



WHAT IS SOCIAL PROTECTION?



Social protection can be regarded as a kind of insurance policy against poverty and a tool for delivering social justice, as well as a means of promoting inclusive development. It is an expression of solidarity and cohesion between the haves and have-nots, between governments and citizens, and even between nations.

Social protection can be delivered to those who need it through a variety of mechanisms, including unemployment benefits, pensions, child support, housing assistance, national health insurance, job-creation schemes, retraining programmes, agricultural insurance, and more.

Despite increasing pressure from austerity measures and looming challenges in the form of an ageing population, social protection is an integral and essential component of the 'European social model', which is about combining economic dynamism with social justice, and is even enshrined in Article 34 of the EU's Charter of Fundamental Rights.¹ Over the decades, social protection has helped millions of Europeans weather personal and collective crises, including the recent recession.

Naturally, there are probably as many European models of social protection as there are Member States. Often conceptualised geographically (Nordic, Anglo-Saxon, Mediterranean, etc.) or politically (social-democratic, liberal or conservative), this diversity is partly reflected in the resources individual countries dedicate to social protection, which range from 12.4% of gross domestic product (GDP) in Latvia to 31.5% in Sweden.

Social protection is effective. For example, it reduces the poverty risk in the EU by 36% and reduces the actual incidence of poverty by more than 50% in many Member States.²

But the benefits of social protection are not only social in nature, they are also economic. Effective social protection instruments are thought to lead to long-term inclusive growth by encouraging capital accumulation and investment, increasing the labour force's work capacity, helping to manage risk, as well as offering potential advantages to non-beneficiaries ('multiplier effects').

"Social protection systems can play a crucial role as automatic stabilisers and sustain the productive capacity of the economy," notes the EU's Social Protection Committee.³ This means that, for example, in times of crisis when many people lose their jobs, the benefits and transfers they receive help ensure that demand does not collapse and the economy continues to function, increasing the chances of a rapid recovery. In addition, social protection helps underwrite the health and well-being of the population, and a healthy population is an active and productive one.

Although social protection in Europe is so well established that it has become almost a fact of life, elsewhere in the world the situation is patchier. According to the 'World social security report 2010-2011',⁴ which is produced by the International Labour Organisation, only about 20% of the world's working-age population and their families have effective access to comprehensive social protection systems, despite the right to social security being enshrined in the 1948 Universal Declaration of Human Rights (Article 22).⁵ Although about 17% of global GDP is allocated to social security, most of this spending is concentrated in higher-income countries, the report finds.

That is not to say that social protection does not exist in poorer countries but that the coverage of formal schemes is low, leaving many unprotected or dependent on informal social networks, such as their family or wider community, as well as through philanthropy and charity.

GIVING A FLOOR TO THE POOR

As noted earlier, up to four-fifths of the global population does not enjoy access to social protection to help them deal with life's risks. The resulting vulnerability has been highlighted by a series of consecutive crises – the three Fs of fuel, food and financial – which have had a severe impact on the world's poorest citizens.

In a bid to rectify this situation, the United Nations has launched its Social Protection Floor (SPF) initiative, which outlines a set of basic social rights, services and facilities that each and every citizen in the world should enjoy. The SPF is made up of two main elements. The first is ensuring the availability, continuity and access to essential services, such as water and sanitation, food and adequate nutrition, health, education, housing and other social services. The second relates to providing this access by ensuring a basic set of essential social transfers, in cash and in kind, to provide a minimum income and livelihood security for poor and vulnerable populations.

More information: <http://www.ilo.org/gimi/gess/ShowTheme.do?tid=1321>

QUESTIONS FOR DEBATE

- Can social protection really make a significant contribution to poverty eradication and economic growth?
- Is the effectiveness of social protection more, less or equal to that of other development instruments? What are the possible synergies between social protection and other instruments/sectors?
- Can poorer countries afford the 'luxury' of social protection?
- What role can the EU and other donors play in promoting social protection in developing countries?
- Is there any "universal minimum" which should apply worldwide when referring to social protection?
- Is there a case for some sort of global social protection fund, as a permanent distributive justice mechanism between developed and developing countries?

FURTHER READING

- Brochure on the Social Protection Floor initiative <http://www.ilo.org/gimi/gess/RessFileDownload.do?ressourceId=17466>
- Social protection and economic development <http://www.odi.org.uk/work/programmes/social-protection/details.asp?id=544&title=social-protection-economic-development>
- Social protection transfers for chronically poor people http://www.chronicpoverty.org/uploads/publication_files/PB_2.pdf
- Social protection and economic growth in poor countries <http://www.gsdr.org/docs/open/SP16.pdf>
- Promoting pro-poor growth: employment and social protection <http://www.oecd.org/dataoecd/63/8/43514582.pdf>

¹ http://www.europarl.europa.eu/charter/pdf/text_en.pdf

² <http://ec.europa.eu/social/BlobServlet?docId=3898&langId=en>

³ <http://ec.europa.eu/social/BlobServlet?docId=3899&langId=en>

⁴ http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang--en/WCMS_146556/index.htm

⁵ <http://www.un.org/en/documents/udhr/index.shtml>