

Concept Note

Universal access to social protection and ensuring minimum basic income grant

1. Introduction

- 1.1. According to ILO & ISSA (2022), “universal social protection entails actions and measures to realize the human right to social security by progressively building and maintaining nationally appropriate social protection systems, so that everyone has access to comprehensive, adequate and sustainable protection over the life cycle, in line with ILO standards”. While the provision of social protection is available in all BRICS countries, they are at different levels of coverage and offering different social protection benefits, with a population between 10 and 78 percent not covered by any social protection, (ILO and ISSA, 2018).
- 1.2. Covid-19 has heightened the importance of a coordinated universal social protection to cushion the impact of the crisis on people as well as to maintain macro-economic stability and create employment. With the global employment outlook showing positive signs of recovery from the Covid-19 pandemic (ILO: 2023), more people (56.3%) were in employment in 2022 as compared to the pandemic years where employment dropped to 54.5% in 2020 and 55.7% in 2021 from a pre-pandemic high rate of 56.9% in 2019.
- 1.3. Unfortunately, employment gains seen in the recovery period seem not to carry the hope anticipated for recovery as this employment period is marked by increased decent work deficits. According to the ILO (2023), informality rose, as two billion people are estimated to be in the informal economy with limited rights at work and limited access to social protection. Two hundred and fourteen million people are estimated to be in working poverty, these are people who took employment offers because of hunger and deprivation though they have no good income nor benefits.
- 1.4. An estimated two billion of the global workforce is still made up of informal workers or workers in precarious forms of employment, with little or no access

to social protection, ILO (2023). This increase in precarious forms of employment would exacerbate poverty and the need for social protection as more than 50 per cent of the world's population is reported to lack any form of social protection while an additional 47 per cent is covered by only one form of social protection, (ILO, 2021). Furthermore, the ILO World social protection report of 2017 shows that only 29 per cent of the population was covered comprehensively, (ILO, 2017), putting the challenge of ensuring comprehensive and adequate social protection for almost three-quarters (71 per cent) of the population.

- 1.5. The COVID-19 pandemic has been deemed by most economic experts as the worst economic event since the Great Depression of 1929. According to the United Nations, the pandemic and the procedures put in place by various countries to protect people could not protect people but led to a downward spiral, hence the increase in the number of people in need of social protection as this crisis eroded previous gains. **The big question, however, becomes what should be done to ensure universal and comprehensive coverage and also ensure that every country is ready or prepared when the next global pandemic hits.** Universal access to social protection and ensuring minimum basic income grants have the potential to re-start the protection efforts to decreasing poverty and hunger among individuals and households worldwide.
- 1.6. The need for a coherent and well-coordinated social protection is more pronounced at this recovery period than ever before because the impact is not only felt at individual worker/employee level but also by companies' level. Businesses are struggling to survive if they managed to bounce back after the crisis, meaning high chances of cutting down on workers or reducing their benefits and/or working hours. Most governments, especially from low and middle-income economies, are also feeling the pain of repayment of loans taken to support their citizens during the pandemic, some even cutting or removing social assistance they were offering in 2020 and 2021, leaving people even more exposed and vulnerable to hunger.
- 1.7. "Without access to social protection, many people simply cannot afford to be without a job. They often accept any kind of work, often at very low pay and with inconvenient or insufficient hours. The projected slowdown is therefore

likely to force workers to accept jobs of worse quality than they might enjoy in better economic conditions". "Furthermore, with prices rising faster than nominal wages, workers will experience rapidly declining disposable incomes even when they can keep their current jobs", ILO, 2023.

- 1.8. The aim is to assess the social protection situation in South Africa with the aim of closing gaps identified in coverage and in interventions in situations of socio-economic distress.

2. Legal Framework of Social Protection

- 2.1. The importance of social protection had been in the center of economic and social development agenda for ages, at the recovery from world wars, as a tool for recovery from financial crises, as a tool for recovery from health-related shocks like Covid-19, as well as climate-related shocks caused by floods and earthquakes for example. The International Labour Organization (ILO) and the United Nations (UN) had been at the forefront of pushing for social protection to be recognized as a vehicle to prevent and reduce poverty, inequality, social exclusion and social insecurity, to promote equal opportunity and gender and racial equality, and to support the transition from informal to formal employment.
- 2.2. Social protection has a well-rooted legal framework emanating from the ILO and UN, ILO Constitution and several labour standards (Conventions, Recommendations and Codes) as well as the United Nations' Universal Declaration of Human Rights (UDHR) are some of the originating legal frameworks behind universal social protection.
- 2.3. The 1944 ILO Conference in Philadelphia adopted a declaration which committed the organization to achieve:
(f) the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care;
(g)adequate protection for the life and health of workers in all occupations;
(h) provision for child welfare and maternity protection"
(ILO, 1944, Section III).
- 2.4. Human beings have rights to live a dignified life and reasonable living standard which enable them to get food, clothes, shelter, and access to social services such as medical and education. The impact of the crisis as stated by the ILO

(2023) that it would push people to take unfavourable jobs, is evidence enough that in the near future the world would be faced with more people without any labour generated income.

