SOCIAL PROTECTION AND CLIMATE ACTION

1. WHAT IS SOCIAL PROTECTION?

Social protection is a term that covers pensions, child benefits, social insurances and other direct income support across the life course, as well as access to health and social care. It refers to receiving support from the state during all phases of life, especially when we are particularly vulnerable. Definitions vary in different countries and contexts and it is sometimes used as a synonym to “social security”. Although social security is a human right, most people in the world still do not have access to it even at a very basic level. Agenda 2030, agreed by all countries of the world, includes agreement on a “minimum package”, called a social protection floor, that all countries must achieve by 2030 (see box below).

The commitment to implement social protection floors is a specific target (3) in Sustainable Development Goal (SDG) 1, End Poverty, and underpins achievement of many of the other SDGs.

Evidence and extensive research show that social protection both directly improves people’s lives and has indirect positive effects on a societal level. This brief highlights the importance of social protection in climate action.

SOCIAL SECURITY IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS

Article 22. Everyone, as a member of society, has the right to social security and is entitled to realization, …, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Article 25.1. 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.

SOCIAL PROTECTION FLOORS

The Social Protection Floors Recommendation (No. 202) was adopted by the International Labour Conference (ILC) in 2012. The recommendation sets out national floors of social protection, i.e. a minimum level of social security that all countries should introduce as soon as possible. The social protection floor should be a first step on the road to more comprehensive systems, which fulfil the right to social security. This basic level includes access to necessary health care for all, as well as basic income security during crises and fragile phases of life – childhood, illness and disability, pregnancy, parenthood, unemployment and old age.

Universal Health Coverage (UHC) is another political commitment, meaning that everyone in the world should have access to basic health care without financial hardship. This was adopted by the global community with the UN Political Declaration on UHC in 2019 and is contained in SDG 3 Health for All.

- Children and the elderly
- Adults who cannot provide for themselves*

* e.g. due to illness, unemployment, motherhood or disability

Necessary health care including maternity care

Basic income support
Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial inclusion of the poor and the vulnerable.

RESPONSIBILITY AND FINANCING
The state bears the ultimate responsibility for providing social protection systems. Employers contribute to financing, and civil society also plays a key role. Trade unions, women’s rights organisations and other civil society actors can provide knowledge, influence the design of systems, serve as watchdogs to monitor the delivery, or contribute to the implementation of social protection. Sometimes civil society, not least religious actors, complements the state by providing social services such as education, social care and health care. Trade unions who provide unemployment insurances to their members is another example of the important role of civil society in social protection.

Social protection must first and foremost be financed by the countries themselves, through social security contributions and taxes. International development cooperation may also be needed to support the establishment of social protection floors, especially in the weakest economies. Today, a very small part of all development cooperation is used to support the establishment of social security systems (just 1.2 per cent before the Covid-19 pandemic). More than 200 networks and organisations mobilised by the Global Coalition for Social Protection Floors are advocating for the establishment of a Global Fund for Social Protection that will improve coordination and strengthen international support.

The climate emergency greatly reinforces the international community’s duty to support national efforts to build social protection systems. Social protection must be a part of countries’ strategies to avert, minimise and address loss and damage as a result of climate change. As explained later in this brief, the Global North has made specific financial commitments to support mitigation and adaptation in developing countries, and strong calls for support for loss and damage are beginning to be heard.

FOR EVERYONE OR THOSE MOST IN NEED?
Sometimes, especially in developing countries, social protection is only targeted at people who are considered poor and thus particularly in need of support. Unfortunately, the targeting methods used to identify “the poorest” are often inaccurate. This leads to the exclusion of many who are actually entitled to be supported. Moreover, anyone can have an accident, get sick, become disabled or lose their employment or livelihood, as we saw during the Covid-19 pandemic. Poverty-targeted and means-tested programmes are also much more expensive to administer and can and do stigmatise recipients.

