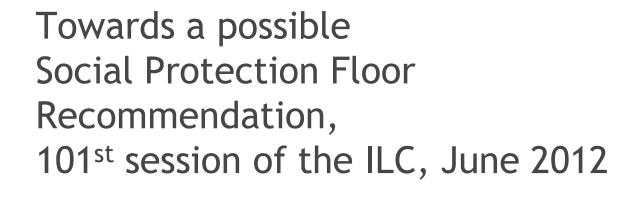
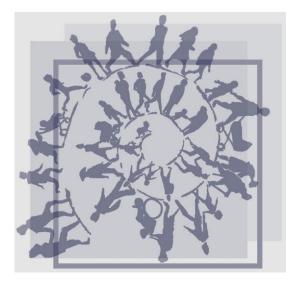
Caribbean Business Executive Seminar



"The Future of the Pension Industry in the Caribbean"





Port of Spain, 4th May, 2012

Social Security Department International Labour Office, Geneva



Conclusion number 13 of the 89th ILC 2001

"In pay-as-you-go defined benefit pension systems, risk is borne collectively. In systems of individual savings accounts, on the other hand, risk is borne by the individual. While this is an option which exists, it should not weaken solidarity systems which spread risks throughout the whole of the scheme membership. Statutory pension schemes must guarantee adequate benefit levels and ensure national solidarity.

Supplementary and other negotiated pension schemes tailored more to the circumstances and contributory capacity of different groups in the labour force can be a valued addition to, but in most cases not a substitute for, statutory pension schemes."



Resolution and conclusions of the 100th Session of the ILC, June 2011

Summary of results of the International Labour Conference 2011 and follow-up



Resolution and Conclusions on social protection (social security), adopted by the tripartite delegations represented at International Labour Conference (183 member States)

- Deepening the "new consensus on social security" (2001) and putting it into broader context of the Decent Work Agenda
- Endorsement of the ILO's two-dimensional strategy for the extension of social security coverage
- Underlining importance of Convention No. 102 and other ILO social security standards
- Agreement on the need to discuss a possible Recommendation on Social Protection Floors at ILC 2012
- Reaffirmed mandate of the Office to assist member States in the extension of social security coverage and building comprehensive social security systems



Effective national social security extension strategies:

Building comprehensive social security systems

high Voluntary insurance under government **Vertical dimension:** regulation progressively ensuring higher levels of level of Social security benefits protection protection of guaranteed levels guided by C.102 and more advanced floor level standards Access to essential health care and minimum income security for all low low individual/household income high Horizontal dimension:

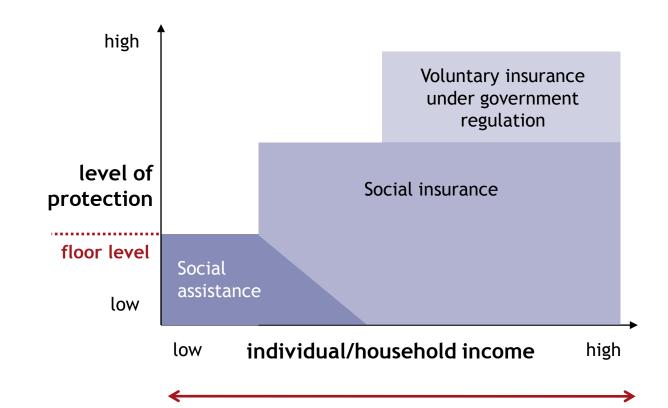
Guaranteeing access to essential health care and minimum income security for all

Implementing effective national social security extension strategies:

Pluralism of means: One option...

Vertical dimension:
progressively ensuring
higher levels of
protection
guided by C.102 and
more advanced
standards

Outcomes can be guaranteed through different means - there is no one-size-fits-all



Horizontal dimension:

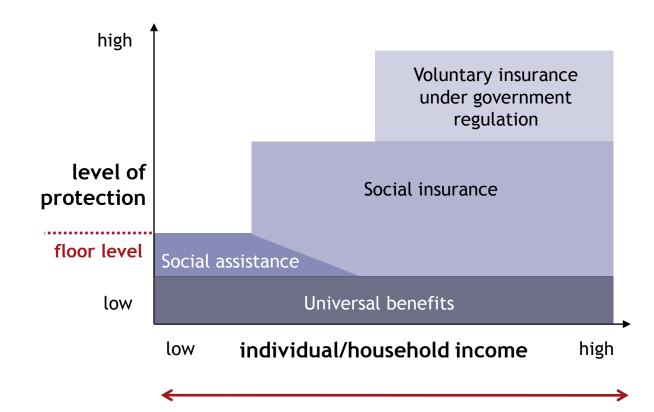
Guaranteeing access to essential health care and minimum income security for all

Implementing effective national social security extension strategies:

... and another option among many others...

