



Policy Brief

Universal social protection in the aftermath of COVID19 : a step forward towards social justice

Beyond the health crisis, the COVID-19 pandemic has severely affected economies and people's livelihoods around the world. Experts forecast an additional 250 million people in extreme poverty by 2030, and that it will take 10 years of economic growth just to bring extreme poverty numbers back to where they were before the crisis¹. In low and middle-income countries the consequences of social distancing measures are estimated to result in 271.8 million people acutely food insecure (or directly at-risk)² due to loss of income. As clearly put by Jean, a 33-year-old father from Bangassou, Central African Republic, who benefited from a cash for work program: "The increased prices are a problem, and almost all business has ground to a halt, especially temporary work. Our usual employers are no longer looking for labour. Day labourers are not hired as they were before."³

As countries are implementing recovery plans, and vaccination campaigns are starting to be organized, it is crucial that countries focus on rebuilding their economies towards greater social justice. **Through this policy brief, Action Against Hunger – France (Action Contre la Faim / ACF-F) calls upon development partners, specifically international finance institutions, to support the implementation of universal social protection systems in low and middle-income countries through fairer and more redistributive fiscal policies, in particular in relation to ongoing and upcoming recovery plans.**

A RIGHTS-BASED APPROACH TO SOCIAL PROTECTION

Social protection is defined as a set of policies and programs (contributory and non-contributory) aimed at reducing and preventing poverty throughout the life cycle. While social protection often brings to mind cash transfers to guarantee income security (during key moments such as pregnancy or unemployment), it also includes all schemes put in place to ensure affordable access to essential services (such as universal health care and education or subsidised access to water and food, free psychosocial support for survivors of gender-based violence). By fighting against poverty, social protection has a direct positive impact on the underlying determinants of nutrition security.⁴

Yet, according to the International Labour Organization (ILO), prior to the COVID-19 pandemic only 45% of the world's population was effectively covered by at least one social protection benefit, leaving 55% of the population - **4 billion human beings! - without protection.**⁵

¹ Overseas Development Institute, M. Manuel, L. Carson, E. Samman and M. Evans, *Financing the reduction of extreme poverty post-Covid-19*, novembre 2020

² World Food Program, *Global Update on COVID-19: November 2020 Growing Needs, Response to Date and What's to Come in 2021*, November 2020, p.6

³ Interviewed by Ground Truth Solutions as part of the Cash Barometer initiative qualitative report in the Central African Republic, 2020. For privacy reasons, name is fictional.

⁴ Underlying determinants of nutrition security are food and health security, adequate education and caring practices and access to WASH. Nutrition Security Policy, *A common multi-sectorial understanding and approach to address undernutrition*, ACF-International, 2014, p.8, p.10

⁵ Proportion of the total population that receives at least one contributory or non-contributory cash benefit, or actively contributes to at least one social security scheme. International Labour Organization, *World Social Protection Report 2017-2019*

A basic human right, a State's obligation

Social protection is enshrined in several binding international human rights instruments. The Universal Declaration of Human Rights (UDHR - 1948), the International Covenant on Economic, Social and Cultural Rights (ICESCR - 1966), the Convention on the Elimination of All Forms of Discrimination Against Women (1979) and the International Convention on the Rights of Children (ICRC - 1989) explicitly proclaim the right to social security⁶, as well as a series of other rights protected by social protection mechanisms.⁷

By granting rights to individuals, these texts impose obligations on States; withdrawing social protection from a charitable approach to a basic human right.

Universal social protection floors: an international commitment, a first step for all

Social protection floors are a set of non-contributory guarantees⁸ including access to essential health care and basic income security for children (providing access to nutrition, education, care and any other necessary goods and services), persons in active age (in particular in cases of sickness, unemployment, maternity and disability) and older persons.

Social protection floors are universal by nature, as they provide protection based on contingencies. Indeed, universal social protection (USP) refers to universal coverage ensuring that each person, in one of the aforementioned contingencies and under a given State's jurisdiction, is protected regardless of his or her socioeconomic situation or legal status.