Means-tested support will always be needed as a complement, but universal systems that include everyone should be the basis. That means that everyone within clear target groups, such as children, the sick, persons with disabilities, older persons and unemployed workers have the right to support. Such systems are generally popular, which increases the chance of public support for long-term financing and for maintaining high quality social services. At the same time, conditions for social trust and a functioning social contract are strengthened. An important advantage of establishing clear categories for who is entitled to various benefits is that people can easily understand whether they have the right to benefits or not, which also reduces the risk of corruption.

A comprehensive social security system should form the skeleton for any society, to ensure efficient distribution of resources during good times, and to provide for extraordinary relief in times of disaster. It should not be seen as charity or poverty relief, but as an essential component to create stable and sustainable societies.
2. WHAT HAS SOCIAL PROTECTION GOT TO DO WITH CLIMATE ACTION?

1. Social protection is a key tool to cope with crises for individuals and societies, and the climate emergency exacerbates risks at an unprecedented level. From floods in Pakistan, hurricanes in Central America and the Philippines, heat waves, floods and land slides in Europe and the US, to extreme drought on the Horn of Africa. All over the planet, people live with climate-related extreme weather events. Apart from sudden-onset disasters, there are also the slow-onset climate impacts such as rising sea levels, changing rainfall patterns, land degradation and saltwater intrusion. Protracted humanitarian crises are often intensified by, and are sometimes a result of, climate shocks and stresses.

Whether sudden or slow, these events lead to disrupted or lost livelihoods and incomes, food insecurity, negative effects on health, temporary or permanent displacement, and distress migration where women and families are often left behind by migrating husbands. Women are due to many reasons, including injustice, especially vulnerable. The climate crisis is also an increasing threat to peace and security.

Especially following the Covid-19 crisis, social protection is widely recognised as an essential strategy to protect people against poverty and intersecting vulnerabilities. Where adequate social protection systems are in place, shocks do not turn into humanitarian crises. Moreover, rights-based, comprehensive and universal social protection can reduce climate vulnerability by addressing the underlying issues of structural inequality that make various groups more exposed.

Expanding social protection systems takes a load off the international humanitarian system that is overstretched today. The distinction between social assistance and humanitarian support is increasingly blurred, especially in protracted crises, and cash transfers are a rapidly growing part of humanitarian responses. Cash transfers are often faster, more efficient and less exposed to corruption than traditional in-kind aid, while also giving recipients the autonomy to prioritise their own needs. The same benefits apply to social protection systems.

The knowledge on how best to link social protection and humanitarian aid is rapidly growing, and is part of addressing the interlinkages between humanitarian, development and peace interventions. UN bodies are committed to supporting transitions from humanitarian aid to nationally led social protection systems. A fundamental starting point is that humanitarian support must never undermine long-term development.

Women and girls, people with disabilities and other vulnerable groups are disproportionately impacted by disasters. Precarious or informal workers, many of them women, are routinely left out, or have limited access to, social protection schemes. They are therefore particularly vulnerable to unemployment, sickness or climate-related shocks.

As the climate emergency creates new risks and vulnerabilities, and amplifies existing shocks, it increases the stresses on current social protection systems.

Typhoons, floods and landslides are example of extreme weather events that are becoming more frequent and create risks for individuals and societies that homes and infrastructure are destroyed. The picture shows the impact of typhoon Goni in 2020 in the Philippines, when 1 million people were evacuated. Photo: G Arevalo/OCHA.
THE REALITY OF LOSS AND DAMAGE: FLOODS IN PAKISTAN 2022

According to IPCC, human-induced climate change is without doubt causing losses and damages to both nature and people already today. The disaster in 2022 in Pakistan is a clear example. From mid-June, Pakistan was inundated with continued monsoon rainfall, flash flooding and rain-induced landslides, affecting one third of the country. By the end of September, over 1,600 persons had died, 12,800 people were injured, more than 33 million people were affected, and almost 8 million people were displaced. Nationwide, at least 2.6 million hectares of crops had been destroyed, and in the beginning of October some provinces remained flooded.