- 2.5. Generally people are expected to work to earn income but there are situations where smoothing income gets interrupted and these include, sickness and injuries, family responsibilities, death and most importantly socio-economic shocks like the 2008/9 global financial crisis and the 2019 global health pandemic (Covid-19). It is because of these reasons that institutions such as the ILO and the UN committed to advance protection of people to be cushioned against poverty and hunger when these shocks happen.
- 2.6. In its commitment to ensuring social justice, the United Nations adopted the Universal Declaration of Human Rights (UDHR) in 1948 which recognizes the fundamental human rights; equality across gender, race and creed; dignity and worth of the human person as well as the rights to social progress and better standards of life.
- 2.7. Specifically, the UDHR Articles 22, 23 and 25 recognize the following significant rights to a better living standards for all:
 - *Article 22-*
Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation 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.
 - *Article 23-*
Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
 - *Article 25-*
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.

(UN, 1949, Articles 22, 23, 25).

- 2.8. Subsequently, the ILO passed several labour standards to advance its commitment. Amongst these labour standards, Social Security (Minimum Standards) Convention, 1952 (No. 102) and Recommendation on National Floors of Social Protection, 2012 (No. 202) are the most crucial ones even though the others listed below play different roles in ensuring the rights of workers to social protection.
- 2.9. The ILO Conventions and recommendations related to social protection are:
 - Maternity Protection Convention, 1919 (No. 3), interim status,
 - Social Security (Minimum Standards) Convention, 1952 (No. 102) ,
 - Maternity Protection Convention (Revised), 1952 (No. 103) is no longer open to ratification as a result of entry into force of Convention No. 183; and Recommendation (No. 95), replaced by Recommendation No. 191,
 - Medical Care and Sickness Benefits Convention, 1969 (No. 130),
 - Workers with Family Responsibilities Convention, 1981 (No. 156) and Recommendation (No. 165),
 - Maintenance of Social Security Rights Convention, 1982 (No. 157),
 - Termination of Employment Convention, 1958 (No. 158),
 - Maternity Protection Convention, 2000 (No. 183) & Recommendation (No. 191) and,
 - Recommendation on National Floors of Social Protection, 2012 (No. 202)
- 2.10. The United Nations defines the Social Protection Floor as an integrated set of social policies designed to guarantee income security and access to social services for vulnerable groups. Social Protection includes basic income security, in the form of various social transfers such as pensions, as well as the availability and affordability of access to essential social services such as health, water and sanitation, education, food security, housing, and others defined according to country priorities.
- 2.11. Social protection is central to ending poverty and boosting shared prosperity, it is considered as a tool to ending poverty and deprivation, as tool to propelling

economic growth and job creation. For those reasons social protection is recognized as a critical tool in achieving key Sustainable Development Goals.

3. Role of Social Protection in achieving the Sustainable Development Goals

- 3.1. The UN adopted the Sustainable Development Goals (SDGs) in 2015 as a measuring instrument for progress made in the implementation and realization of the human rights and *for sustainable development*. Social Protection is one mode of ensuring human rights through national laws and policies.
- 3.2. Specifically, the UN's Sustainable Development Goals are seventeen in number and countries across the globe are expected to achieve targets of these SDGs by 2030. Of these seventeen goals, the following are relevant to the achievement of universal social protection in general and social security for those in world of work in particular, goals 1, 2,3,4,5,8, and 10.
- 3.3. **Goal 1 - End poverty in all its forms everywhere** (Target 1.3 and 1.5). Specifically, Target 1.3 aims to measure the Implementation of nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable. Social protection in this case is to offer the following benefits amongst other, old age pensions, child support, jobless support, disability support, maternity support, and occupational injury support benefits. Target 1.5 aims to measure how countries build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.
- 3.4. **Goal 3 - Ensure healthy lives and promote well-being for all at all ages.** Target 3.1 measures progress in the reduction of the global maternal mortality ratio to less than 70 per 100,000 live births by 2030 and Target 3.8 on achieving universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
- 3.5. **Goal 5 - Achieve gender equality and empower all women and girls.** Target 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and

the promotion of shared responsibility within the household and the family as nationally appropriate.

3.6. **Goal 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all-**

- Target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. This target aims to measure the frequency rates of fatal and non-fatal occupational injuries and time lost due to occupational injuries. Occupational safety and health at work are vital components of decent work and have to be ensured in order to reach full decent work for all.
- Target 8.b says Develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization. This target aims to measure government spending in social protection and employment programmes as percentage of the national budgets and GDP and collective bargaining rates. According to the Total public expenditure in social protection and employment programmes synthesizes the overall public redistributive and employment promotion efforts. Social security scheme and employment programmes are therefore vehicles through which social protection can be provided to the population.

