



FIFTH ITEM ON THE AGENDA

Global Campaign on Social Security and Coverage for All: A progress report

1. Only one in five people in the world has adequate social security coverage, while half of the world's population is without any social security protection at all. Social security is a basic need and it represents a basic human right. The consensus between Governments, Employers and Workers reached at the International Labour Conference in 2001 produced a request to the ILO to launch "a major campaign to promote the extension of social security". The Conference also proposed that the ILO call upon governments to give higher priority to social security; advise governments and social partners on the formulation and implementation of national social security strategies; and collect and disseminate examples of best practice. All these activities are now undertaken in the context of the Global Campaign.
2. Mr. Somavia officially launched the "Global Campaign on Social Security and Coverage for All" at the International Labour Conference in June 2003, together with the Chairperson of the Governing Body – Ambassador Chung – as well as the two Vice-Chairpersons – Mr. Funes de Rioja and Mr. Trotman. The Governing Body supported the Global Campaign during the discussions on the Programme and Budget for 2003-04 and on the Strategic Policy Framework for 2006-09. In December 2003 the Tenth African Regional Meeting devoted a special session, chaired by Ms. Amadi-Njoku, to the launch of the Global Campaign in Africa. National campaign launches for 2004 are foreseen in India, Mozambique, Nepal, Nigeria and Senegal.
3. Extension of social security plays an essential role in the prevention and alleviation of poverty. By providing access to health care, social security boosts the productivity and employment capacity of workers, and enables them to earn a decent income. By providing social insurance in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of breadwinner, social security ensures that workers and their families maintain a decent level of income. This prevents them from falling below the poverty line and reduces the necessity for children to work. Through tax-financed social benefits, social security guarantees a basic income and lifts people out of poverty. For example, a recent

ILO study¹ shows that social pensions in Brazil have lifted more than 14 million people out of poverty.

4. There is a large variety of policies and institutions that can be used in a strategy to reach the goal of social security for all. The basis for such a strategy is a comprehensive diagnosis of people's social security needs and of the various actors and institutions. Statutory social security schemes can extend existing or modified benefits to previously excluded groups or contingencies. They may also enhance their effectiveness through improved governance and design. New schemes may have to be developed. It is also fundamental to encourage and support the development of micro-insurance and innovative decentralized social security schemes to provide social protection through community or group support. Finally, it is vital that all actors and institutions work together within the context of a national policy framework so that sustainable linkages can be developed between schemes that serve different parts of the population. Priority will be given to finding ways of providing relevant and effective coverage to workers in the informal economy and their families.
5. The Global Campaign is first and foremost operational. The overall objective of the Campaign is to develop awareness and achieve universal access to health care as well as basic income security for all. Extending the coverage of social security is largely a question of political awareness and political will. Technical cooperation is an essential instrument to encourage the policy debate on social security and to achieve concrete improvements in coverage in as many countries as possible. The Campaign also encourages the formation of broad partnerships in order to mobilize key actors at the national and international levels so that they might implement the campaign strategy for the extension of social security. Finally, knowledge is being developed to support technical cooperation by collecting and disseminating examples of good practice and by developing new mechanisms to extend social security.

Technical cooperation

6. The ILO is active in more than 40 countries in the context of Campaign initiatives, both at the country and at (sub)regional levels. Within the overall strategic framework of the Campaign, four approaches will be highlighted here.
7. *Extending social security through social dialogue.* For the time being, this experimental process, financed by the Government of the Netherlands, is limited to three developing countries – Honduras, Mali and Sri Lanka. This process is planned to be replicated in many other developing countries, with the support of external financing. In each country, a national diagnosis has been carried out through the concerted efforts of government ministries and representatives of employers and workers. An important component of technical cooperation is the training and capacity building of social partners and other actors for their effective participation in the design and implementation of social security programmes. A jointly undertaken diagnosis provides the basis for national action plans that are currently being prepared in all three countries.
8. *Developing new mechanisms to reach the informal economy.* Created in 1998, the Strategies and Tools against Social Exclusion and Poverty Programme (STEP) targets poor and excluded groups in the informal economy, as well as low-income formal economy

¹ H. Schwarzer and A. Querino: *Non-contributory pensions in Brazil: The impact on poverty*, ESS Paper No. 11 (Geneva, ILO), 2002.

workers whose social security coverage does not meet their needs. The Programme has so far been involved in more than 30 countries in Africa, Asia, Latin America and the Caribbean. It operates at four different levels. At the local level, it provides support to community and socio-professional groups in the informal economy. At the intermediary level, it aims to strengthen the role of social partners, federations of organizations and support structures. At the national level, it strives to set up, by means of social dialogue, an enabling institutional and political environment to promote social protection and social inclusion for all. At the international level, STEP works with key actors in the fields of technical cooperation as well as knowledge development and dissemination. One important innovation has been the development of a coordination and knowledge-dissemination mechanism (“La concertation”) among mutual health organizations in French-speaking West Africa. A similar coordination network is being set up for Asia. In addition, the STEP Programme is undertaking a worldwide survey on existing community-based social security schemes in order to use their experience and potential to improve access to health care.

