



## FIFTH ITEM ON THE AGENDA

**Effect given to the Conclusions of the general discussion on social security at the 89th (2001) Session of the International Labour Conference, including the ILO's submission to the Second World Assembly on Ageing (WAA-2)**

1. During the 89th Session (June 2001) of the International Labour Organization, the Committee on Social Security undertook a general discussion on Report VI, "Social security: Issues, challenges and prospects", which had been prepared by the International Labour Office. As a result, the Conference adopted a number of Conclusions and invited the Governing Body of the ILO to consider these in planning future action on social security. Furthermore, it requested the Director-General to take them into account both in preparing the Programme and Budget for the 2004-05 biennium and in allocating such resources as might be available during the 2002-03 biennium. The first part of this report provides a summary of the activities taken thus far by the ILO to give effect to the Conclusions of the Conference.
2. As requested by constituents at the 282nd Session (November 2001) of the Governing Body, the second part of this report provides an overview of preparations for the Second World Assembly on Ageing (WAA-2) to be held from 8 to 12 April 2002, as well as on the ILO contribution to the preparatory process and to the Assembly itself.

**Follow-up to Conclusions of the ILC discussion on social security**

3. The Conclusions adopted by the Conference broadly endorsed established social security principles whilst recognizing that, within the framework provided by these principles, each country will need to determine its own national strategy for working towards social security for all. Special attention was drawn to the large number of persons who are presently excluded from adequate social security provisions and who are thus denied the security of an assured income or access to adequate health care. The Conference described this as a major challenge and called for a large-scale campaign by the ILO to promote the extension of social security coverage. This should encourage governments to give greater

priority to social security, to formulate national strategies to address weaknesses in existing systems and to call on the ILO for help both in designing and in implementing such strategies. The ILO should provide technical assistance to support such policies and their administration and should also develop, through research and experimentation, innovative systems for improving coverage. This report provides a summary of activities taken by the ILO to give effect to the Conclusions of the Conference.

4. The scope of social security in different countries varies considerably both in its impact and in its structure, and a range of measures needs to be considered to improve coverage. The ILO is already encouraging countries to implement a pragmatic strategy which takes account of national resource limitations and governance capacity and which has three complementary elements:

- (1) Strengthening and improving statutory social security schemes, including the extension of social insurance and the development of basic social security for the poor (this is addressed, on the one hand, through country-specific activities such as capacity building, governance reform and financial management and, on the other hand, through examining the feasibility of innovative proposals based on the pooling of resources such as tax-based universal or social assistance schemes and the restructuring of national health services).
- (2) Promoting and supporting the development of new schemes based on local initiatives, for example, micro-insurance within communities (the ILO programme STEP – Strategies and Tools against Social Exclusion and Poverty – has been progressively extending its activities, in particular in sub-Saharan Africa and, more recently, in Asia, supporting community-based social security schemes to respond to the needs and circumstances of those outside the scope of statutory schemes).
- (3) Establishing linkages between statutory social security schemes, micro-insurance and community-based schemes as well as through a more integrated approach to development policies.

5. Responsibility for the ILO programme on social security lies with the Social Protection Sector which acts in close coordination with the regional decent work teams and the MDTs. The relevant operational objective on social security (3a) for the new biennium (2002-03) reflects the priority for extension of coverage and improved administrative and financial governance which were clearly expressed by the Conference. Indicators and related targets have, however, been given a sharper focus and thus it is foreseen that:

- twenty member States will adopt or improve voluntary or public schemes to extend social security coverage to previously uncovered sections of their populations;
- fifteen member States will have initiated action to improve the financial architecture and governance of their national social security schemes;
- twelve member States will have provided data used for the development of strategies and policies to combat economic and social insecurity.

