

Session 4

Social protection policies for social cohesion and economic development

Points for Minister Tomada

Mr. Tomada heard the following “Echos” during the presentations and the debate on social protection:

- 1) Social protection is a human right for everybody. That is the ethical basis of national social security systems. But social security is not only a human right but it is also a social and economic need. In a context of globalisation national economies cannot function without social security system that provides the basis level of security to residents and workers that helps them to accept the flexibility that globalisation requires.
- 2) Social security
 - Facilitates social inclusion
 - Fosters economic growth
 - Helps to eradicate poverty
 - Strengthens democracy

It is thus an indispensable element of national development strategies.

- 3) The attacks that social security systems were subjected too in many countries during the last decades was rather attacks on wrong priorities and wrong design than founded on objective evidence against social transfers and social security benefits in principle.
- 4) There is now a new consensus that the social and economic need for social security should be translated into a universal social floor. The ILO’s paper is listing a set of core benefits that could be considered as social security components of the social floor, that can be used as a starting point of the debate.
- 5) The example of India and Brazil shows that social levels of social security are affordable in parallel to rapid economic development. The example of Argentina shows that social protection mechanisms may even be necessary to enable a country to overcome economic shocks rapidly. Even the OECD recognizes that the most successful and most open economies have the most extensive welfare states.
- 6) While social security systems are considered affordable at any stage of economic development, there is some debate on the benefit priorities, i.e., between spending on the elderly vs. spending on the young. This is probably less of a dilemma in developing countries where all cash benefits are likely to benefit all generations in households. In OECD countries requirement for economic growth may require a reorientation of spending towards the younger generations. Although that was not a consensual issue.
- 7) The social floor can be considered a widely recognised element of the decent work agenda.