Inspiration in Nigeria: the case of Jigawa and Zamfara States*

In 2014, Action Against Hunger and Save the Children, in collaboration with government in both Jigawa and Zamfara states, implemented the Child Development Grants Programme (CDGP). Embracing a universal approach, the program was directed at pregnant women during the first 1000 days of their child's life. The women benefited from cash transfers and behaviour change communication, including nutrition and education advice, and counselling on health care and feeding practices. The CDGP program is largely recognized as a success in reducing undernutrition and has therefore inspired the State government to adopt the same 1000 days and behaviour change approach. Jigawa and Zamfara States' experience now serves as an inspiration for social protection policies developed at Federal level.

*Nigeria is a Federal State. Jigawa and Zamfara are situated in northwestern Nigeria.

CLASHING ECONOMIC PARADIGMS OVER SOCIAL PROTECTION

A much-needed investment in human capital

While social protection is a State's obligation, and needs to be thought in coherence with each national context, development partners, and more specifically international finance institutions, play a crucial role for its development in low and middle income countries. **It is ACF-F's view that the fiscal policies, and subsequent social protection programs, enforced by the International Monetary Fund (IMF) and the World Bank Group (WBG) have a negative impact on States' capacities to develop universal social protection floors; and hence do not promote an economic paradigm favorable to social justice.**

⁶ International human rights instruments refer to "social security" as a non-contributory social protection scheme, in parallel to contributory schemes referred to as "social insurance". UDHR, art. 22. ICESCR, art.9. ICRC, art. 26.

⁷ Such as ICESCR, art.11 "adequate food", art.12 "highest attainable level of health".

⁸ Defined by ILO Social Protection Floors Recommendation 202, adopted in 2012 by unanimously except for one Member State.

Indeed, for the past decade the IMF and the WBG have been pushing for a decrease in governments' spending - often referred as "fiscal consolidation" or "austerity cuts" – as a mean to reduce budget deficit and reach fiscal stability.

In the same logic, the Maximizing Finance for Development (MFD) approach, adopted by the WBG in 2017, aims at promoting the participation of the private sector in development projects in order to leverage the money needed to achieve the Sustainable Development Goals (SDGs); failing at questioning why States lack resources. Such an approach stalled progress toward Universal Health Care, a key social protection floor, by privatizing health care and introducing user fees for the poorest patients.⁹

This approach is once again being implemented as a response to the pandemic¹⁰ while one could argue, especially in times of crisis such as COVID-19, that public spending can and should increase through various sources of national revenue creating fiscal space to invest in human capital. Various means of

Over the last four decades, fiscal austerity, or consolidation, has become normalized as well as internalized by many developing as well as developed countries. The singular compulsion to austerity is in part rooted in the neoclassical economic theory that fiscal credibility and macroeconomic stability is achieved by preserving the expenditure-ceiling rule and reducing debt levels. (...) Economists (...) do not engage with a broader plurality of economic models and theories that might contest or opt out of the austerity bias.

B. Muchhala, *The Urgency of Fiscal Justice: Another wave of austerity threatens the Right to Development for the South*, Third World Network, 19 October 2020

national budget revenue exists and are often called upon by civil society and international organizations. These include progressive taxation, public expenditure reprioritization, restructuring and cancellation of sovereign debt, accommodative macroeconomic policies and foreign aid.¹¹

It appears then that the gap in coverage by social protection programs around the globe is not due to a lack of available resources per se, but to a lack of political will for more redistributive policies, such as universal social protection floors.

Targeted social protection programs: an unassuming vision of social protection

It is in this context that targeting methods have been introduced in social protection programs, in an effort to make best use possible of limited available resources. Targeted programs aim to identify, on a given territory, the poorest section of the population that will benefit from the cash transfer and/or services. "Proxy-means testing" is one of the most widely implemented method by the WBG, and uses an algorithm in order to assess households' level of welfare.

However, targeted programs have been found to have higher administrative costs¹² than universal ones, and exclude many people who need, and have the right to, protection. Indeed, in low and middle-income countries division between "poor" and "poorest" members of society can be seen as artificial.