New technical assistance projects are anticipated or are already operational which have bearing on the extension of social security coverage in:

- Asia – China, Thailand, Indonesia, Lao People’s Democratic Republic, Cambodia, Bangladesh, Philippines, Nepal;
- Africa – Burkina Faso, Mali, Ethiopia, Eritrea, Egypt, Guinea, Sudan, United Republic of Tanzania, Kenya, Namibia, Nigeria, lusophone Africa;

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- Arab States – Yemen, Bahrain, Jordan;
  - Europe – Russian Federation, Kazakhstan;
  - Latin America and the Caribbean – Peru, Venezuela.
6. These projects include efforts to improve the governance of statutory schemes, to design new schemes, to extend existing schemes to excluded sections of the labour force, to cover previously unprotected contingencies and to find ways of providing social protection to those outside the realistic scope of any public or statutory scheme. They often involve actuarial and economic analysis to determine the capacity for extension or a basis for financial reform and activities, and issues of gender equality are identified so that appropriate action can be taken. The preparation, execution and monitoring of these projects involve the active collaboration of a network of international and national specialists operating at the country level.
7. It is clear, however, from the language of the Resolutions and Conclusions adopted by the Conference that there is a recognized need for an additional effort to be made to address the fundamental objective of extending coverage for social security. Accordingly, steps have been taken to launch a global campaign to promote the extension of coverage as proposed by the Conference. A special workshop was held by the Social Security Policy and Development Branch (SOC/POL) in Geneva in December 2001, which was attended by over 30 social security specialists from headquarters and the field, in order to prepare an outline for a global campaign. This will be aimed at the following three objectives over the next five years:
- (1) Making social security, its acceptance and its extension, a high priority on the national and international agenda through advocacy and promotion programmes and techniques aimed at our constituents, other international organizations, potential donors and ILO staff. A more proactive approach is foreseen in countries where it is considered that there is scope for extension or improvement of the social security system.
  - (2) Reinforcing knowledge and developing tools to strengthen technical advisory capacity and to identify best practices which can be analysed and perhaps replicated with appropriate modification. Linkages will be established with other social development programmes and poverty reduction programmes and also with the decent work initiative. A number of case studies have already been commissioned to analyse innovative efforts made by countries to extend social security and these will be used as a technical assistance resource and also published in a working paper series to develop a knowledge base for access by social security planners and policy-makers. A major study has been conducted through the Universitas ILO technical cooperation project on extending social protection in health through community-based health organizations, which involved the analysis of more than 280 cases and 80 documents.
  - (3) Achieving significant results on the extension of coverage in ten selected countries. It is envisaged that the main criteria for selecting countries will be the existing level of coverage, the potential for positive response taking into account the capacity of possible partners and the political situation, existing related initiatives such as decent work and the poverty reduction strategy programme. Activities would involve a comprehensive diagnosis of needs, capacity and resources, training and policy discussion with stakeholders, governance reform and establishing networks.
8. Additional resources will be sought to finance the launching of the campaign and in particular the activities described above (a more detailed outline of the campaign is being

prepared). Project proposals have been designed through the new Technical Cooperation Resource Allocation Mechanism (TC/RAM) to finance a comprehensive and broad-based assessment of social protection needs and strategies in four developing countries on three different continents. A secretariat will be established in early 2002 in the Social Security Policy and Development Branch in Geneva to finalize a workplan and to initiate activities.

9. The launching of this campaign will focus attention on the importance of social security and on the need to give greater priority to providing more people with better social protection. But steps are already being taken by ILO social security specialists and consultants to take any opportunity to promote social security principles and to explain what might be done to improve coverage. Examples are ILO participation in the general meeting of the International Social Security Association in Sweden in September 2001. These promotional activities have been supported by a new ILO publication in the three official languages, "Social security – A new consensus", which sets out the Committee's conclusions, provide large extracts from the report on the Committee's discussions as well as the whole report prepared as the basis for those discussions.
10. Furthermore, in line with the mandate of the Conference to extend social security coverage through innovative approaches and help people move from the informal to the formal sector, the Social Security, Financial, Actuarial and Statistical Branch (SOC/FAS) is exploring the feasibility of a global social solidarity trust fund which aims at generating financial support for national investment in building social protection systems in developing countries for hitherto excluded groups. Views are being sought from experts in social protection, governments, social partners and international organizations. The report of the study will be discussed at a tripartite meeting of experts in Geneva in April or May. Financial support for this meeting has been pledged by a European government and the outcome will be a recommendation to the Director-General as to whether and how to pursue the idea.
11. Further progress reports will be provided on the impact of the programmes described in this report.

