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**In this issue:**

- **Is the Good the Enemy of the Better, or Are Social Protection Floors a Minimalist Approach? By Michael Cichon**
- **Book review: Achieving social protection for all.**
  - *The Universal Social Safety-Net and the Attack on World Poverty*, by Anthony Clunies-Ross and Mozammel Huq, reviewed by John Langmore
- **ICSW, IASSW and IFSW meet in Seoul to sign an Agreement on the 2016 Joint World Conference and to discuss preparations for Melbourne-2014.**
- **Usual resources and links**

**Featured article:**

- **Is the Good the Enemy of the Better? Or are Social Protection Floors a Minimalist Approach?**

**By Michael Cichon, President of ICSW**

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This year was very young, a day or so old, when unexpectedly an old question re-surfaced. I received a friendly email from Magdalena Sepulveda, UN Special Rapporteur on Extreme Poverty & Human Rights, and Sara Cook, the Director of the United Nations Research Institute for Social Development. The email explained that " *the United Nations Research Institute for Social Development (UNRISD) and the UN Special Rapporteur on Extreme Poverty and Human Rights are in the final stages of developing an online repository of knowledge and information ...[on] ...the subject of social protection and human rights, and a set of core principles necessary for effectively linking the two.*" The question they wanted me to respond to was the following:

*"Does a 'minimum' level of social security (as proposed in [ILO Recommendation No. 202](#)) clash with the requirement of an 'adequate' standard of living ([article 11, International Covenant on Economic, Social and Cultural Rights](#))?"*

The question is important, and I had heard it many times in various forms during the years of

preparation leading up to the landmark ILO Recommendation No. 202, which was adopted in June 2012. Many people - not the two authors of the email, I should add - but many others, expressed the fear that promoting Floors of Social Protection meant promoting minimum levels of social protection and hence retreating from the more ambitious objective of guaranteeing adequate social protection for all. In other words, they were asking: *Is the Good not the Enemy of the Better?*

As the Global Coalition for Social Protection Floors, consisting of more than 60 NGOs and trade unions, is just now preparing a common position demanding a Social Protection Goal in the framework of the next Millennium Development Goals for the period after 2015 and will be seeking support from governments and a wide range of stakeholders during the coming months, it appeared important to clarify the issue and I responded as follows:

The short answer is “**no**” and can easily be found in R.202. Even more than 18 months after the global community (184 national delegations consisting of governments, workers and employer representatives) unanimously adopted Recommendation No. 202 in June 2012, it still seems to be one of the most misunderstood documents in the almost 100 years of history of global legal standards on social security. But let us go back to the basics and unpack the argument.

*R202. is not a legal island: explicit links between R. 202, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the Universal Declaration of Human Rights (UDHR)*

Article 11 of the International Covenant states: *“The States Parties ... recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right...”* In its article 9, the International Covenant states: *“The States Parties to the present Covenant recognize the right of everyone to social security, including social insurance.”* The older document, the Universal Declaration of Human Rights, states in its article 22: *“Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international cooperation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.”* That is followed in article 25 (1) by: *“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.”*

It is obvious that adequate standards of living are not exclusively created by social security, i.e. by income transfers in cash or in kind. However, reading the above texts in conjunction, it becomes clear that States parties have to underwrite the right to an adequate standard of living and take an appropriate range of “steps” to ensure the right to an adequate standard of living. One means to do so is obviously social security.

The preamble of ILO recommendation No. 202 – and it is worth noting its correct title: Recommendation concerning National Floors of Social Protection (Social Protection Floors Recommendation)” - explicitly links the instrument to articles 22 and 25 of the UDHR and articles 9, 11 and 12 of the ICESCR, in order to exclude any contradiction between the Recommendation and the older human rights texts.