⁹ Global Civil Society Report on the 2030 Agenda and the SDGs, *Spotlight on Sustainable Development 2017, reclaiming policies for the public, Privatization, partnerships, corporate capture and their impact on sustainability and inequality – assessment and alternatives*, 2017.

¹⁰ Fiscal consolidation measures were found in 84% of 91 approved loans by the IMF as part of its COVID19 support response to States. See Oxfam International's data set "Spending, Accountability, and Recovery Measures included in IMF COVID-19 loans", 12 October 2020.

¹¹ *Fiscal space for social protection – A handbook for assessing financing options*, ILO, 2019.

¹² I. Ortiz, F. Durán-Valverde, K. Pal, C. Behrendt, A. Acuña-Ulate, *Universal Social Protection Floors: Costing Estimates and Affordability in 57 Lower Income Countries*, ILO, 2017, p. 49-53.

While 10.9 % of people live with less than 1.9\$ per day, 80.5% live with less than 5.5\$ per day¹³. Those 80.5%, while not being the poorest members of the population, are nonetheless struggling for a decent standard of living. Furthermore, as analysed by Development Pathways¹⁴, people's incomes are highly volatile, individuals alternatively passing above and under the "extreme poverty" line, rendering the division made at a given time obsolete just a few months later.

ACF'S RECOMMANDATIONS – A BOLDER APPROACH TO UNIVERSAL SOCIAL PROTECTION IS NEEDED

In light of the above, ACF-F calls on governments, development partners - in particular G20 States, the IMF and the WBG - to make a drastic shift towards social justice, through the promotion of universal social protection floors. More specifically, ACF-F calls for:

All States having adopted the ILO resolution on social protection floors¹⁵ to make social justice a priority of their COVID-19 recovery plans, by **setting or scaling-up social policies towards the implementation of universal social protection floors**, with priority given to universal public health care and universal basic income security for children in the first 1000 days of life.¹⁶

The IMF, the WBG and G20 States to support the establishment of COVID-19 medium to longer-term recovery plans, promoting social justice through redistributive fiscal policies and sovereign debt suspensions, in order to increase governments' revenues and reduce debt repayment burden, **enabling the development of universal social protection systems**, starting with universal social protection floors, **such as universal public health care**.

#ENDAUSTERITY

In October 2020, more than 500 civil society organizations, social groups, academics and international non-governmental organizations sent a letter to the IMF warning that its COVID-19 support programs were condemning many countries to years of austerity; calling on the IMF to advocate for policies that advance gender justice, reduce inequality, and decisively put people and planet first.

The establishment of a global fund for social protection floors, as called for by over 200 civil society organizations and trade unions¹⁷, based on the principle of global solidarity, in order to support countries to design, implement and, in very specific cases, provide temporary co-financing for national social protection floors.

The French State to pursue its leading position on social protection,¹⁸ by using its influence within international finance institutions and among G20 States, to push forward a Global Fund for Social Protection, debt suspension and universal social protection programs in low and middle-income countries.

¹³ World Bank data for 2017. Poverty headcount ratio at \$1.90, 3.20\$ and 5.50\$ a day (2011 PPP) for low and middle-income countries.

¹⁴ *Hit and Miss - An assessment of targeting effectiveness in social protection*, Development Pathways, March 2019

¹⁵ Defined by ILO Social Protection Floors Recommendation 202, adopted in 2012 by unanimously except for one Member State.

¹⁶ This time span would cover the first 1000 days of life, which includes gestation and the first two years of life, which nutrition experts identify as a critical period in human development, when poor nutrition can have short and long lasting consequences on human health and development. R. Martorell, R. W. Woodruff, *Improved Nutrition in the First 1000 Days and Adult Human Capital and Health*, 24 January 2017.

¹⁷ See Global Coalition for Social Protection Floors. www.socialprotectionfloorscoalition.org

¹⁸ France has the [highest social spending among OECD countries \(31% of GDP in 2019\)](#), and launched an initiative at the 2020 G20 meeting to discuss the possible mission and modalities for the establishment of a 'Global Fund for Social Protection for All'.