for pregnant women in a specified time before and after delivery.

The workers' group of the ILO will always insist that the social floor should be implemented as a stepping stone towards more comprehensive social security systems along the lines set forth in ILO Conventions on social security.

The vertical dimension consists of higher levels of protection both in terms of the number of contingencies covered and of adequacy of benefits. Convention 102 is the main instrument on which to base the vertical extension. It prioritizes nine contingencies to be insured (access to medical care, and benefits for unemployment, maternity, invalidity, death of the breadwinner, sickness,

employment injury, family extension and old-age), provides basic principles of governance, identifies forms of payment and principles of redistribution and sets minimum replacement rates and levels of benefits of the provisions.

Many of the European social security systems have been modelled on Convention 102 which remains the most comprehensive international standard on social security. Today 47 states representing less than one fifth of the world's population have ratified it. Increasing the number of countries ratifying Convention 102 is essential to ensure a minimum level of redistribution in a globalized economy.

It has to be kept in mind, however, that Convention 102 presents certain limitations to meet today's challenges. Most importantly, it does not require universal coverage – even if it does not prevent governments from guaranteeing that. The need for additional mechanisms to ensure horizontal extension has therefore appeared. The participants of the workshop would welcome the adoption of an ILO Recommendation on the social protection floor to bridge the gap left by Convention 102. Another weakness of Convention 102 to overcome is the clearly outdated gender language.

In several European countries the levels of protection for large parts of the population actually exceed the benchmarks set forth in Conventions 102. For others, the benchmarks

may turn to be relevant safeguards against current attacks on welfare systems.

Defending existing levels of benefits while addressing demographic challenges and the risks associated with globalisation remain the key priorities of the trade union movement in Europe as in many other parts of the world. Unfortunately recent developments seem to indicate an increased pressure to privatise risks and lower entitlements. Therefore a key challenge during the ILC will be to make the case for extension of coverage while maintaining adequate levels of benefits, mainly through an increased fiscal space in a general budgetary austerity.

As regards positioning workers' and their trade unions' main objectives during the ILC 2011, the focus must be on three policy responses:

(1) Establishing a basic floor ensuring universal access to social protection:

In June 2010, the Second World Congress of the International Trade Union Confederation in Vancouver came out in clear support of the SPF. The ILC in June 2011 should result in full embracement of the extension of social protection to all.

(2) Increasing the number of ratifications and achieving full implementation of Convention 102:

Even if it lacks coverage of parts of a country's population, the Convention has to

be defended against those who want to water down the benchmarks it sets. On the contrary, the list of new signatories like Argentine, Brazil and Uruguay should be further extended.

(3) Ensuring adequate levels of social protection benefits:

The two dimensions of global social protection have to be tackled simultaneously. The horizontal extension aims to speedily include an ever larger number of people worldwide. The vertical extension steadily increases the level of protection. Established social security benefits usually are legally binding guarantees that cannot be reduced at will.

No doubt that the crisis of 2008 and after has helped to bring the concept of SPF to the forefront. This momentum most recently lost rigor. Instead, other phenomena of world economics and regional demography are re-entering the discussion. Addressing challenges such as increased flexibility on the labour market, the ageing of populations and the new fiscal constraints emerging from the crisis have to be taken serious, but should not detract from the three main issues to push for.

Points two and three above may be considered as policy constraints to point number one: implementing basic social protection for all human beings on a global scale. The SPF should not be established

without them. In any case, the SPF would not only be an improvement in itself, it should also be seen as an opportunity for trade union membership to grow.

This is true when the following holds. Only about one fifth of the world's population, most of them living in the global North, enjoys comprehensive social security. In developing countries, with their huge informal sector, SPF would create a virtuous spiral of basic social protection for all inducing

better health and education, inducing higher productivity and higher number of employees in the formal sector, inducing higher domestic demand of commodities, higher productivity and economic growth, inducing higher levels of social protection, inducing better living conditions and higher productivity and so forth. If such a spiral is triggered, the formal economic sector would grow and the recruitment base for trade unions will enlarge, particularly in the global South.

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