In response to the immediate needs Act Church of Sweden and its partners present on the ground in Pakistan provided cash assistance, allowing the affected families to prioritise their own needs, access to clean and safe drinking water, health care as well as specific support for children, and shelter. In addition, limited recovery interventions were made, such as preventive health care related to water-borne diseases and capacity training for construction of flood-resistant housing.

However, international support is falling short. In early October 2022, the UN had received only $90 million out of its appeal for aid which was raised from $160 million to $816 million. Humanitarian assistance will not be enough to support the recovery of livelihoods and reconstruction of the infrastructure that has been lost. The UNs Secretary General has warned that the effects of the floods will be felt for years to come.

References: Act Church of Sweden (2022); Baloch, S M (2022) We have no dry land left: impact of Pakistan floods to be felt for years. The Guardian, October 12; The EU Commissioner (2022) Pakistan: EU allocates €10 million in humanitarian aid as Commissioner Lengeler visits the country. Press release 4 October; FAO (2022) GIEWS Country Brief: Pakistan 04-October-2022; IPCC (2022) What does the IPCC say on loss and damage? Climate Analytics blog 2 June; Shahzad, A, 2022, Pakistan out of money for flood recovery, UN boosts aid request, Reuters, 4 October.

SOCIAL PROTECTION: SHOCK-RESPONSIVE AND ADAPTIVE BY DEFINITION

In recent years and in particular in relation to Covid-19, the terms ‘shock-responsive’ and ‘adaptive’ social protection have been flourishing in the international discussion on social protection. These terms reflect the need to design social protection system flexibly, so that they can respond rapidly and be scaled up in times of co-variate shocks (unexpected adverse events that affect areas or populations widely). For example, during droughts, floods and cyclones, the National Rural Employment Guarantee in India gives beneficiaries an additional 50 days to the standard 100 days of guaranteed wage labour. The terms also reflect an ambition to integrate and combine interventions in the fields of social protection, climate change adaptation and disaster risk reduction.

However, these concepts are also confusing, or even misleading, as the addition of ‘shock-responsive’ or ‘adaptive’ is redundant. By definition, social protection is there to address shocks, whether they are life-course vulnerabilities (e.g. being born, growing old, becoming disabled), individual misfortunes (e.g. loss of livelihood, illness or injury; death of a family member), or extensive crises (e.g. natural disasters; climate change, conflicts; pandemics). In reality, Adaptive Social Protection (ASP) and Shock-Responsive Social Protection (SRSP) programs tend to be limited and poverty-targeted programs that rely on proxy-means testing and similar approaches which exclude many people who need and have the right to protection. In addition, reliance on previous poverty-targeting may not be relevant in identifying people in need during new shocks, as shown by the Covid-19 pandemic. Research shows that countries with the most comprehensive social protection systems and/or social protection floors were more prepared to respond to the Covid-19 crisis. Therefore, universal social protection systems, rather than specific programs called ‘shock-responsive’ or ‘adaptive’ have the best potential to be expanded and respond to co-variate shocks.

2. Social protection makes climate action possible – having economic security reduces people’s resistance to the transition. In order to cut greenhouse gas emissions, our societies will not only have to change, but transform. Although far too slow, this transition is underway, as can be seen in the rapid increase of investments in renewable energy, the growth of electric cars in several countries, or technological leaps such as carbon-free steel production or new batteries made of wood or salt.

Any structural change creates costs as well as opportunities. New industries create new jobs, but companies that cannot adapt to the changing market demands and new legislations will be out of business and people will lose their jobs. Often, old and new jobs are not situated in the same areas and require different skills.

In countries where unemployment is high and there are no social protection floors, any job cuts are likely to plunge workers and their families into poverty. Access to social protection, including unemployment insurance and retraining of workers, is therefore a key strategy to reduce the social and economic costs of an accelerated climate transformation. It can overcome some of the resistance to change by lessening people’s fear of losing jobs and livelihoods and giving people time to retrain and look for new employment.

