



Pathways to Universal Social Protection Coverage

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Focus of the presentation

- Why striving for universal social protection coverage?
- What is ILO's policy on pathways to universal coverage?
- How to address the challenges in achieving universal coverage?



Why striving for universal social protection coverage?

What are the issues?

- 20% of the world population lives in abject poverty
- Every year 100 million people globally are forced into poverty by health care costs
- 80% of the world population does not have access to adequate social protection, most of them live in social insecurity



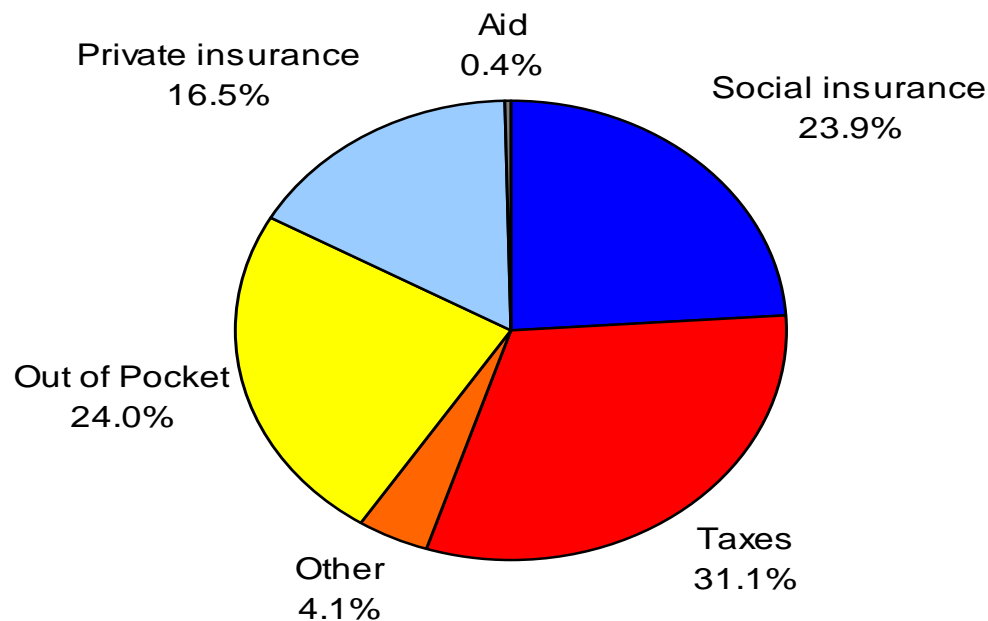
What is the economic impact of ill health?

- Intensifies poverty
- Increases health expenditure
- Slows down economic growth
- Reverses developmental gains



Global expenditure on health in 2001

In 2001, the World spent Int.\$3.8 trillion on health care
(international dollars estimated at WHO - Timor Leste and Somalia are not included)
Source: National Health Accounts, EIP/FER/FAR, World Health Organization





Policy concern about out-of-pocket spending

- May lead to catastrophic health spending (> 40% of income net of subsistence)
- Impoverish people



What is ILO's policy on pathways to universal coverage?



What are the objectives of universal coverage?

- To provide income security and access to health care for all who need it *at an affordable cost*
 - To prevent and protect against risks
 - To advance individual and social potentials
- ... with a view to contribute to poverty reduction and sustainable development



Guiding principles

- Equality of treatment
- Solidarity
- Inclusiveness
- Overall responsibility of the State
- Transparent and democratic management



New Consensus on Social Security

Objective:	Extension of social security coverage
Tool:	Global Campaign on Social Security for All
Strategies:	<ul style="list-style-type: none">● Extension and better management of statutory schemes● Development of innovative mechanisms● Linkages between statutory and innovative schemes



What are the advantages of national social insurance and community-based schemes?

Assets of national insurance

- Notion of human values and economic efficiency
- Stable resources
- Fair burden sharing and thereby poverty alleviation
- Reduces financial barriers to access health services
- Involvement of social partners

Assets of CBS:

- Applying concepts of social insurance
- Reaching the informal economy
- Adjusting benefits, contributions, and payment schedules to local needs



How to address the challenges in achieving universal coverage?





Key challenges to be addressed:

- Financial feasibility
- Technical feasibility
- Socio-political feasibility



What are the financial challenges?

- **Economic performance**

- Modest economic growth
- Large informal economy
- Growing Poverty
- Financial constraints in the public sector

- **Social protection schemes' performance including health care**

- Low coverage
- Under funded schemes
- High out-of-pocket payments leading to inequalities



Technical issues:

- How to narrow the coverage gap between rural and urban regions?
- How to increase management capacity, administrative efficiency and governance?
- How to address limitation of benefit packages?
- How to enforce the law and regulations?



What are the socio-political challenges?

- Basic norms and values of the society e.g regarding inclusiveness of rights, equity and equality
- Acceptance of solidarity mechanisms
- Understanding of insurance mechanisms



Policy framework needed to address challenges

- Adequacy and continuity of resources
- Comprehensive legal and policy framework
- Inclusive framing of rights and obligations
- Social dialogue
- Monitoring and enforcement



ILO activities aiming at achieving universal social protection:

- Reinforcing policy advocacy
- Strengthening national and international partnerships
- Contributing to technical development
- Improving knowledge development



... currently focusing on the development of

- A data base as factual basis for policy formulation
- Topical research and policy papers on pension, health, unemployment and anti-poverty benefit policies
- A new legal ILO instrument promoting the right to basic social security
- International solidarity based financing of basic universal social benefits
- A quality assurance mechanism for social security schemes



“The world does not lack the resources to abolish poverty but it lacks the priorities ”

Juan Somavia, Director General,
ILO



Thank you very much !

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