

# 36th ASSA Board Meeting



## Pleanary Session

### ICT: Empowering Innovative Social Security

# The Future of Work and Social Protection

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# Structure of the presentation



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- Strengthening social protection for a changing world of work: some basic principles
- Building a Social Protection Floor within social protection systems
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- Ensuring sustainable and equitable financing through general taxation and other financing sources
- Conclusions: Ensuring universal social protection for the future of work: which way forward?

# Introduction



The world of work is undergoing major changes:

- Non-standard forms of employment
- Changing employment relationships and weakening labour market institutions have contributed to growing levels of inequality and insecurity, and to weakening the implicit social contract in many societies
- In this context, social protection remains as relevant as ever (SDG targets 1.3, 5.4, and 10.4)

# There is no one solution for adapting social protection systems to the new challenges



- Expanding or adapting schemes
- Legal reforms
- New technologies demand new skills
- Debate on alternative taxation approaches
- Universal basic income

# Strengthening social protection for a changing world of work



- Combination of contributory and non-contributory social protection mechanisms.
- Current challenges demand the development of equitable, inclusive and sustainable social protection systems, including social protection floors, that allow for adequate redistribution and protection for all, as a matter of right.
- Demand for social protection likely to increase in a changing world of work.
- Social protection as a key element of the implicit social contract and of decent work.
- The growing relevance of NSE and self-employment adds to the importance of ensuring those engaged in such employment are adequately covered by social protection systems.

# Basic principles for future social protection systems



- Universality of protection and accessibility
- Adequacy
- Transferability
- Transparency
- Gender equality
- Good governance

# Building a Social Protection Floor within social protection systems



- The ILO Social Protection Floors Recommendation, 2012 (No. 202)
- The ILO two-dimensional strategy for the extension of social protection (horizontal and vertical)
- The importance of effectively coordinating different schemes.
- The importance of combining different mechanisms that are linked to employment or residence in an optimal way.

# Universal basic income – a viable solution?



- Debate about UBI as a way of improving income security in the face of uncertain availability of jobs.
- Proponents argue: UBI would guarantee a minimum standard of living for everyone irrespective of employment, age and gender, and would give people the freedom and space to live the life they want. In addition, it may contribute to alleviating poverty while reducing administrative complexity and cost of existing social protection systems.
- Opponents dispute its economic, political and social feasibility, question its capacity to address the structural causes of poverty and inequality, and fear that it may entail disincentives to work. Moreover, it is argued that benefit levels may be insufficient and that it would undermine labour market institutions such as collective bargaining.



- A wide range of proposals are being discussed under the label of UBI.
- Questions about coverage, benefit adequacy, affordability and financing modalities, as well as the benefits and services that are kept along with a UBI need to be further explored so that a basic income can fulfil its intended purposes.
- The resurgence of the UBI debate reaffirms the necessity and importance of providing every member of society with at least the minimum level of income security essential to the realization of human dignity.

- While UBI may contribute to closing coverage gaps, its financial, economic and political feasibility poses important challenges.
- However, many governments have already implemented universal benefit schemes for certain subgroups of the population (e.g. universal old-age pension and child benefits).
- The combination of contributory and non-contributory schemes is essential in building a comprehensive social security system with a strong floor of social protection.

# Ensuring sustainable and equitable financing through general taxation and other financing sources



- Many observers agree that a greater emphasis on tax financing will be necessary to meet the higher demands placed on the social protection system.
- Different opinions on how to achieve this (e.g. taxing robots and other technologies or carbon emissions).
- Unclear whether and how governments could enhance their capacity to tax the highly mobile owners of robots and capital, so as to mobilize the necessary resources for social protection in the context of a globalized economy and tax competitions.
- Strong role for public provisions for ensuring adequate social protection for all in a fiscally, economically and socially sustainable way, building on the principles of risk sharing, equity and solidarity, thus strengthening the social contract.

# Conclusions: Enhancing universal social protection for the future of work: which way forward?



- Ensuring universal social protection requires closing coverage gaps and adapting to new contexts related to NFE, so as to realize the human right to social security.
- Many countries have already implemented innovative policy solutions, but more can and should be done to ensure that social protection systems are fit for purpose.
- Social protection, including both contributory and non-contributory schemes, constitutes an important element of decent work.
- However, a significant proportion of the world's population still has insufficient or no social protection coverage at all.
- While new changes are likely to affect the world of work in general, and national social protection systems in particular, it is without doubt that work will remain important for people's livelihood and personal well-being.

- Countries have undertaken various measures to extend social protection.
- Although the UBI may partially address the possible disruption of jobs and the changing work and employment arrangements, they also raise fundamental questions about the balance between personal freedoms and societal needs, the meaning of work in individuals' lives as well as the fair sharing of responsibilities between employers and workers concerning social security contributions.

- Current social protection systems need to be strengthened and adapted to adequately address the challenges in the world of work, based upon the principles of risk pooling and equity so that social protection continues as an instrument of social justice and cohesion.
- The principles laid out above can guide the way for measures to adapt and strengthen social protection systems.
- Building nationally appropriate social protection floors as fundamental to promoting more equitable and sustainable social protection systems.
- The importance of social dialogue for any reforms of social protection.