When carbon emissions are priced higher, driving diesel cars and other carbon-intensive consumption becomes more expensive, which stimulates changed consumer behaviour. However, higher prices can also cause resistance. As illustrated by the “yellow vests” in France, or the debate in 2022 about price hikes on fuel (largely as a result of the Russian war in Ukraine), popular resistance against climate policies may grow fast. Policymakers must make sure that there are alternatives for consumers, such as accessible and reliable public transport. But social protection can also compensate for increased costs, making necessary climate measures fairer and, thus, more acceptable. The need for this is underlined by the fact that poorer households tend to spend proportionally more on carbon-intensive goods, especially fuel.

CLIMATE FINANCE: COMMITMENTS AND DELIVERY

According to the United Nations Framework Convention on Climate Change, UNFCCC, developed countries shall provide “new and additional” financial resources to support developing countries in implementing measures under the Convention. Finance should be provided for mitigation and adaptation. The flow of finance should be “adequate” as well as “predictable”.

At COP15 in 2009, the developed countries committed to provide USD 30 billion as fast-start finance for the period 2010–2012. They also promised to jointly mobilise USD 100 billion every year from 2020 onward. At COP 21 in Paris 2015 it was decided that post-2023, climate finance must exceed the USD 100 billion annual commitment. In 2016, a large group of countries in the Global North – including Sweden – presented a “Roadmap to US$ 100 Billion”. So far, these countries have fallen short on their collective promise. The Glasgow Climate Pact at COP26 in November 2021 noted, “with deep regret”, that the USD 100 billion goal had not been met. Instead of raising the ambitions, however, the goal was postponed until 2022.

Apart from the poor delivery on the USD 100 billion commitment, there is a substantial imbalance between finance for mitigation and adaptation. So far only 25 per cent of existing climate finance has been allocated for adaptation. Another concern is that a large part of climate finance is provided as loans rather than grants. Moreover, the current climate finance does not cover the growing need of compensation for climate-induced loss and damage.

The upcoming finance targets must therefore consider the needs and priorities of countries in the Global South, including minimum allocations for the most vulnerable countries who so far only received a small portion of climate finance. There is also a need for specific targets for the allocations for adaptation and mitigation as well as, in addition, new finance goals for Loss and Damage.

Since the early stages of climate negotiations in 1991, the Alliance of Small Island States have called for a finance mechanism that would compensate nations affected by sea level rise. Over time, vulnerable countries affected by other types of climate emergencies have also realised that these events are beyond their capacity to avert or minimise.

The concept of Loss and Damage was finally recognised at COP16 in 2010. Another step was taken with the establishment of the Warsaw International Mechanism (WIM) for Loss and Damage in 2013 and the forming of the Santiago Network, which aims to speed up action to address loss and damage in vulnerable countries. However, countries in the Global North have continuously resisted accepting financial liability. Until now, the talk of Loss and Damage has not been followed by funding.

Loss and Damage is one of the dominating topics of debate in the climate negotiations. In 2021, the small island states and the G77 countries plus China made a clear demand for a Finance Facility to address Loss and Damage, with the expectation that COP27 should put their concern at the centre of the negotiation table. Both USA and EU have so far declined to contribute to the establishment of a specific Finance Facility. EU says it prefers to address the issue by strengthening existing arrangements and institutions, and argues that a common framing of Loss and Damage must be in place before it can make commitments. However, there is an agreement to discuss the needs and solutions at COP27 under the leadership of Chile and Germany. There are also countries, such as Scotland and most recently Denmark, who have made financial pledges for Loss and Damage to climate vulnerable countries.

In September 2022 UN’s Special Rapporteur on human rights in the context of climate change, Mr Ian Fry, called for an international fund to help highly vulnerable countries such as Bangladesh recover from the severe impacts of the climate crisis.

