



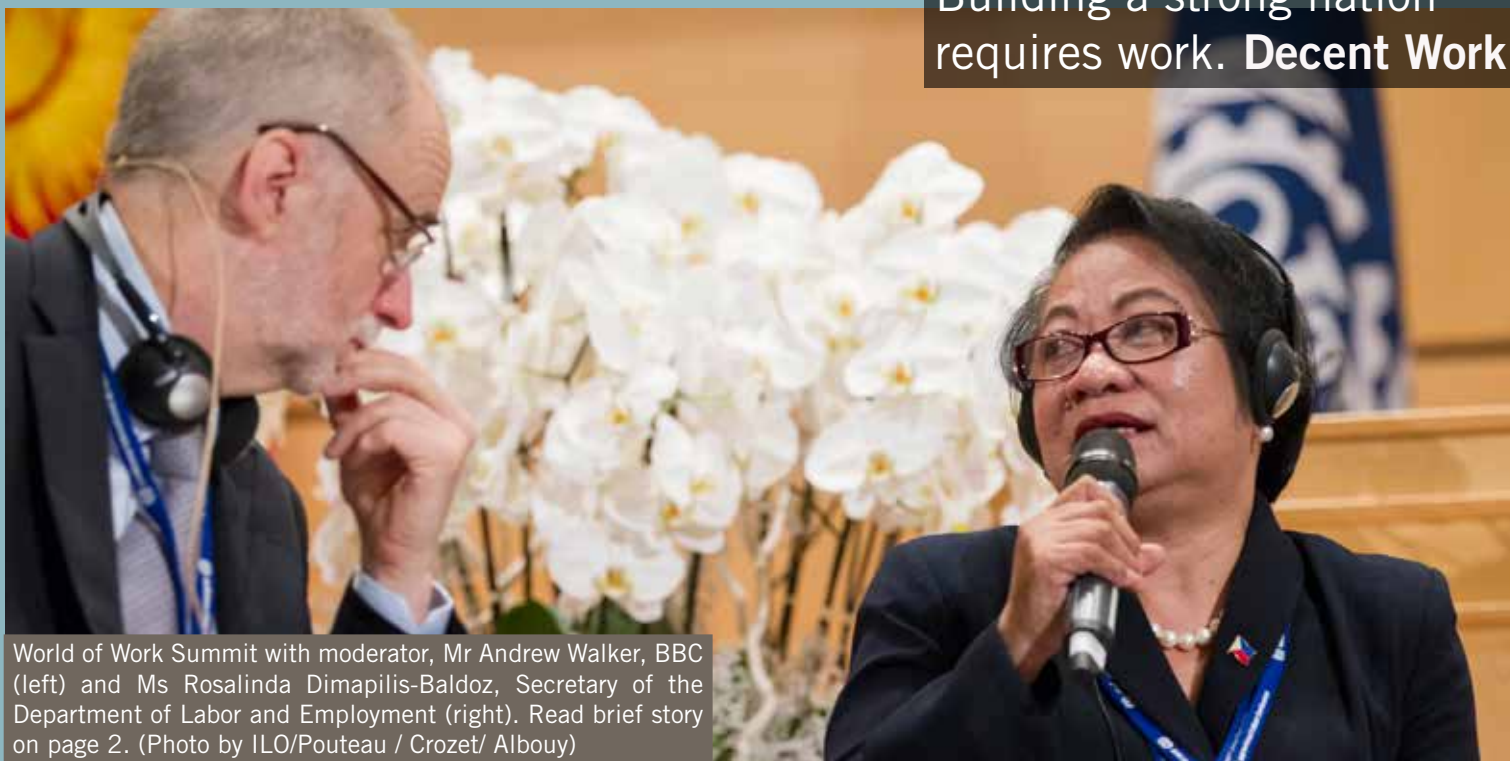
# Decent Work for All

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Building a strong nation  
requires work. **Decent Work.**



World of Work Summit with moderator, Mr Andrew Walker, BBC (left) and Ms Rosalinda Dimapilis-Baldoz, Secretary of the Department of Labor and Employment (right). Read brief story on page 2. (Photo by ILO/Pouteau / Crozet/ Albouy)

## More than 70 per cent of the world population lacks proper social protection

**M**ore than 70 per cent of the world population is not adequately covered by social protection, says a new report by the International Labour Organization (ILO).

According to the “World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice,” only 27 per cent of the global population enjoys access to comprehensive social security.

“The global community agreed in 1948 that social security and health care for children, working age people who face unemployment or injury and older persons are a universal human right,” said ILO Deputy Director-General Sandra Polaski. “And yet in 2014 the promise of universal social protection remains unfilled for the large majority of the world’s population.”

Social protection is a key policy tool to reduce poverty and inequality while stimulating inclusive growth by boosting the health and capacity of vulnerable segments of society, increasing their productivity, supporting domestic demand and facilitating the structural

transformation of national economies.

