Social Security for All: Key Pillar for New Eco-Social Contract

> *"Everyone, as a member of society, has the right to social security"*
> Universal Declaration of Human Rights, Article 22

Cascading crises – from the pandemic to conflict and the climate breakdown – are exposing social tensions and deepening fractures arising from an economic approach that has emphasized growth with little regard to human rights, the equitable distribution of resources, or the environment. The erosion of public services, social security/protection and labor rights, have increased inequality and enabled an elite few to capture the vast majority of global resources, posing one of the most pressing threats to human rights of our time. Correcting course demands transforming economies, social policies, development paradigms, and the international financial architecture to enable states to fulfill their human rights obligations. The International Monetary Fund (IMF) and World Bank, which play a key role in responding to these crises, have a critical opportunity to contribute to transformative change, yet they are continuing the same failed policies and practices.

Social security is a foundational pillar of human rights, a sustainable economy and a just society. Recognised in a range of legally binding international treaties, the right is fulfilled through a set of public policies and programs, often collectively referred to as social protection, that ensure income security throughout people's life course, such as during childhood, older age, or at times of maternity, disability, sickness, unemployment and other life events with heightened risk of income insecurity. Countries generally finance these programs through a mix of employer and worker contributions (social insurance) and the general budget (social assistance).

There are two critical issues for fulfilling the right to social security: achieving universal coverage and ensuring adequate benefits to enable all people to realize their rights. The International Labour Organization (ILO) and United Nations human rights treaty bodies have set international standards for both coverage and adequacy. ILO Recommendation No. 202 establishes social protection on the basis of universality, while international human rights law guarantees universal and adequate social security for everyone. Universal public systems that provide adequate support to all people facing these life events are most effective for reducing inequality, promoting sustainable development, social cohesion and solidarity, and contributing to all people's ability to realize their economic, social, and cultural rights.

However, most governments continue to rely on social assistance programs that are mainly means-tested or poverty-targeted—that is, eligibility is based on income, assets or other narrow indicators of poverty. Research has shown that such programs are prone to high error rates, corruption, and social mistrust. By focusing only on people in poverty, or even extreme poverty, they exclude large segments of the population who may not be considered poor but are far from enjoying their rights. They also exclude many of those they are aiming to reach.

Moreover, in recent years, in some countries, the right to social security has been eroded by inadequate reforms with negative social impacts, resulting in lesser coverage and lower benefits. For example, some countries, often with support by the World Bank and the IMF, have reduced employers' contributions to social security or cut benefits for the majority in the public system. Some countries have privatized social insurance (e.g. pensions, health insurance) in ways that have exacerbated poverty and inequality, disadvantaging women and older persons in particular.

Amongst international development actors, the World Bank is the largest investor in social protection. In 2015, it committed to promote universal social protection, but it continues to direct the vast majority of its spending to narrowly targeted safety nets. At the same time, the IMF is continuing to impose austerity policies that impede governments' ability to deliver on rights, while eroding social insurance and incorporating narrowly poverty-targeted programs to "mitigate" the acknowledged harmful impacts of these policies. The IMF and the World Bank also influence social protection systems in other ways, such as through their macroeconomic policies as well as policy advice that undermines public social insurance, encourages means-testing, and promotes individualized saving schemes such as private pensions.

Key demands

1. The World Bank and the IMF should immediately commit to support states to progressively realize the right to social security. This involves setting up or strengthening rights-aligned universal social protection systems through progressive revenue-raising measures rather than reallocating resources or budget cuts, beginning with the establishment of social protection floors in line with ILO Recommendation 202. They should then support a progressive development of a comprehensive and universal social security system, building on that floor. This entails:
    - Access to essential health care, including maternity/paternity care; basic income security for children, those unable to earn sufficient income, and in cases of sickness, unemployment, and disability; and pensions for older persons.
    - Financing through social assistance and public social insurance schemes that include informal workers and ensure everyone's equal access to their rights instead of relying on privatized/individualized models;
    - Where states need time to establish comprehensive universal systems, they should not rely on means-testing, but immediately support setting up a universal system and progressively roll out the benefits, as rapidly as possibly increasing the types of benefits covered and the amount.
2. The World Bank should immediately stop developing any new poverty-targeting program, and phase out existing ones, along with related technologies and privacy-invasive infrastructure such as social registries, and replace them with universal programs. It should additionally strengthen a fair distribution of resources by coupling universal social security with fiscal reforms that reduce inequality. During the phase-out of current poverty-targeting programs, it should:

   - Commit to and fully disclose thorough, independent evaluations of poverty targeted programs, including their decision-making criteria, and how they are implemented.
   - Use methodologies other than benefit incidence analysis to evaluate poverty targeting's effectiveness and human rights impact, such as inclusion/exclusion and perception analyses, and algorithmic audits for bias, discrimination and error where relevant
3. The IMF should support equitable and sustainable social security systems in accordance with international standards, including by ensuring the adequate employers' contributions and adequate social security benefits to ensure income security.
4. The IMF should cease conditioning loans on austerity measures and promoting austerity as a policy priority for governments. It should ensure that any increase in social spending in one sector, for instance on social security, does not come at the expense of other rights and should not promote introducing means-testing to existing universal programs. Specifically, it should redesign social spending floors to:
   - disaggregate them by sector;
   - consistently promote universal social security and universal quality public services;
   - ensure that spending on health, education, and social security meets, at a minimum, international benchmarks as a percentage of GDP and national budgets; and
   - replace "floors," which are revised ad hoc in each review,with "goals" to be achieved by the end of the program, and a plan developed from the outset to achieve specific benchmarks in each review.