9. *Extending social security through the fight against social exclusion in five Portuguese-speaking African countries.* This project covers five countries: Angola, Cape Verde, Guinea-Bissau, Mozambique and Sao Tome and Principe. Its aim is, first of all, to help these countries determine those excluded from their social security systems; the reasons for their exclusion; and, most importantly, ways to ensure the excluded are brought under full coverage. This project, financed by the Portuguese Government, seeks to increase the number of salaried workers who are covered by existing social security systems, while creating special statutory schemes for non-salaried workers that take into account their needs and ability to contribute. With the cooperation of STEP, technical cooperation to reach workers in the informal economy is carried out at three levels. At the local level, it provides support to various organizations to put into place micro-insurance systems – and in particular mutual health organizations. At the regional level, it supports federations of groups, associations and cooperatives so as to strengthen their competences and their advocacy capacity with governments, health-care providers and international organizations. At the national level, it makes governments and development partners aware of the relevance of micro-insurance systems and facilitates the implementation of programmes, incentives and mechanisms for the extension of social protection.
10. *The Global Social Trust Pilot Project.* This programme is a novel attempt to mobilize substantial earmarked resources for technical cooperation projects that aim at the extension of social security coverage. It envisages to partner developed countries with the least developed countries (LDCs), with individual contributors in the developed countries being offered the opportunity to make regular, voluntary contributions of a few euros a month to the Trust. The core benefits supported by the Trust would consist of basic income security, basic education and essential health services provided to the family unit. On the financing side, even with a modest participation rate of only 5 per cent of all employees in the richer OECD countries, the annual volume of contributions collected would be sufficient to make a major contribution towards poverty alleviation and the extension of social security coverage in developing countries. In November 2002 the Governing Body authorized the ILO to pilot the programme. As reported to the Governing Body in November 2003, the Office has in the meantime prepared a project which would sponsor the introduction of a family income grant for families in Namibia that have lost their breadwinner (i.e. mostly HIV/AIDS-affected families). The social partners in Luxembourg have agreed to launch a fund-raising campaign for that purpose. The project is presently awaiting Cabinet clearance in Namibia, which is expected in the first quarter of 2004.

Partnerships

11. One of the key characteristics of the Global Campaign is that it seeks to develop broad partnerships. Government, employers' and workers' organizations are the key actors in this process. In order to reach the aim of social security for all, they need to work closely together with a variety of other actors, such as donors, international organizations, social security institutions and civil society. Some donor governments, such as Belgium, France, Netherlands and Portugal, are already closely involved with the Campaign, through the financing of technical cooperation and of part of the secretariat's costs of the STEP Programme. For the coming year, two regional initiatives will be further developed.
12. *A special initiative for Africa.* Following the conclusions of the Tenth African Regional Meeting, the ILO and its tripartite constituents will undertake a special initiative in 2004 and beyond to involve donor countries and international organizations in the challenges of extending social security coverage in Africa. It will build a framework for channelling their resources and expertise into more coordinated programmes of action to increase levels of coverage across Africa. This initiative is expected to play an important role in the Extraordinary Summit of the Heads of State of the African Union on Employment and Poverty Alleviation in Africa that will take place in Burkina Faso in 2004. To build a foundation for this initiative, the ILO will work to evaluate existing social security schemes in African countries and identify specific needs, develop opportunities for pilot programmes and national action plans, and gather and disseminate good practices and approaches for extending coverage. The ILO will also work to improve the coordination within the donor community for the purpose of achieving the most effective targeting of resources in order to extend coverage on a country-by-country basis.
13. *An ILO/PAHO initiative for extending health-care coverage in Latin America and the Caribbean.* A donor conference organized by the Swedish International Development Agency took place in Stockholm at the end of October 2003. The contacts made during this meeting will be pursued in 2004. In this venture the ILO is working together with PAHO (Pan-American Health Organization) to help countries define national action plans to extend health-care coverage through a variety and mix of mechanisms; these include social health insurance, community-based approaches and the opening of access to public health-care facilities. The programme will work at two levels. At the regional level, it will provide training, advice and evaluation for the national projects. At the national level, all participating countries will – during the first two years – define national action plans on ways to extend health-care coverage through a variety and mix of mechanisms. During the next three years, a first start will be made with the implementation of the action plans.

Knowledge development

14. Over the past two years most of the Campaign's research has been published in the so-called ESS (Extension of Social Security) Papers series. By the end of 2003, 18 papers had been published – often in more than one language; these are available online on the Campaign's web site (<http://www.ilo.org/coverage4all>). Thirteen of these papers are country case studies that show areas in which various developing countries have been successful in the extension of social security in programmes such as social health insurance and tax-financed pensions. The remaining five studies are cross-country studies and deal with particular regions, issues or policies.
15. In addition, a unique set of studies has been completed on various aspects of the establishment and operation of micro-insurance schemes, such as awareness raising, feasibility, implementation, management, monitoring, evaluation and contractualization. The ILO has also developed the Centre for Informatic Apprenticeship and Resources in

Social Inclusion (CIARIS), which is a web site that provides detailed documentation, methods and practical tools for combating social exclusion at the local level.

16. Over the next two years, there are three aspects for which new knowledge will have to be developed. The first field of research concerns a series of studies that examine some of the micro and macro aspects with regard to the extension of social security and its relationship with vulnerability, poverty reduction, productivity, employment and economic growth. The second aspect will deal with the relationship between health insurance and poverty – of key importance for the link between social security, the Decent Work Agenda and the Millennium Development Goals (MDGs). The third part concerns the documentation of good practices in the extension of social security to particularly vulnerable groups, such as agricultural workers, women, migrants and people living in countries hit by crises or civil unrest. Experiments will be continued on new approaches and mechanisms to extend social security at the national and local level.

Discussion

17. The Committee is invited to comment on this progress report and to give its advice and recommendations for the development of the Global Campaign in the years to come.

Geneva, 23 January 2004.

Submitted for discussion.