



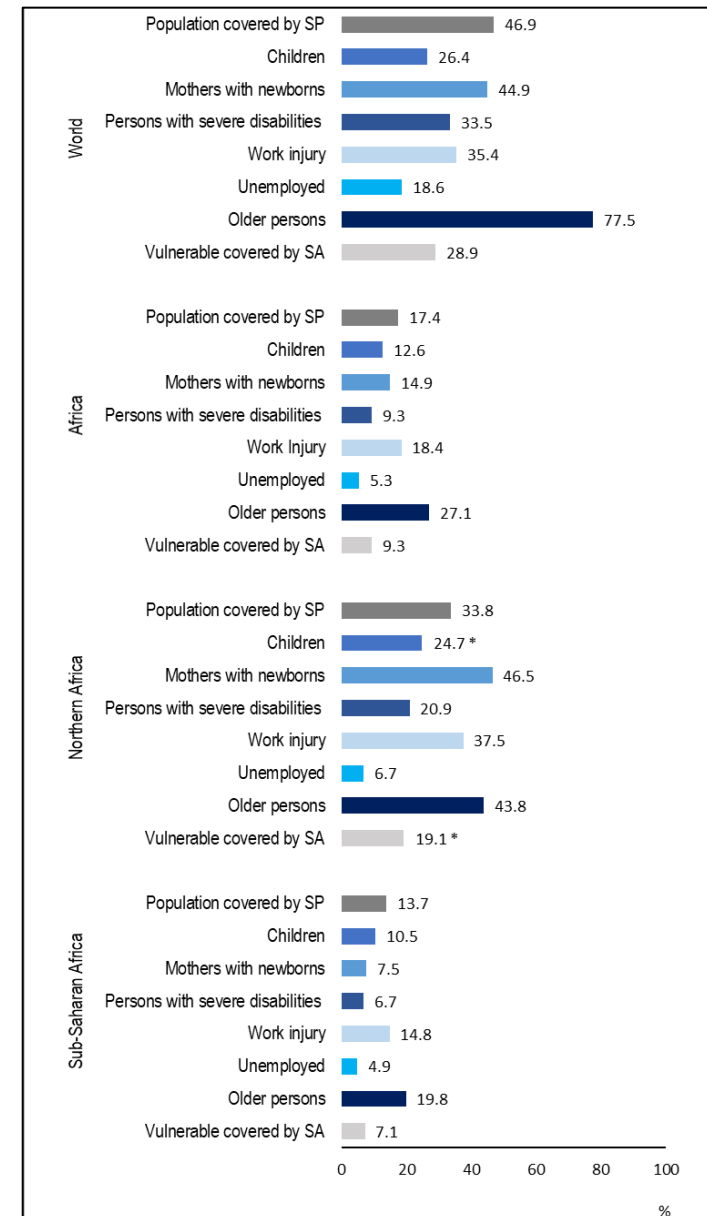
► ILO World Social Protection Report: Key data and conclusions for Africa

Launch of Regional Strategy for Accelerating Social Protection
Coverage in Africa
16-17 November 2021

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The state of social protection: Progress made, but not nearly enough

