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It is our turn now: Civil society, the labour movement and the stewardship of the social protection floor

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After decades of fringe existence in economic and development policy debates, social protection and social justice have experienced a renaissance in global policy debates. This has opened up a window of opportunity for political actors who promote social justice on a national and international level. Such actors can be found in civil society organisations and trade unions. However, the window is closing rapidly, as the echos of past neo-classical economic and fiscal policies are resurfacing. This short article has four key messages: there is a historical chance to make a difference, as we have a policy instrument that is carried by global consensus, it is time to work together, time is running out, and hence the time to act is now.

A new consensus on social protection has emerged…

While the origins of a new consensus on the role of social protection in national development can be traced back to the discussions during the International Labour Conference in 2001 and the G8 conclusion in 2007[1], it required – unfortunately – a global

[1] See ILO: The new consensus, Geneva 2001 and G8 Summit: Chair's Summary,Heiligendamm, 8 June 2007

financial and economic crisis to trigger a social policy breakthrough. The crisis, unfolding against the background of much bigger, structural and permanent economic uncertainties and social tensions, has clearly shaken the certainties and agreed wisdom of economic science and economic and financial policies. It has suddenly become widely accepted that social and economic development itself could be at risk without sound social policies and strong social protection systems. The international wave of support was triggered to a substantial extent by the fleeting – as it turns out now – bad conscience of policy makers. They became aware that the failure of national and the virtual absence of international supervision of the financial sector had permitted the crisis to happen. The social fallout could not be ignored, and hence policy makers, by and large, hailed and restored social security systems as economic and social stabilisers. International agencies used the opportunity to adjust their development strategies. It is not accidental that the EC, the G20, UNICEF, the World Bank and the International Labour Organisation (ILO) have all developed new social protection strategies seeking to promote more inclusive growth[2]. All these strategies are broadly compatible and no longer openly contradict each other at least. All of them see an important role for social protection systems in national development. A manifestation of the emerging global consensus in this regard is the new Social Protection Interagency Co-ordination Board (SPIACB), which is co-chaired by the ILO and the World Bank and includes UN agencies, bilateral aid agencies and representatives of prominent NGOs that work in social protection as observers. HelpAge International and ICSW, for example, are observer members. The Board was created in July last year at the behest of the G20. Its role is to co-ordinate the activities of the various agencies active in social protection on the international and the national levels. At last, on the surface of international policy debates, this reflects a level of consensus on the importance of effective social protection in national development that the world has not seen so far.

These developments have created a unique momentum that civil society has to use. However, political momentum is a fuzzy concept, often consisting of underdeveloped and vaguely converging ideas, unfocused notions and a general unspecified consensus on a not very clear objective. A momentum generally needs a condenser, a device that allows political hot air and white noise to be compressed into manageable political action. The 101st International Labour Conference in June 2012 provided that new device.

…and found a potentially powerful new instrument

Perhaps the potentially most powerful new policy device for the extension of social protection and the promotions of social justice that emerged from the above momentum is the concept of national Social Protection Floors (SPFs). For years and decades, universal social protection systems that provide a minimum level of social security for all were considered unrealistic and unaffordable for many developing and even in some developed countries. The SPF Initiative of the UN, launched at the height of the crisis in 2009, broke that conservative political spell. The initiative made the simple case that there is virtually

[2] See World Bank: Resilience, equity and opportunity: Social Protection and Labour Strategy, 2012, UNICEF: Integrated Social Protection Framework, 2012, EU: The Role of Social Protection in EU Development Policies, Communications 2012

no society that cannot afford at least a basic level of social protection for all, thus affording at least basic subsistence and a minimum of dignity for all. The UN Initiative and the ILO showed that reliable and sound floors for national social protection can be financed using a few percentage points of GDP[3], and countries as different as Cape Verde, Brazil, China, Mexico, India, Nepal and South Africa have shown that basic systems of protection can be introduced, if the political will can be marshaled. Internationally, there is now plenty of rhetorical support (but less specific financial support) for the implementation of the concept. In any case, the SPF made it to the top of the international social policy agenda.