3.7. **Goal 10 - Reduce inequality within and among countries.**

- Target 10.2 aims to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. The target measures levels of poverty against acceptable living standards that SDGs want to achieve, it further provides focus in ensuring the reduction of social exclusion as persons living in relative poverty often experience many other forms of social and economic disadvantage through unemployment, poor housing, inadequate health care and barriers in accessing education and economic, social, political and cultural activities, which can result from social stigmatisation.
- Target 10.4 requires countries to adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality. This Target aims to measure labour share of GDP, comprising wages and social protection transfers with social protection transfers including employers' social

security contributions to monitor income distribution, income inequality and the role of social protection in reducing income inequality.

4. Social protection in BRICS

- 4.1. BRICS countries had several summits dating back to 2016, in most of these summits universal social protection had been at the centre of the agenda as evidenced by the many Declarations adopted by the Ministers of Labour and Employment. In these Declarations, issues of social security had been committed to in various levels in an effort to ensure that populations within these countries could be adequately covered.
- 4.2. In 2016 January in Russia (ILO & ISSA, 2018), the issues of *Quality jobs and inclusive employment policies* were discussed with the aim of ensuring that jobs of good quality for decent work should be ensured in these countries as a mode to have decent work that would directly contribute to adequate social protection through social insurance, even though social assistance would always be needed, but with quality jobs governments would spend lesser on social protection than when quality jobs are not ensured or not made salient in the agenda of coherent social policy development.
- 4.3. In September 2016 (ILO & ISSA, 2018), in India, BRICS countries discussed and committed on ensuring *Employment generation, social protection for all and transition from informality to formality*. It is believed that when economies are performing well and able to create decent jobs, workers would be able to have social security in terms of job guarantees, their own contribution to social insurance and wages that are in congruent with costs of living, thereby guaranteeing workers to living standard that is decent and humane. In the second 2016 meeting, *Transition from informality to formality* was also seen as an enabler to extended social protection coverage because transition would afford workers in the informal sector their rights and social protection.
- 4.4. In 2017, in China (ILO & ISSA, 2018), the BRICS meeting adopted a Declaration that included *Social Security Cooperation Framework*. This framework was aimed at strengthening cooperation within BRICS countries and also cooperation with other countries of interest in relation to their policies, programmes, systems and practices that provide best practice towards sustainable and adaptable universal social protection coverage to all.

However, with the framework being implemented resulting in bilaterals intra-BRICS and with other countries, social protection challenges continue in some areas such as comprehensive coverage, adequacy of benefits, levels of benefits and sustainability of benefits especially coverage and adequacy for vulnerable workers such as those in the informal sector, gig and platform economies.

- 4.5. In 2018, in South Africa, the BRICS group emphasized the issue of social protection by discussing progress made on the Social Security Cooperation Framework as well as strategies to move towards a universal and sustainable social security system in BRICS (ILO & ISSA, 2018).
- 4.6. In 2019, under the presidency of Brazil, (ILO, 2019), as well as in 2020 under the presidency of Russia (ILO, 2020), the BRICS group discussed the importance of *creating decent work and jobs of high-level quality* as a strategy to achieve sustainable social protection. The potential of transitioning to formality as well as policy integration that combines social protection, employment and economic policies in ensuring broader coverage and adequate benefits of social protection were considered best tools to minimize social protection expenditure that is funded by tax revenue.
- 4.7. In 2022, in China, (ILO and ISSA, 2022) BRICS discussions focused on the *protection of workers in new forms employment*, specifically on labour protection and social protection of those in platform work. These workers are covered by social protection in some countries and not in others, the level of coverage is also not adequate in countries where they are protected. Amongst the challenges impeding coverage of workers in the platform economy are issues of national legal framework that is not clear on the classification of these workers' employment status. Because of a lack of clarity on the status issue, these workers' social protection contributions tend to be voluntary and funded solely by themselves, a move that still puts them in a precarious state as they could default during difficult financial times

5. Conclusion and points for further discussion

- 5.1. Universal social protection includes adequate cash transfers for all who need it, especially: children; benefits/support for people of working age in case of maternity, disability, work injury and for those without jobs; and pensions for

all older persons. This protection can be provided through social insurance, tax-funded social benefits, social assistance services, public works programs and other schemes guaranteeing basic income security.

- 5.2. Regardless of the initiatives and interventions made, universal coverage remains a challenge for all these countries in one way or the other. Most observed challenges to the goal of universal social protection include- social protection coverage for those in informal work, in gig and platform economy and for the unemployed. While good strides had been made by all in covering old-age population, except for India, and social protection for people with disability, except for China and India (ILO, 2018), targeting working age population might yield quick positive results. Without prejudicing other groups, **the working age population has unique characteristics and present opportunities for unlocking income earning potential which may be extended to the rest of family. Social protection to this population group is therefore strategic and leveraging.** Enhancement and adaptation of systems towards this group should be considered a priority following successes in the other groups stated above.
- 5.3. Measures towards inclusive universal coverage should further **explore principles of Social Protection Floors** as they have the ability to bring coherence to different and non-integrated social policy interventions, including employment, economic and other broad social protection policies.
- 5.4. Social partners play a critical role in ensuring extensive coverage and utilisation of the service by the working age population. There is a need to recognise and ride on social compact.

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