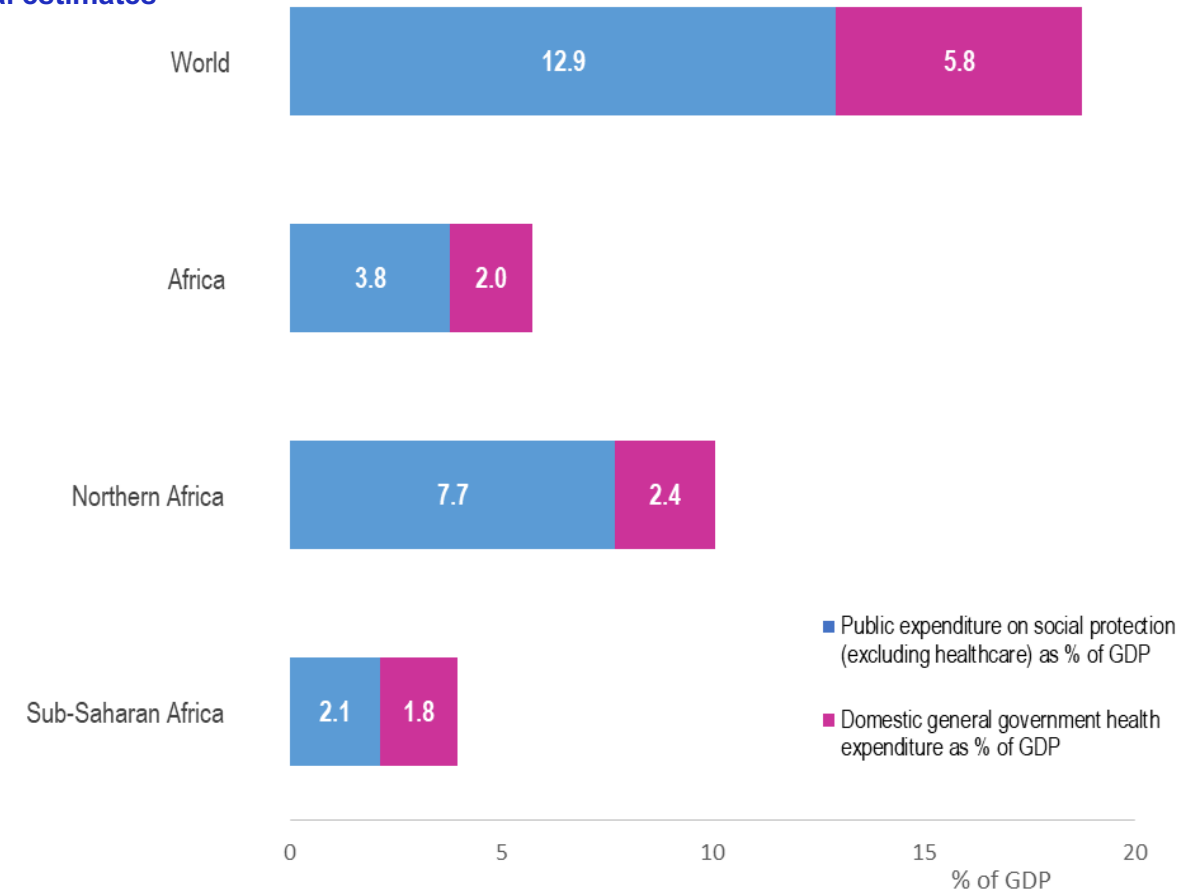
- ▶ The pandemic has exposed **deep-seated inequalities** and **significant gaps** in social protection coverage, comprehensiveness and adequacy across all countries.
- ▶ **Less than half of the global population (46.9%)** are effectively covered by at least one cash benefit (SDG indicator 1.3.1).
- ▶ The large majority of the global population – more than **4 billion people** – still lack any social protection. Africa is home to many of these people.
- ▶ Troubling inequalities remain across and within the region, with sub-Saharan Africa having very low coverage (17.4%).
- ▶ Most progress has been made in extending pensions coverage.
- ▶ Most other branches have very low coverage (i.e. unemployment protection at just 5.3%)



Underinvestment in social protection

- ▶ Social protection gaps are associated with significant **underinvestment**, especially in low-income countries.
- ▶ Average spending on social protection in Africa is 3.8% of GDP and 2% of GDP on health.
- ▶ **Social protection financing gaps widened** due to COVID-19; austerity could have negative impacts on progress achieved
- ▶ A **nationally defined social protection floor** will require additional investments. **Low-income countries** would need to invest an additional USD 77.9 billion or 15.9% of GDP per annum to guarantee at least a basic level of social security for all.
- ▶ **Securing sustainable and adequate financing** is essential, usually through a combination of (progressive) taxation and social insurance contributions.