## **Preparations for the Second World Assembly on Ageing**

### ***Preparatory process***

12. The UN Commission for Social Development, acting as the preparatory committee for the Second World Assembly on Ageing, decided to meet in resumed session for one week in New York, from 10 to 14 December 2001 in order to complete the work of its first session and start substantive negotiations on the Chairperson's draft of the revised plan of action, now known as the International Strategy for Action on Ageing, 2002.<sup>1</sup>
13. The Chairperson of the committee proposed, therefore, that the committee hold an intersessional meeting from 10 to 16 January 2002 in New York to continue its consideration of this document. The second and final session of the preparatory committee was to take place in New York from 25 February to 1 March 2002.
14. The ILO participated as an observer in the December resumed session of the preparatory committee and followed closely the negotiations on the draft outcome document. In order

<sup>1</sup> The preparatory committee considered about half of the draft outcome document.

to ensure that employment and social protection issues constitute strong components of the International Strategy, the Office prepared a set of suggestions which was made available to the delegates. The Office believes that the discussion surrounding the outcome document was useful and constructive. The sections of the draft International Strategy dealing with employment and social protection issues were discussed in detail during this meeting and given priority. These references, which were rather satisfactory as they stood after the December meeting, were included at this time in the first part of the draft document, entitled “A development for an ageing world” and were structured in the following way: (i) work and the ageing labour force; (ii) access to knowledge, education and training; and (iii) income security, social security and protection, and poverty reduction. It is the Office’s intention to continue to follow these negotiations carefully, in particular during the final session of the preparatory committee.

15. With a view to advancing ILO concerns and proposals, the Office delegation had various contacts during the December meeting with some of the main actors in the negotiating process as well as with the UN secretariat team responsible for the preparations of the Assembly, with the Spanish Commissioner for the Assembly, and with several international NGOs. The Office also organized a lunchtime briefing entitled “Older workers and population ageing, employment and social protection issues”. Representatives from the employment and social protection sectors of the ILO presented the results of the fruitful debate on the preparations for the Assembly, which took place during the last session of the Governing Body. Finally, the Office participated in a panel discussion entitled “Ageing, neo-liberalism and the global economy” organized by the Global Action on Ageing, an NGO coalition.

### ***The ILO’s contribution to the Assembly***

16. The ILO has a strong commitment to the success of the Second World Assembly on Ageing, which constitutes for the UN system an extraordinary opportunity to define major problems and opportunities related to ageing and to agree on policies to address them properly. The ILO believes that it is crucial to ensure that decent work, and especially two of its strategic objectives, namely employment and social protection, are firmly placed on the WAA-2 agenda and constitute a strong component of the International Strategy. The Director-General will head the ILO delegation to the Assembly.
17. As agreed in November, the Office has prepared a written contribution to the Assembly in the form of a report entitled “Employment and social protection issues related to older workers and population ageing”, which is available, for the consideration of the Governing Body, as an addendum to this document. This report takes due account of the fruitful discussion that took place during the November session, including the many suggestions coming from the ILO constituents.
18. The Spanish Organizing Committee for the WAA-2 plans to organize a side-events programme entitled “Dialogues 2020: The future of ageing” which includes, among others, a cycle of six high-level round tables. The Director-General has been invited to participate in the first round table, entitled “Development in an ageing world: Implications of ageing in poverty eradication and development strategies”, together with other high-level personalities and policy-makers.
19. The programme also includes a series of side events organized by UN entities, international NGOs and member States. The ILO is planning to organize a side event focusing on employment and social protection issues related to older workers and population ageing. The main aim of this event will be to present issues contained in the ILO’s contribution to the Assembly and provide a platform for dialogue with various actors, including social partners and member States. This event should give the opportunity

to have an interactive debate focusing, preferably, on practical action aimed at the implementation of the International Strategy. Finally, a separate NGO forum will also take place in Madrid from 4 to 9 April 2002. The NGO Organizing Committee has presented a draft proposal which includes eight working groups. The ILO might consider participation in an event related to the first working group which deals with, inter alia, retirement and pensions, as well as older workers and employment.

Geneva, 25 January 2002.