

High-level Political Forum 2021

Side event: Decade of Action to achieve Universal Social Protection by 2030

12 July 2021

Let me start by thanking the organizers of this side-event for the invitation. I am honoured to be part of this panel, alongside my distinguished co-panelists. It is also very apt that we have Katja Hujo as our moderator, given the valuable research that UNRISD has done on universalism in social policy, consistently ahead of the curve.

In June of this year, at the International Labour Conference, ILO constituents put forward a very clear and visionary understanding of universal social protection:

*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 (paragraph 3).*

This definition goes beyond universal access (“thin”) to also include the comprehensiveness, adequacy and sustainability of protection. I would like to use this as a jumping board to say why this “thick” understanding of universalism is so timely and how it can help us chart pathways out of the present crisis, in pursuit of a more inclusive future.

As our time is short, let me kick off with three observations about universalism and universal social protection.

First, let us dispense with the idea that universalism is difference-blind or that it entails uniformity. We should be reminded that universal rights and equality (as core Enlightenment principles) were developed in opposition to particularistic rights, such as those invested in castes or ethnic groups. While women’s rights advocates and other disadvantaged social groups have often criticized what they call ‘false universalisms’ of liberal rights, the critique does not try to dispense with universalism, but to make sure that it is consistently applied, and takes into account differences.

- For example, the fact that women tend to have more interrupted careers (for care-related reasons) and earn lower wages than men

means that making pension benefits dependent on an individual's past earnings and ability to contribute to a funded pension plan will end up penalizing them.

- To give another example, disability rights activists have argued that universal social protection systems should take into account the specific needs of people with disabilities, by providing adequate benefit levels to allow the use of suitable technology, such as a wheelchair or software programmes for visually impaired persons.
- And indigenous rights movements have argued that social health protection should not only make access to health care affordable, but it should also ensure that front line service providers are adequately trained in anti-discrimination standards so they treat indigenous persons with dignity and respect.

We don't want a difference-blind universalism. **We want a universalism that is responsive to specific circumstances and needs.**

Second, we know that the COVID-19 pandemic has entailed a tragic setback, in terms of loss of life as well as in socioeconomic terms, with an estimated 97 million more people expected to be living in extreme poverty at the end of 2021 (compared to the number of people who would have been poor had there not been a pandemic), and the deepening of pre-existing inequalities. Hence, the challenges of poverty and inequality are even more daunting today than they were before the pandemic.

In this context the pursuit of universal social protection is critical. As Walter Korpi and Joakim Palme argued, there is a paradox to redistribution: **the more countries target benefits to poor individuals and household only, the less likely they are to reduce poverty and inequality.** The arguments favouring low-income targeting and flat-rate benefits have focused on the distribution of money actually transferred but overlook two basic factors: first, the size of the redistributive budget, which is not necessarily fixed, but tends to depend on the type of social protection system that is in place; and second, a **political economy logic**, which shows that there is a trade-off between the extent of low-income targeting and the size of redistributive budgets.

The less likely non-poor individuals and households are to benefit from social protection, the less likely they are to pay to sustain it. In other words, to increase the size of the redistributive budget, it is critical to expand the reach of the social protection system.

Third, generating trust between citizens and the state should be the priority for any government that wishes to emerge from this crisis and build a peaceful and prosperous society. The easiest and best means to start the process of (re)building trust is through the provision of universal life cycle social protection, just as today's high-income countries did after the devastation of the Second World War. Not only will such schemes act as counter-cyclical measures by putting resources in the hands of those who will spend it on much-needed needs. But a virtuous circle can also be generated that delivers greater government revenues through the willingness of everyone to pay taxes and make contributions because everyone sees benefits from a universal social protection system. **This is also the logic behind ILO's two-dimensional social protection strategy, with national social protection floors that guarantee basic levels of social protection to everyone over the life-cycle serving as stepping stones to progressively ensure higher levels of protection.**

For some developing countries, kick-starting this virtuous circle is likely to depend on their ability to secure concessional international financial assistance through debt relief, very low interest-rate loans or a one-time distribution of reserves, helping them to phase in a social protection system that relies on a combination of contributions and taxes that becomes self-financing over time.

Finally, universal social protection is not only crucial for ILO constituents. The Global Partnership for Universal Social Protection (USP2030) brings together countries, international organizations, social partners and civil society organisations, all of them committing to act in line with 5 core principles: (1) protection throughout the life cycle; (2) universal coverage; (3) national ownership; (4) sustainable and equitable financing; and (5) participation and social dialogue. I am looking forward to hearing from our partners in this endeavour.