3. HOW SOCIAL PROTECTION CAN BE A PART OF CLIMATE ACTION

Climate adaptation: Social protection builds resilience. In providing income security and access to social services, social protection gives people security. This security makes it possible for people to plan for their future and take risks. Social protection promotes resilience and can transform the underlying causes of vulnerability to climate impacts. It can be a part of climate adaptation in several ways. Encouraging and supporting livelihood adaptation is one example, health and care services is another. Functioning systems for elderly care can protect older people during crises like heat waves and build preparedness for expected increases in infectious diseases.

There is an interest in connecting social protection with climate adaptation. However, most social protection policies and programmes are still not explicitly linked to national climate change strategies, and currently fail to manage climate risk. Although social protection is increasingly seen as a way to deliver adaptation funding, less attention is paid to how social protection might support longer-term adaptation. Highlighting the role of social protection in climate adaptation can make adaptation less project-based and more integrated in ‘traditional’ policy sectors.

Loss and damage: Social protection supports people in situations that are beyond adaptation. As the climate impacts on people’s lives and livelihoods are becoming more severe, it is evident that there is a need to compensate for Loss and Damage (see box on p. 7). Social protection can have many functions when people experience loss and damage. It can protect people from the impacts of shocks and disasters by providing direct relief to individuals or households, and it can protect those who are vulnerable to falling into deprivation as a result of shocks. Social protection can help families make ends meet, bridge crises, and avoid sinking into poverty. It can prevent hunger and spiralling debt, enable farmers to continue farming, help women avoid resorting to negative coping strategies, and prevent the need for migration. Potentially, it can support workers who lose income during extreme heat waves when it is too hot and humid to work safely outdoors or in factories during a large part of the day.

Social protection can also address vulnerabilities that make certain groups suffer more from climate-related loss and damage. Social care services and sexual and reproductive health services can for example assist those exposed to gender-based violence, which often increases at the heels of other disasters. Access to assistance makes it more likely that people with disabilities can get to safety in emergency situations.

Loss and damage is perhaps most apparent in climate-related humanitarian crises, and recent efforts to link humanitarian support to social protection (see above) are highly relevant in the discussion about Loss and Damage. Several aspects must be dealt with in the transition from humanitarian aid to social protection: a move from needs-based to rights-based support, and increased reliance on national government structures. Extending national social protection systems to refugees and displaced persons will become even more important as the climate emergency continues to force people to leave their homes.

As women are more likely to be working in the informal sector, they are often excluded from social protection systems. The picture shows Dieula Lindor in the community of Bassin Hady, Haiti, harvesting bananas. Photo: Paul Jeffrey/ACT Alliance
CLIMATE RISK INSURANCE: COMPLEMENT BUT NOT AN ALTERNATIVE TO SOCIAL PROTECTION

It has been suggested that private insurance could be a part of the solution to climate-induced loss and damage. There are indeed contexts where insurance instruments can complement social protection, such as crop insurance to protect against severe and less frequent risks, and national level insurances which can support the expansion of social protection during emergencies.

However, insurance is not a quick fix, and has many drawbacks and limitations. For example, weather-related events that occur with very high frequency, such as recurrent excessive rainfall leading to floods, would mean disproportionately high insurance premiums. Here, preventative and risk reduction measures in combination with social protection may be a better option. Effects of climate change may also be so severe that insurance becomes too costly and insurance mechanisms lose the ability to stabilize the situation. Moreover, people living in poverty and vulnerability, often most impacted by climate-related shocks, are often unable to access insurance and other market-based instruments, unless premiums are subsidised.

There are therefore often good reasons to provide tax-funded social protection to those who suffer loss and damage, in particular for poor communities, and not rely on private insurances and let loss and damage create a new market for private insurance companies.


MOBILISATION OF NEW AND INNOVATIVE CLIMATE FINANCE

Developed countries are falling short on the USD 100-billion-per-year target. And as the needs to address Mitigation, Adaptation and Loss and Damage are becoming more prevalent, new and innovative finance mechanisms to address the gap and scale up finance for the post-2025 target are widely discussed. In fact, a complete systems change in order to redirect financial flows from fossil fuels to climate-resilient development is needed and outlined in the Paris Agreement (Article 2.1c). Several approaches will be needed to close the investment gap: provision of public finance, private sector investments, improved access to finance, and debt cancellation and relief.