In June 2012 the International Labour Conference unanimously adopted a new international instrument, i.e. Recommendation 202 on national floors for social protection. More than 50 civil society organisations, among them the ICSW, the Friedrich Ebert Stiftung and HelpAge International, have supported the Recommendation and have even managed to modify and add clauses to the original draft submitted by the International Labour Office. The Global Labour Movement has firmly aligned itself behind the concept.

The contents of Recommendation 202 are much more comprehensive and far-reaching than initially meets the eye. It is more than just a definition of the basic level of social protection that everyone should enjoy. It sets out its objectives as[4]: …"to provide guidance to members to…

a) *establish and maintain, as applicable, social protection floors as a fundamental element of national social security systems, and*

b) *implement social protection floors within strategies for the extension of social security that progressively ensure higher levels of social security to as many people as possible, guided by ILO social security standards."*

The Recommendation defines the SPF in terms of four essential social security guarantees, which basically provide the core content for the human right to social security, as expressed in articles 22 and 25 of the Universal Declaration of Human Rights: i.e. access to essential heath care for all residents and income security for all children, people in active age and people in old age. It draws a careful line between the need for global guidance and the need to leave space for national implementation and policy decisions. This includes, in particular, the national definition, implementation and monitoring of social protection floors, ensuring that national social protection floors are in line with national circumstances. However, it also puts the SPF Initiative in the context of wider social security extension strategies that countries are required to adopt, and identifies a set of principles for national social security extension strategies. These principles essentially describe the characteristics of national social protection systems to be ensured under the primary responsibility of the state and range from the principles of the universality of protection, adequacy, the obligation to define benefits by law, non-discrimination, progressivity of implementation, acknowledging the diversity of methods and approaches, and the need for tripartite participation and public consultation on benefit levels and conditions, while demanding respect for the dignity of the people covered, efficient

[3] See inter alia: ILO....(report to the Conference in 2011)
[4] See ILO: The strategy of the International Labour Organization: Social Security for all: Building social protection floors and comprehensive social security systems, pp.31 – 39, Geneva 2012

complaint procedures, transparency, and financial, fiscal and economic sustainability. Essentially, Recommendation 202 is the most complete and comprehensive internationally agreed upon description of how universal, effective and equitable social protection systems should be built. In many ways it is a M*agna Carta* of social protection.

Recommendation 202 is an unparalleled document of good will. That new global legal instrument reflecting the new consensus on social protection was unanimously adopted by the member states of the ILO (with one abstention) in June 2012.

So far, so good. Never before - perhaps not since the period of the Great Depression or the period of economic and social reconstruction after WWII - has there been so much public support for social protection and greater acknowledgement of its role in national development strategies, as well as in the management of economic, social and political crises.

…and as an old threat re-emerges…

However, there are serious signs that the window of opportunity for the real improvement of social protection worldwide is already closing again. As soon as the economic and financial crisis turned into a fiscal crisis – principally, but not entirely triggered by government efforts to stabilize national economies through fiscal spending and by shrinking revenues – the tide changed. Austerity measures strongly resembling the policy recipes that had sprung from the Washington Consensus—believed to be long dead-- took the top slot on the political agenda again. Social spending cuts re-emerged as national coping strategies, in stark contrast to the wide-spread lip-service paid to social protection on the international agenda. There is a real risk that the fiscal costs of the crisis will be borne by workers, pensioners, the sick and disabled, the unemployed and the poor through lower wages and lower benefits. Redressing large and arguably unsustainable public deficits through real tax hikes remains a taboo, as the recent piece of political theatre around the fiscal cliff in the USA has shown.

…this is the hour of civil society and trade unions

What creates sound social protection systems is not the automatic opening up of fiscal space as economies grow and become more prosperous. What creates and maintains social protection systems is, in essence, political will. Fiscal space is not something that is God-given. It is the consequence of policy decisions on national spending priorities that are driven by political will. Political will has to be articulated and negotiated by societies that demand certain policy actions. Political will has be nurtured and built. The creation or articulation of political will for new social rights in times of perceived fiscal constraints will not come from the government. The reconciliation of interests between those who demand lower taxes and hence a smaller state and those who demand higher social spending is too difficult an exercise to go into voluntarily. Internationally they might demonstrate good will, but real action has to be conceived on the national level.