***The actual contents of R. 202: basic guarantees, core principles of social security and extension strategies***

R.202 is a short document and yet its actual content and the potential width of its political repercussions seem to remain unknown. The objectives<sup>1</sup> of R. 202 are set out in paragraph 1, providing guidance to members to<sup>2</sup>:

- (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.*

National social protection floors should comprise at least the following four social security guarantees:

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality,*
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;*
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and*
- (d) basic income security, at least at a nationally defined minimum level, for older persons.*

The term "guarantees" underlines the fact that the focus is on outcomes in terms of social security that can be achieved by different types of benefits and different types of schemes, rather than on concrete means or benefits. But R. 202 clearly formulates a protection objective in article 4 of the Recommendation: "The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and basic income security which together secure effective access to goods and services defined as necessary at the national level." That formulation also was a way to broaden the definition of the floor as a combination of income security provided through cash transfers and transfers in kind or in the form of access to essential social services, as listed in articles 11 to 13 of the ICESCR and as developed in the Bachelet Advisory Report<sup>3</sup> to the United Nations Crisis Initiative on the Social Protection Floor established in 2009. The Recommendation also puts the protection floors into the context of wider social security extension strategies that countries are required to adopt.

What is often overlooked is the fact that the Recommendation identifies, for the first time, a comprehensive set of principles for national social security systems. The potential consequences of the policy guidance provided by R. 202 are much wider and much more concrete than one would expect at first sight from a five or six page document.

The 18 principles in article 3 of R. 202, which are supposed to govern national social protection systems, are challenging instructions. Those principles essentially describe the characteristics of national social protection systems to be ensured under the primary responsibility of the state and range from the principle of the universality of protection, the adequacy of protection, the obligation

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<sup>1</sup> The following paragraphs draw heavily on sections from Cichon, M: The Social Protection Floors Recommendation: Can a five page document change the course of social history?, *International Social Security Review*, Vol. 66, 3-4/2013

<sup>2</sup> Text of Recommendation No. 202 as published by the ILO: The strategy of the International Labour Organization – Social security for all, Geneva 2012, p. 33

<sup>3</sup> Report of the SPF Advisory Group: Social Protection Floor- for a fair and inclusive Globalization, p.9, Geneva 2011

to define benefits in the 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, demanding respect for dignity of people covered, efficient complaint procedures, transparency, and financial, fiscal and economic sustainability. In their entirety the principles define rather high performance standards for national social protection systems.

And these performance standards should - in theory at least - require a rethinking of many national policies. An example for the adequacy principle may suffice to prove the point. Some of the social security reforms of recent decades, such as the pension reforms in Latin America and in Eastern Europe during the 1980s and 1990s, might have to be reviewed with respect to the principles of adequacy and predictability of social security benefits. In defined contribution pension systems, where benefit levels depend to a considerable extent on the accidental performance of financial markets, benefits - even after long years of contributions - cannot be guaranteed to be adequate and are certainly unpredictable, and are thus - given the lack of benefit level guarantees - not compatible with the core principle of R. 202.

### **Conclusion**

And yet, advocates of R.202 are often confronted with the criticism that it is a minimalist document clashing with the demands for adequate levels of protection and, implicitly, adequate standards of living for all. Nothing could be further from the truth. Yes, the Recommendation provides explicit core content of the core obligations<sup>4</sup> for the human right to social security, as specified in the human rights instruments. That content has been missing for many decades. But it is more than that. The Social Protection Floors Recommendation has a triple function: it defines a floor of minimum guarantees, sets out a codex of security principles and requires a floor-plan for dynamic national strategies towards higher levels of protection in the 184 ILO Member States.

#### ➤ **Book review: *Achieving social protection for all***

Anthony Clunies-Ross and Mozammel Huq, 2014, *The Universal Social Safety-Net and the Attack on World Poverty: Pressing need, manageable cost, practical possibilities, favourable spillovers*, Routledge, Abingdon, Oxon

The idea of expecting countries to establish social protection schemes so as to comprehensively increase disposable incomes above severe poverty levels sounds utopian. The notion may well seem like a naïve bright idea thought up by day-dreamers.