Governments around the world spend hundreds of billions annually on fossil fuel subsidies, making fossil fuels more attractive to investors than renewable energy. This means that neither the full investment costs nor the costs related to climate and environmental degradation are reflected in the price of fossil fuels. Redirecting these subsidies to renewable energy would significantly reduce emissions, and paired with a Just Transition perspective, societies have much to gain from this.

Other types of innovative financing mechanisms that also contribute to mitigation objectives include a climate damages tax on the fossil fuel industry, international levies on commercial air passenger travel and emissions from international shipping. There are International Financing Institutions and countries in the Global North which believe that a carbon markets’ mechanism will deliver the necessary finance and emissions reductions, an argument that is contested.

Mitigation: Social protection ensures a Just Transition. Social protection has an important role to play in supporting workers from declining sectors and creating a bridge to jobs in new, green ones. Income support during the climate transition is critical, such as unemployment protection or early pensions. Currently, however, only 19 per cent of the world’s unemployed workers are covered by unemployment protection.

Active labour market policies including skills development and on-the-job training programmes, is another important area where social protection (in a broad sense) can facilitate the climate transition. They are needed to prepare workers for the transition from carbon-intensive sectors to green jobs, but also to enable workers to take part in climate-proofing their current workplace and sector, as all jobs and sectors will have to change in order to cut emissions. Social protection systems to support a Just Transition (see box below) for workers should be designed in social dialogue with the affected workers and their trade unions. Likewise, the concerns of informal, seasonal, part-time and other “atypical” workers must be taken into account.

Particular attention will have to be paid to gender when investing in and planning skills development, on-the-job training programmes and social protection measures. A Just Transition also means investing in jobs held by women. This entails including workers in the informal sector, where women are more likely to be found, as well as investing in jobs in the care sector, which is a central part of social protection. A stronger care sector also reduces the burden of unpaid care work that is primarily borne by women and girls, making it possible for women to enter paid employment. A Just Transition – good green jobs for all – also requires measures to include other groups who have not had equal access to education or decent jobs. This includes those who experience intersecting forms of discrimination because of race, ethnicity, gender expression, sexuality, and/or disability.

JUST TRANSITION

Just Transition is fundamentally a plan to make all jobs both good and green. As we upgrade the economy to get rid of climate emissions, we must also make all jobs decent. That means good wages and working conditions, and the right to join a union. The transition must be done with security, opportunity and influence for workers. Social protection is key, as it provides people who must leave high-emission sectors with unemployment benefits during the search for a new job, or with early pensions. Skills development and retraining is central too as it makes it possible for workers to get the new green jobs. Workers must also have a say in how the transition is made, at their workplaces and in their sectors. This influence should be carried out through social dialogue between employers and unions (and sometimes governments).

The main argument for a Just Transition is that if people worry about losing their jobs and incomes, they will resist climate action. The transition can only succeed if it is just. The call for Just Transition comes from the trade union movement, that also managed to get it into the Paris Agreement. The ILO guidelines on Just Transition provide a definition. They stress that the costs of climate action should not fall disproportionately on ordinary people, and that different groups in society – not just workers - must be able to influence the transition, not least indigenous peoples.

The union call for a Just Transition has been picked up by civil society organisations and movements. There, the concept has come to be seen as a broader plan to create a more equal society in balance with nature. This involves global climate justice, urging richer countries to cut emissions faster and support the Global South in its transition, the protection of nature as well as climate, and investments in adaptation and basic needs for all (including social protection) as well as mitigation. Even in these more transformative takes on Just Transition, workers’ rights remain a core part.

PROPOSAL FOR JUST TRANSITION IN SOUTH AFRICA: LAID-OFF COAL MINE WORKERS BENEFITTING FROM UNIVERSAL BASIC INCOME GRANT.