Political will on the national level can also not be created by international organisations, which are ultimately owned by national governments. These organizations have carried the ball as far as they could.

The demand for social justice has to be articulated by the people themselves. The most likely representatives of people are civil society organizations, such as NGOs and independent trade unions. Civil society and trade unions are the natural agents of political will. They can build strong cases for more social justice through social protection. The global consensus on the Social Protection Floor provides moral guidance and legitimacy, as well as a political shield for national demands. The global community of nations has decided that everyone should enjoy a minimum of social protection and that societies should gradually build higher levels of social security on the basis of strong principles. And it has decided so unanimously. There is nothing that should stop national pressure groups from reminding national governments of that consensus whenever necessary and demanding the establishment or safeguarding of social protection floors at the national level.

to build a coherent political agenda…

The fifty plus civil society organisations and the global trade union movement that supported the SPF Initiative last June have their homework mapped out. And there are very concrete things that we can do on the national and international levels.

National NGOs and trade unions, civil society at large, can build pressure groups and simply start monitoring the extent to which the four social security guarantees of the SPF are implemented in their country. They can establish whether all children, adults in active age groups and people in old age enjoy a minimum decent level of income security that ensures access to essential goods and services and whether everybody has access to a minimum level of health care. We can document gaps and even calculate the cost of closing these gaps, and can indicate where resources can be found. That diagnostic work can then be used to shame governments into action. Global associations can support the national groups that need solid policy guidance and technical backing from an international coalition of organizations that share the same mission and have broad access to knowledge, evidence and experience.

On the global level there is a possibility for a three-pronged approach to be pushed.
We can make sure that social protection and, realistically speaking, national Social Protection Floors play an important role in the post-2015 development agenda debate. The establishment and maintenance of SPFs provide a tangible development policy tool. Whether people have access to social security is clearly measurable, and gaps in protection can be filled by concrete policy tools rather than by diffuse policy concepts.

We can support the demand for a Global Fund for Social Protection that the UN rapporteurs for the right to food and human rights have jointly issued[5] and help to ensure that the Fund concentrates on sponsoring national action to implement the SPF. We can support the International Financial Transaction Tax and demand that it help to feed the Fund and support the few countries that really cannot build floor levels of social protection by their own means.

[5] Olivier de Schutter, United Nations Special Rapporteur on the right to food; Magdalena Sepúlveda, United Nations Special Rapporteur on extreme poverty and human rights: Executive Summary, A Global Fund for Social Protection (GFSP), October 2012

The most powerful tool in policy implementation is simply taking the first steps, without waiting for any form of global blessing. National pressure groups can be built, and national monitoring can begin now. The Global Fund could be started by asking the members of the Global Civil Society Coalition on the SPF to contribute to a Fund that would allow us to support national policy making[6].

The time to act is now. The ICSW is ready to take on its share of the action.

- **Useful resources and links**

Recommendation concerning national floors of social protection.
A new international labour standard adopted by the International Labour Conference in June 2012, Recommendation 202 concerning national floors of social protection, provides guidance to countries in establishing and maintaining national SPFs, reflecting national objectives, economic and fiscal capacities.

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_183326.pdf

Social Protection Floor for a Fair and Inclusive Globalization
A ground-breaking report of the Advisory Group chaired by Michelle Bachelet finds that social protection programmes can act as stabilizers attenuating the adverse impact of economic crises on labour markets, while contributing to maintaining social cohesion and stimulating aggregate demand.

http://www.ilo.org/public/english/protection/secsoc/downloads/bachelet.pdf

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[6] The NGO OGBL Solidarité Syndicale in Luxembourg, for example, supports the testing of a new maternity and child support cash benefit in Ghana by contributions from the Luxembourg Trade Unions. For more details see http://www.solidaritesyndicale.lu/glst.php