Even a moment's thought suggests immense difficulties. Wouldn't the cost be enormous? Could poor countries afford such costs, or would this be just another drain on funds provided by the donors? How could payments be targeted to the severely impoverished? Wouldn't fraud in the disbursement of aid be a major problem? Is lifting disposable incomes above a minimum equivalent of \$US 1.25 a day really sufficient to eliminate severe poverty? Might not the availability of a universal social protection schemes interfere with incentives to work?

Anthony Clunies-Ross and Mozammel Huq carefully discuss each of these potential impediments and show that attempts are already being made to address them all in some countries. A particularly striking feature of this book is the detailed description, examination and assessment of contemporary programmes. The authors accurately conclude that:

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As described in language very similar to the Recommendation by the Committee on Economic, Social and Cultural Rights, Thirty-ninth session, 5-23 November 2007, General comment No. 19  
The right to social security (art. 9), section 5. Paragraph 59

"What was scarcely considered a serious project as little as 20 years ago is now  
– quietly and almost unnoticed among the affluent segment of the earth's people  
– becoming a matter of practical policy and politics." (p. 173)

The book is logically structured and lucidly and succinctly argued. It begins with the case for a "safety-net", understood by the authors as a floor below which everyone's disposable income will not be allowed to fall. Setting such a floor for the people of a country has to be the responsibility of that country's government, though civil society, other governments, multilateral institutions and foundations may also make important contributions. That involves moving beyond relying only on economic growth as the recipe for poverty reduction to acknowledging that re-distributional policies directed at increasing incomes of the poor are also a necessary complement.

The authors regard a floor for disposable income as a requirement for eliminating extreme poverty, but acknowledge that an adequate system of social protection must also include the merit goods of education and health services and other public goods.

The establishment of such a floor is also a principle of collaborative human life:

"If we believe that our common status as human persons implies an acceptance of responsibility for each other's material welfare – and that this demands *at least* some minimum provision *for everyone* of access to food and a few comparable necessities – then our responsibility, insofar as it may be capable of fulfilment, extends to providing, country by country but universally, a social safety-net." (p. 7)

The net direct and indirect benefits of guaranteeing a minimum cash income are clearly described. For example, increasing access to food is vital not only for survival but also for children's healthy growth, which is a necessity for their capacity, as adults, to contribute to society as well as to live fulfilled lives.

Another feature of the book is the sophisticated calculation of the total annual poverty gap, the amount required to bring all those below the poverty line up to it. That is done for each country and the result totalled to show the global cost of eliminating severe poverty. The total came to \$81.5 billion in 2005, which is a surprisingly low figure, less than two thirds of current official development assistance from OECD governments. It would have represented about 0.2 per cent of world gross income in 2005. Much of that expenditure is already being made by the developing countries themselves. The purpose of the calculations is to show that the cost of a global commitment to a universal social safety-net would clearly involve manageable cost.

The difficulties of implementing the schemes may be greater than those of raising the revenue to pay for them. The administrative complexities include: identifying the people to be paid; setting the amounts to be paid to them; and managing the transfers. Several mechanisms are being tried. What is taken into account is the welfare state mechanisms of the developed countries, some of which are too complex and bureaucratic. Second-best approaches include self-targeting through paid work on public projects; and targeting based on nutritional status and demographic status, in particular, children, the elderly, pregnant and lactating women, and people with disabilities – and geographic or community targeting.

Empirical evidence from countries such as Armenia, Brazil, Ethiopia, India and Mexico shows that anti-work incentives either do not exist, do not matter or can be avoided (p. 61). Incompetence and/or corruption in administration are more serious potential defects and the book discusses various means of continually maintaining pressure for efficient and honest management. Among the most powerful are publicity and punishment of incompetence and fraud. India is particularly ambitious in

that regard by introducing a 'unique identity' scheme, which will provide each person with a biometric identity record.