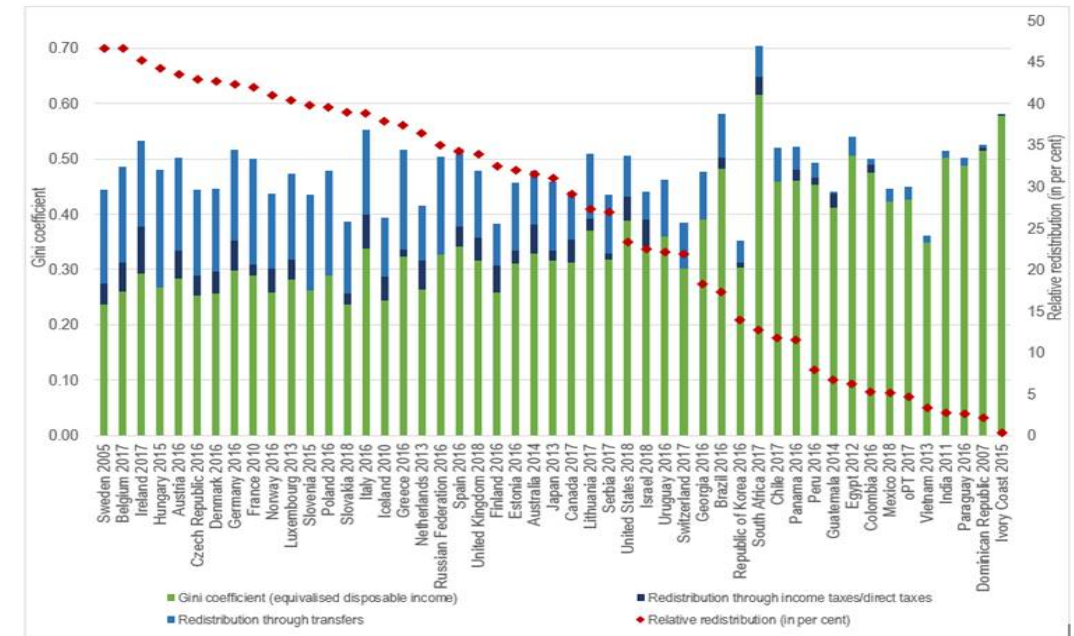
Public social protection expenditure (excluding health), in percent, latest available year and domestic general government health expenditure, per cent of GDP, 2018, global and regional estimates



Social protection is key for preventing poverty, addressing inequality and improving and maintaining living standards

- ▶ Increasing poverty and inequality damages lives, undermines the social contract and social peace.
- ▶ **Higher social protection expenditure** is associated with **lower poverty levels**.
- ▶ Social protection can **significantly reduce inequality** through redistributive effects
- ▶ Many European countries **reduce inequality by more than a third** through the combined effects of taxes and transfers.
- ▶ Countries with less developed social protection systems achieve a much smaller reduction in inequality

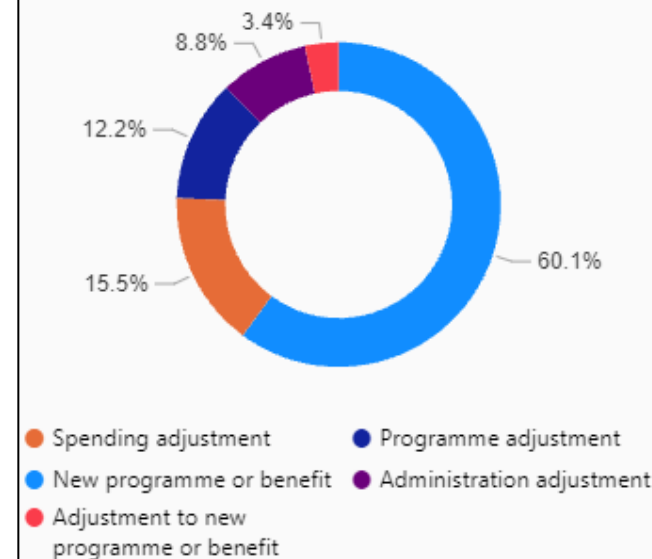
Reduction of Inequality (Gini coefficient) through social security transfers and taxes, selected countries, latest available year