Vertical dimension:
progressively ensuring
higher levels of
protection
guided by C.102 and
more advanced
standards

Outcomes can be guaranteed through different means - there is no one-size-fits-all



Horizontal dimension:

Guaranteeing access to essential health care and minimum income security for all

Elaboration of the proposed Recommendation for the ILC 2012: Consultation process



June 2011

ILC Recurrent
Discussion on social
protection (social
security)

- Resolution and conclusions concerning the recurrent discussion on social protection
- Decision on standard-setting item (single discussion) at ILC 2012 (GB)

August 2011

Law and practice report (white report)

- Summary of law and practice in member States
- Questionnaire on possible Recommendation on social protection floors (deadline: 1 November 2011)

March 2012

Final report (blue report)

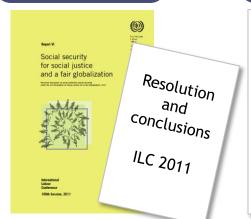
- Summary of Member responses to questionnaire (2A)
- Office commentary (2A)
- Office draft of proposed Recommendation (2B)

Replies from 118 member States



ILC standard-setting discussion (single discussion)

- Discussion of amendments
- Possible adoption of Social Protection Floor Recommendation













Proposed Recommendation concerning national floors of social protection (Social Protection Floor Recommendation)

The proposed Social Protection Floor Recommendation at a glance



Preamble

Social security as human right and social and economic necessity

Reference to various international instruments

Objectives, scope and principles

Objective and scope

Definition of national social protection floors

Principles

National social protection floors

Definition of basic social security guarantees

Establishment and review

Legal foundations

Provision

Financing

National strategies for the extension of social security

Prioritize implementation of national SPFs

Progression to higher levels of protection

Building and maintaining social security systems

Policy coherence

ILO social security standards

Monitoring

National monitoring

International exchange of information, experiences and expertise



Principles

entitlement to benefits prescribed by law

> coherence with social, economic and employment policies

universality of protection, based on social solidarity

fair balance

of interests

adequacy and

predictability

of benefits

nondiscrimination,
gender equality
and
responsiveness
to special
needs

progressive realization

diversity of methods and approaches

transparent
and sound
financial
management
and
administration

financial, fiscal and economic sustainability Involvement of social partners and consultations with other stakeholders

overall and primary responsibility of the State



Objective of the proposed Recommendation: National social protection floors

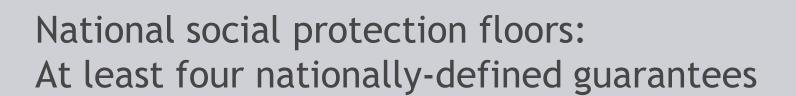
Provides guidance to members to

(b) Implement social protection floors within strategies for the extension of social security that progressively ensure higher levels of social security to as many people as possible, guided by ILO social security standards

(a) Put in place, complete and maintain, as applicable, social protection floors as a fundamental element

of their national social security systems

nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion





The social protection floors should comprise at least the following basic social security guarantees:



access to a set of goods and services constituting essential health care



basic income security for children



basic income security for persons in active age unable to earn sufficient income



basic income security for persons in old age

national definition of minimum levels

Guarantees should be provided to at least all residents and children, as defined in national laws and regulations, subject to Members' existing international obligations.



Objective of the proposed Recommendation: Strategies for the extension of social security

Provides guidance to members to

(b) Implement social protection floors within strategies for the extension of social security that progressively ensure higher levels of social security to as many people as possible, guided by ILO social security standards

(a) Put in place, complete and maintain, as applicable, social protection floors as a fundamental element of their national social security systems

Progressively
build and maintain
comprehensive
and adequate
social security systems
coherent with national
policy objectives



Significance of a possible Social Protection Floor Recommendation

Significance of a possible Recommendation on Social Protection Floors at the national and global level



National level

Contributes to...

- reducing poverty and promoting social cohesion and investments in people
- Giving effect to the human right to social security by establishing legal entitlements
- facilitating access to essential goods and services
- promoting productive economic activity and reduction of informality and precariousness
- providing framework for national social protection policies in close coordination with economic, employment and other social policies
- strengthening national dialogue, institutional frameworks and state-building

Global level

Contributes to...

- accelerating progress towards achieving the MDGs
- promoting rights-based development policies
- building sustainable institutional structures in poor countries
- fostering policy coherence and coordination, and deepening multilateral collaboration



Reference documents

Follow-up of ILC 2011 and preparation for ILC 2012

- Social protection floors for social justice and a fair globalization, Report IV(2A and 2B), 101th Session of the International Labour Conference 2012, http://www.ilo.org/ilc/ILCSessions/101stSession/on-the-agenda/social-protection-floor/lang--en/index.htm
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- Report of the Committee for the Recurrent Discussion on Social Protection (including Resolution and Conclusions), 100th Session of the International Labour Conference, Provisional Records No. 24), http://www.ilo.org/ilc/ILCSessions/100thSession/reports/provisional-records/WCMS_157820/lang--en/index.htm
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- See also GESS ILC Resource page: <a href="http://www.ilo.org/gimi/gess/RessShowRessource.do?ressourc

More general

- ILO, 2010: World Social Security Report 2010/11: Providing coverage in the time of crisis and beyond (Geneva: International Labour Office), http://www.socialsecurityextension.org/gimi/gess/RessFileDownload.do?ressourceld=15263
- ILO, 2010: Extending social security to all. A guide through challenges and options (Geneva: International Labour Office), http://www.socialsecurityextension.org/gimi/gess/RessFileDownload.do?ressourceld=16152
- UN Social Protection Floor Advisory Group, 2011: Social protection floor for a fair and inclusive globalization (Geneva: International Labour Office), http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/----publ/documents/publication/wcms_165750.pdf
- UNDP, Special Unit for South-South Cooperation, and ILO, 2011: Sharing Innovative Experiences: Successful Social Protection Floor Experiences (New York and Geneva: UNDP, Special Unit for South-South Cooperation and ILO), http://www.socialsecurityextension.org/gimi/gess/RessFileDownload.do?ressourceld=20840
- See also GESS web portal: <u>http://www.social-protection.org/</u>