According to South Africa’s Presidential Climate Commission, the country can generate as much as 75 per cent of its energy needs through solar and wind renewable energy. Today, however, South Africa’s energy supply is almost all derived from coal-fired power plants, and the country’s local economies rely heavily on coal mining. A decline of the coal mining industry would therefore also have a significant impact on other industries. Diversification of the economy is critical to mitigating the decline of the coal sector. Particularly, if unmanaged, a decline could have significant political ramifications. In fact, a significant drop in coal production poses an existential threat to some sectors of the labour movement.

The environmental impact of coal mining is a major concern in Mpumalanga, a province in South Africa where much of the coal mining happens. Transition strategies must therefore consider how long-term environmental impacts from coal mining, as well as climate change impacts, may limit future economic activity, particularly in agriculture.

Social Policy Initiative, SPI, argues that it is necessary to build a social protection floor as a precondition for a Just Transition in line with South Africa’s human rights-based constitution. A first big step towards that end would be to implement a Universal Basic Income Grant, UBIG. A UBIG is a universal decent monthly social cash transfer to every citizen. It was proposed by a government commission in South Africa 20 years ago and has been debated since, a debate which intensified during the Covid-19 pandemic. A UBIG would provide an alternative link to income for laid-off workers in the coal mines and all the secondary and tertiary jobs that are built around the mines. It would not provide sufficient levels of income, but provide a necessary social protection floor, on which additional livelihoods can be built.

According to the Congress of South African Trade Unions (COSATU), a UBIG is “a vital social safety net for all”. A Just Transition aims for more jobs, but those who do unpaid work and anyone who is unemployed or underemployed will still need support. According to COSATU, cash transfers such as UBIG can “alleviate hunger and poverty, stimulate the local economy, and increase resilience to climate and transition impacts such as natural disasters, drought, and job loss”.

Evidence shows that basic income in the form of unconditional cash transfers reduces destitution and deprivation of the poorest and increases levels of consumption and productivity. Providing a basic income increases expenditure on essential food and household requirements within local economies. The multiplier effects in terms of individual, household and community local economic development are considerable.

4. RECOMMENDATIONS

Invest in universal social protection

1. Support developing countries’ efforts to implement their commitments on social protection floors for all throughout the life cycle, including basic health care, as a first step to realise the human right to social security.

2. Intensify the work to formalise the informal economy and prevent tax evasion of corporations and wealthy individuals, in order to increase domestic tax revenues and make it possible to deliver social protection systems for all.

3. Strengthen the capacities of community based social protection mechanisms such as credit groups, self-help groups, and solidarity-based medical insurance schemes, which are often the first responders after a shock.

4. Develop innovative schemes for social protection that address the needs of informal and in other ways atypical workers (such as seasonal and part-time workers), which enable them to contribute and risk pool, without incurring the disincentives/penalties for increasing income that poverty-targeted schemes create.

5. Ensure that all social protection programmes promote gender equality. They must respond to the needs of women and girls, by strengthening their position, and addressing the interconnected factors that make them particularly vulnerable. Make sure that women, including the most marginalised, are part of shaping these programmes.

Climate-proof social protection

6. Do not create separate social protection programmes to manage climate risks. Integrate climate risks, including slow-onset climate impacts, into all social protection programming.

7. Plan for uncertainty. Make sure national social protection systems are flexible and can be upscaled in emergencies. Establish early warning systems that trigger quick action.

Efforts to respond to loss and damage must not only be short-term, but support capacity for resilience and contribute to medium and long term recovery. In the picture Marie Nusia, participant in a LWF project in Haiti, observes the progress on her new hurricane and earthquake resistant home. Photo: LWF Haiti
Pay for Loss and Damage and enable countries to expand social protection

8. Recognise responsibility for and allocate funds to address climate-induced Loss and Damage, funds which can be used to establish systems of social protection.