Social protection as a frontline response to COVID-19

- ▶ Globally , we witnessed the largest ever mobilization of social protection measures, reaching out to those previously unprotected.
- ▶ Almost all African countries used social protection measures to mitigate COVID-19 effects, totalling **238 measures** as of May 2021.
- ▶ Countries with strong social protection systems in place were quick to respond.
- ▶ The response measures included new temporary interventions (60.1%) as well as adjustments to existing social protection programmes.
- ▶ Emergency special payments were the most common response (21.4%).
- ▶ In Africa only 14.1% of the responses were through contributory social protection, with the rest channelled through non-contributory measures (85.9%).
- ▶ This underscores the limited coverage of formal contributory social insurance schemes in the continent. and the long-standing need to reform these schemes.
- ▶ In many cases, responses were **temporary**, of **varying adequacy** and **insufficiently sensitive** to the needs of particular groups.

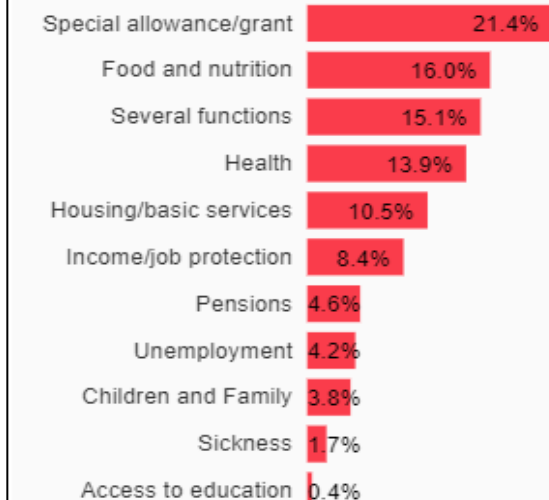
Distribution of measures, by type of adjustment



Distribution of measures, by type of programme



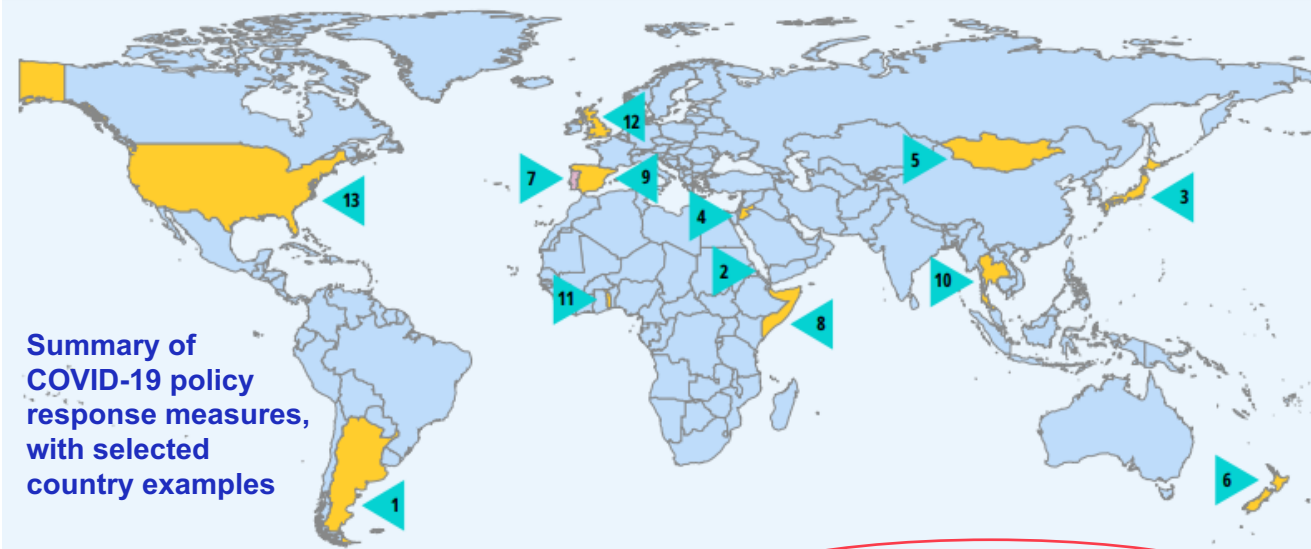
Distribution of measures, by function



► Crisis response: Rapid extension of coverage and adaptation of social protection systems