As with any new government outlay, financing such social protection schemes can be done through reallocation of the expenditure, new taxes, ODA and borrowing. The most desirable is reallocation of funds used for general energy or food subsidies, which are very costly and which, in practice, subsidize both the rich and the poor because they are unable to target the severely impoverished. Growth-generated increases in revenue are also likely to be a potential source of funding for schemes introduced over time.

Conditional cash transfers have become a widespread form of safety-net schemes in Latin America. *PROGRESA*, later called *Oportunidades*, in Mexico makes regular cash payments to poor families with children on the condition that the children attend school and are immunized. *Bolsa Familia* in Brazil envisions similar provisions. These programmes and others like them in Colombia, Nicaragua and some other countries have been found to be successful means of increasing food consumption and alleviating poverty. There have been positive increases in school attendance and the prevalence of child labour has fallen. However, they are not comprehensively available to all poor households.

The Indian approach of making employment guarantees involves paying people enough to keep them from extreme poverty, provided that they earn the benefit through productive work. The Rural Employment Guarantee Act of 2005 set up the framework under which applicants must be given up to 100 days of unskilled manual work paid at no less than the legal minimum wage for agricultural labourers. Wages are the same for women and men and at least a third of those employed must be women. Estimates of the cost of the scheme vary between 0.6 and 1.0 per cent of GDP. About a third of rural households appear to have received some additional income as a result of the scheme.

Paying for health care using contributory and non-contributory insurance tools so as to avoid risking destitution through unforeseen medical expenses is also discussed in some detail, and the Thai scheme is used as an example of effective practice.

Microfinance is another quite distinct method of reducing poverty by addressing financial exclusion. Various schemes are described, criticisms of them summarized, and careful evaluations made. One conclusion is that various NGO microcredit schemes in Bangladesh have contributed to improving the lives of tens of millions of poor people.

The book makes clear that a fundamental change is under way – 'as if tectonic plates are moving'. The UN General Assembly in September 2010 considered social protection to be among the successful approaches for reducing poverty and stated that 'promoting universal access to social services and providing social protection floors can make an important contribution to consolidating and achieving further development gains'.

The adoption by the International Labour Conference in July 2012 of Recommendation No. 202 concerning National Floors of Social Protection demonstrates strong international agreement on the principles of social protection. Clause 4 of the above Recommendation says that 'Members should, in accordance with national circumstances, establish as quickly as possible and maintain their social protection floors comprising basic social security guarantees'.

The way is being led by the largest middle-income countries – China, India, Brazil, Mexico and Indonesia – through the gradual, piecemeal introduction of various types of social protection schemes. The question is whether smaller, poorer countries and the wealthier countries that could support them will do so. This book is a major contribution to building such support.

It is striking that, yet again, Anthony Clunies-Ross is at the forefront in a drive for equitable change. He was in the lead in 1963 when he wrote the booklet *One Percent*, which led the way towards the UN target for official development assistance. He led preparation of the book *Alternative Strategies for Papua New Guinea*. With Ross Garnaut he was one of the first advocates for a resource rent tax. His leadership in writing the wise, reflective textbook *Development Economics* published in 2009 is another of many examples of his thoughtful initiative in articulating rigorous, imaginative analysis of unresolved problems and new ideas for approaching them. *The Universal Safety-Net* will be another authoritative source of information and ideas for practitioners and scholars seeking more effective means for eliminating severe poverty.