9. Address the link between Loss and Damage and social protection in national climate plans, including the Nationally Determined Contributions (climate pledges), so that countries can access international climate finance for investments in social protection.

10. Refrain from pushing private insurance as a major approach to handle loss and damage. Complement social protection with climate insurances, such as subsidised insurance for farmers affected by weather-related risks.

11. Address the present capacity and funding gap of the overstretched humanitarian system through expansion of social protection systems that address Loss and Damage. Support in slow as well as rapid onset disasters should be included and address medium and long term recovery and rehabilitation. Ensure affected people’s participation in decision making.

Support Just Transitions worldwide

12. Make binding national commitments to Just Transition, including social protection for workers, as part of the Nationally Determined Contributions and develop action plans to see them through. The Just Transition plans of richer countries must include funding and support to Just Transitions in the Global South.

13. Let trade unions and other civil society organisations be part of shaping systems for social protection, which provide for workers and communities in the climate transition. Trade unions should be heard through social dialogue, and other civil society actors in processes for stakeholder engagement.

14. Ensure social protection of workers in the entire supply chain. Set up Just Transition Funds in different sectors that can finance unemployment insurance, pensions and retraining and require corporations to contribute to these. Combine international climate policies, like the EU carbon border adjustment mechanism, with Just Transition investments.

15. Consider a Universal Basic Income Grant (UBIG) as an integral element of a social protection floor in contexts where comprehensive social protection systems are lacking. A UBIG may be an effective way to build a basic income security for laid off workers in and around carbon-intensive industries.

Suggested readings

- Action Aid and Rosa Luxemburg Stiftung (2021) Avoiding the Climate Poverty Spiral: Social Protection to Address Climate-Induced Loss & Damage
- Current Opinion in Environmental Sustainability (2021) Reaching the poorest and most vulnerable: addressing loss and damage through social protection
- DIIS and SEI (2022) Ways forward in Loss and Damage: Challenges and possibilities at COP27 and beyond, 28 October.
- IIED (2022) Social protection and informal job market reform for tackling the climate migration nexus
- OCHA Reliefweb (2021) Summary Brief Social protection and climate change: scaling up ambition
- OPIC and SOLIDAR (2022), A Just Transition for the Global South
- Risk-informed Early Action Partnership, REAP, (2021) Early action and the climate crisis: could social protection be a game changer?
- Red Cross Red Crescent Climate Center, Action Aid and DIE (2021) Social protection for climate-induced loss and damage: Priority areas for increasing capacity and investment in developing countries
- UK aid (2022) Strengthening responses at the nexus of social protection, humanitarian aid and climate shocks in protracted crises: BASIC Research framing paper
- Knowledge platforms: USP2030 working group on climate change, and Socialprotection.org community of practice on social protection and climate change.

The digital version of this document contains clickable links to reading tips and embedded references.
ABOUT ACT CHURCH OF SWEDEN
Act Church of Sweden works long-term against poverty, oppression and injustice, and acts quickly when disaster strikes. We work together with churches, organisations and thousands of volunteers. Act Church of Sweden has partners worldwide and is a member of the ACT Alliance, a network of churches, grassroots movements and aid actors.

ABOUT OLOF PALME INTERNATIONAL CENTER
Olof Palme International Center is the Swedish labour movement’s umbrella organisation for international solidarity and advocacy. We work globally for democracy, human rights, peace and social justice, in the spirit of Olof Palme. We support progressive movements and parties that change societies and people’s everyday lives.

ABOUT SOCIAL POLICY INITIATIVE (SPI)
SPI is a feminist activist think tank based in Johannesburg. SPI works to advance applied knowledge about social security systems and policies that work to eradicate poverty and inequality, stimulate economies and livelihoods, enabling all to live a decent life with dignity.

ABOUT THE SWEDISH SOCIETY FOR NATURE CONSERVATION (SSNC)
SSNC is a non-profit environmental organisation with the power to bring about change. We spread knowledge, chart environmental threats, propose solutions and influence politicians and authorities, both nationally and internationally.