- Four broad policy action were taken:
 - **Ensuring access to healthcare**, including for vulnerable groups such as migrants;
 - **Protecting incomes**;
 - **Protecting jobs and the liquidity of enterprises** through job retention schemes and waiver of contributions.
 - **Ensuring access to childcare and other social services**.
- The jury is still out on evaluations of what measures were most effective.
- Critically, these measures have not yet been systematically developed into more permanent provision

Advancing social justice, promoting decent work



- 1 **Ensuring income security in old age.** **Argentina** advanced the payment of its old-age pension and increased its value.
- 2 **Providing income support and access to social services for people with disabilities.** **Bahrain** doubled its disability pension.
- 3 **Introducing exceptional family leave and care policies.** **Japan** subsidized employers providing paid family leave.
- 4 **Preventing job losses and providing unemployment protection to those who lost or were at risk of losing their jobs.** **Jordan** extended unemployment benefits to workers from crisis-affected sectors.
- 5 **Providing child and family benefits.** **Mongolia** increased the value of its monthly child benefit fivefold for six months.
- 6 **Ensuring income security for vulnerable workers by adapting or introducing employment promotion measures.** **New Zealand** established a programme focused on providing ecosystem restoration work for workers in the adversely affected tourist sector.
- 7 **Extending provision to migrants and the forcibly displaced.** **Portugal** temporarily regularized the status of asylum seekers, facilitating access to healthcare, social support, employment and housing.
- 8 **Cash transfers in fragile contexts.** **Somalia** launched the Baxnaano programme to provide – for the first time – cash transfers to 1.2 million people.
- 9 **Extending or introducing new social assistance benefits for vulnerable persons.** **Spain** introduced a new permanent guaranteed minimum income programme, covering 2.3 million vulnerable people.
- 10 **Guaranteeing access to healthcare.** **Thailand** extended financial protection against health expenses to both nationals and legal residents by granting access for COVID-19 patients to its universal coverage system for emergency patients. This enabled patients to seek treatment at a public or private hospital free of charge.
- 11 **Protecting workers in the informal economy by extending coverage.** **Togo** implemented the three-month long “Novissi” mobile cash transfer programme – via a phone app – for informal economy workers, reaching over half a million workers within a month.
- 12 **Ensuring income security during sick leave through sickness benefits.** The **United Kingdom** extended sickness benefits to all workers, including gig economy workers, required to quarantine.
- 13 **Exceptional, society-wide generalized one-off or multiple universal payments and emergency universal basic income (UBI).** The **United States** made three quasi-universal payments equating to around US\$4,000 per head.

What is needed to take a high road towards universal social protection?

Priority actions

- ▶ We must change direction and pursue a 'high road'
- ▶ **Coverage and adequacy gaps must be closed**; especially for women, workers in the informal economy.
- ▶ **Adequate protection** should be extended to all, including workers in all types of employment, to:
 - ▶ reduce their **vulnerability** and enable them to **seize opportunities**;
 - ▶ support **their life and work transitions**;
 - ▶ help them to **better navigate the future of work**.
- ▶ Social protection policies should be **reinforced, guided by international social security standards** and supported by effective social dialogue.
- ▶ Investing in universal social protection is the **ethical and rational choice** for a better future.

Many countries have arrived at a crossroads: now is the time to pursue a "high-road" strategy towards universal social protection.



Some tentative high-road examples

- **Egypt** has introduced a 2019 law that plans to extend contributory old-age pension coverage to informal economy workers
- **Morocco** has gradually been extending its unemployment benefit scheme
- **Senegal** is subsidising contributions in the health coverage systems for informal economy workers and other vulnerable groups.