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➤ ***ICSW, IASSW and IFSW meet in Seoul to sign the Agreement on 2016 Joint World Conference and to discuss ongoing preparations for Melbourne-2014.***

The three partner organizations—the International Association of Schools of Social Work (IASSW), the International Council on Social Welfare (ICSW), the International Federation of Social Workers (IFSW), and several organizations of the Republic of Korea dealing with social development, social welfare and social work issues, namely, the Korean Council on Social Welfare (KNCSW), the Korean Association of Social Workers (KASW), the Korean Council on Social Welfare Education (KCSWE), the Seoul Welfare Foundation (SWF), agreed to hold the 2016 Joint World Conference on Social Work, Education and Social Development in Seoul, Republic of Korea. It will take place from June 27 to June 30, 2016. The Agreement to hold the 2016 Conference was signed in January 2014. The Joint World Conference is seen by the partners as an opportunity to bring together social work practitioners, academics, key decision makers and civil society to address issues central to the mission of the three partner organizations. It was reiterated that the core themes of the Global Agenda adopted by the partners should be the main themes of the forthcoming conferences. Therefore, the theme for the 2016 Seoul Conference is "*Promoting the Dignity and Worth of People*".

The International Steering Committee created by the partner organizations to help with the preparations of 2014 Joint World Conference in Melbourne, Australia, also met in Seoul with the members of the Local Organizing Committee of the 2014 Conference. The discussions covered a range of issues pertinent to the ongoing preparations for the Melbourne Conference.

Among the substantive issues decided in Seoul was the implementation of the Global Agenda and work of the Global Agenda Observatory. The *first phase* of the Observatory (2012-14) entailed a joint activity organized through and was based on the regional structures of the partners, facilitated by global and regional Coordinators appointed by each of the partners. The three partner organizations are now launching *the second phase* of the Global Agenda Observatory process. This phase involves the selection of Regional Observatory arrangements to generate evidence on the implementation of the second priority theme of the Global Agenda, so as to prepare the regional reports, which will form the basis of the 2016 Global Report.

The second Observatory Report will be launched at and form the focus of the 2016 Joint World Conference in Seoul. It is intended that the report will be published as a supplement to International Social Work Journal and be reported widely in the international media.

It was also decided to invite concrete proposals from the interested bodies to host Regional Observatories. The three partner organizations expressed confidence that the award of the status of Regional Observatory will bring significant benefits not only to the three global partners but also to institutions that host Regional Observatories. The Regional Observatories will provide the core material for the biennial Observatory Report, which will be published by the partners and

widely promoted at world conferences and beyond. It is expected that the hosting institutions will get a higher profile and recognition, enhancing their global reputations through their participation in the Regional Observatory. The document for formal bidding will be available from July 2014.

➤ **Useful resources and links**

**Cash transfer programmes**

The ILO has just released a comparative study by Elaine Fultz and John Francis with an analysis of ways and means to improve the impact of cash transfer programmes on women's poverty alleviation and economic empowerment. Key findings relate to selected cash transfer programmes from five countries: Brazil, Chile, India, Mexico and South Africa.

The review addresses two broad questions. First, to what extent are cash transfers alleviating women's poverty and improving their access to nutrition, as well as health care and other social services? And second, what are the impacts of cash transfers on women's economic empowerment? The selected cash transfer programmes include Bolsa Família (Brazil); Chile Solidario and Ethical Family Income (Chile); the Indira Gandhi Matritva Sahyog Yojana (IGMSY), a pilot cash transfer for maternity, and the Indira Gandhi Widow's Pension Scheme (India); Progres/Oportunidades (Mexico); and the Old Age Pension and the Child Support Grant (South Africa).

For more details please go to:

[http://www.ilo.org/gender/Informationresources/WCMS\\_233599/lang--en/index.htm](http://www.ilo.org/gender/Informationresources/WCMS_233599/lang--en/index.htm)

**Children with Disabilities**

Depending on how disability is defined, it is estimated that as many as 200 million children experience some form of disability. The report produced by UNICEF: *The State of the World's Children 2013: Children with Disabilities*, focuses on alarming realities of disability. The report advocates an approach grounded in respect for the rights, aspirations and potential of all children, a mix that can reduce the vulnerability of children with disabilities to discrimination, exclusion and abuse.

For more details please see:

[www.unicef.org/pacificislands/UNI137485.pdf](http://www.unicef.org/pacificislands/UNI137485.pdf)

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