“The case for social protection is even more compelling in these times of economic uncertainty, low growth and increased inequality. It is also an issue that the international community should embrace prominently in the post-2015 development agenda,” added Polaski.

### Social security and the crisis

The multifaceted function that social protection plays in economies and societies became particularly evident during the recent global financial and economic crisis. In the first phase of the crisis (2008-09), at least 48 high and middle-income countries put in place stimulus packages totalling US\$ 2.4 trillion that devoted roughly a quarter to social protection measures. This support acted as an automatic stabilizer that helped the economies to regain balance and protected the unemployed and vulnerable from economic disaster in the countries where it was extended.

But in the second phase of the crisis, from 2010 onwards, many governments reversed course and embarked prematurely

on fiscal consolidation, despite the urgent need to continue supporting vulnerable populations and stabilizing consumption.

“Contrary to public perception, fiscal consolidation measures are not limited to Europe,” said Isabel Ortiz, Director of the ILO Social Protection Department. “In fact, as many as 122 governments are contracting public expenditures in 2014, of which 82 are developing countries.”

“These measures include reforms to the pension, health and welfare systems that often involve reductions in coverage or funding of these systems, the elimination of subsidies and cuts or caps to the number of health and social workers or to their wages. In effect, the cost of fiscal consolidation and adjustment is passed on to populations at a time of low employment and when support is most needed,” she added.

The latest trends show that a number of high-income countries are contracting their social security systems. In the European Union, cuts in social protection have already contributed to increases in

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## World of Work Summit 2014: Developing economies through decent work

Held during the 103rd International Labour Conference, the World of Work Summit brought together governments, employers, workers and civil-society representatives for a discussion on the role of jobs in driving development.

Participants included Professor Deepak Nayyar from New Dehli's University, Ministers of labour of Luxembourg, Mexico, the Philippines and Tunisia along with the head of a pharmaceutical

company in Turkey and the head of the International Trade Union Confederation (ITUC).

As the panel discussion began, Philippines Labour and Employment Secretary Rosalinda Dimapilis-Baldoz discussed her own government's agenda for inclusive growth. According to Secretary Baldoz, the national goal in the Philippines right now is inclusive growth through job creation and poverty reduction.

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poverty which now affects 123 million people or 24 per cent of the population, many of whom are children, women, older persons and persons with disabilities.

On the other hand, many middle-income countries are expanding their social protection systems, supporting household incomes and thereby boosting demand-led growth and inclusive development. China, for example, is close to achieving universal pension coverage and has sharply increased minimum wages and Brazil has accelerated the expansion of social protection coverage and minimum wages since 2009.

Some lower-income countries, for example Mozambique, have also extended social protection, yet often through temporary safety nets with very low benefit levels. Many of these countries are now undertaking efforts to build social protection floors as part of more comprehensive social protection systems.

### More investment needed

The report looks at different social protection trends following a life-cycle approach.

For example, it shows that at the global level, governments allocate only 0.4 per cent of GDP to child and family benefits, with expenditures ranging from 2.2 per cent in Western Europe to 0.2 per cent in Africa and in Asia/Pacific. These investments should be scaled up, considering that about 18,000 children die every day and that many of these deaths could be averted through adequate social protection.

Expenditures for social protection for people during working age (for example, in the event of unemployment, maternity, disability or work injury) vary widely across regions, ranging from 0.5 per cent in Africa to 5.9 per cent in Western Europe. Worldwide, only 12 per cent of unemployed workers receive unemployment benefits, ranging from 64 per cent in Western Europe to less than 3 per cent in the Middle East and in Africa.

Regarding old-age pensions, almost half (49 per cent) of all people over pensionable age do not receive a pension. And for many of those who do have one, pension levels may leave them far below poverty lines. Future pensioners will receive lower pensions in at least 14 European countries.

The report also shows that about 39 per cent of the world population lacks any affiliation to a health system or scheme. The number reaches more than 90 per cent in low-income countries. The ILO estimates that there is a global shortfall of 10.3 million health workers required to ensure quality health services for all in need. Despite these challenges, some countries – including Thailand and South Africa – have achieved universal health coverage in just a few years, showing that it can be done.

The ILO Social Protection Floors Recommendation, 2012 (No. 202) reflects a consensus among governments and employers' and workers' organizations from 185 countries on the need to extend social security. The roll-out of social protection floors has also been endorsed by the G20 and the United Nations.

"It is now a matter of political will to make it a reality. Modern society can afford to provide social protection," concluded Polaski.

### Must reads

#### Assessment of the impact of migration of health professionals on the labour market and health sector performance in destination countries

The publication is an attempt to understand the impact of migration of health professionals on the labour market and performance and quality of health services in major countries of destination, particularly the United Kingdom.

<http://www.ilo.org/manila>

3-4 July 2014

14-18 July 2014

21-22 July 2014

### Calendar

**ASEAN Labour Inspection Forum**  
Manila, Philippines

**Training on Fostering the social and professional reintegration of returned migrants**  
Manila, Philippines

**Training on Business Case for Ethical Recruitment**  
Manila, Philippines



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