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Critically Analysis: How can we reduce or eradicate poverty and improve the human security?

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Introduction

Poverty reduction or eradication is an area that has appealed a lot of debate and discussion in the last thirty years. It is a fact that poverty is an issue faced by many countries and has become a global challenge that overtakes social and political issues to integrate economic issues. Thus, methods for solving the issue of poverty cannot be limited to political and social policies, but need thorough, rigid and well-coordinated initiatives. In fact, the above-mentioned is the fundamental principle that guide strategies devised to reduce the poverty. In the modern-day society, an extensive part of this ongoing debatable subject is based on issues regarding how this impending social and economic issue can be taken and solved. There are many scholarly figures that have found and illustrated sustainable economic and social development as the best solution to poverty. This is comparatively because economic and social development and their growth brings with it many reforms, such as structural, regulatory and trade that contribute a pivotal role in identifying and eradicating issues associated with poverty. Even though sustainable economic and social developments are a significant influencer in poverty reduction, their sustainability calls for macroeconomic stability. Thus, it is clear that social and economic strategies intended at eradicating poverty are much interconnected with the state's macroeconomic stability. The purpose of this essay is to critically analyse how poverty can be reduced or eradicated and human security can be improved.

Discussion

All human beings have the right to social protection. Social security and protection has been found as a powerful and influential instrument to reduce poverty and for social cohesion. Sustainable economic and social development is promoted by social security, and thus the countries that have strong social protection systems; they are better capable of handling the global economic and financial downturn. As part of eliminating the poverty and promoting human security by means of social justice inside and outside its borders, the European Union (EU) should:

- 1) Provide developing countries with strong financial and technical assistance so that they can establish and expand their social security systems, and
- 2) Support the UN SPFI (Social Protection Floor Initiative).

Social Security System & Decent Work Agenda

The Article 22 of the Universal Declaration of Human Rights declares that “*Everyone, as a member of society, has the right to social security*”¹. The Universal Declaration of Human Rights was adopted in 1948 and now, it is estimated that just 20 per cent of the employed population across the work have effective access to thorough social protection systems², and almost 80 per cent are facing social insecurity issues and 20 per cent are residing below the poverty line³. Through social security, countries can sustain their social and economic development. Social security and protection works as a stabiliser that boosts the economy, society and political regime, while providing mechanisms to eliminate poverty, minimising income inequalities and enhancing human capital and productivity.

The investment in social security systems has been highlighted by the economic and financial recession all over the world is indeed the social and economic necessity. It has been found by the International Labour Organisation (ILO)⁴, that the employment effect of automatic stabilisers (comprising social transfers) were as crucial as the motivation package. Countries that have comprehensive social protection systems they were better capable of dealing with the global economic and financial recession as the impact on households was unstiffened and the decline in aggregate demand alleviated⁵.

In 2005, the United Nations Millennium Development Goals (UN MDG) Summit has agreed on that a certain target for Decent Work should be included in MDG as New MDG Target (1B): “*Achieve full and productive employment and decent work for all, including women and young people*”⁶. However, there is a meagre progress in this domain⁷ and less focus has been bestowed to social security and protection. However, according to available evidence:

¹Frans Pennings and Gijsbert Vonk, Research Handbook On European Social Security Law (Edward Elgar Publishing 2015).

²F. Maupain, 'Revitalization Not Retreat: The Real Potential Of The 1998 ILO Declaration For The Universal Protection Of Workers' Rights' (2005) 16 European Journal of International Law.

³Michael Cichon, 'The Social Protection Floors Recommendation, 2012 (No. 202): Can A Six-Page Document Change The Course Of Social History?' (2013) 66 International Social Security Review.

⁴Armando Barrientos and David Hulme, 'Social Protection For The Poor And Poorest In Developing Countries: Reflections On A Quiet Revolution' (2009) 37 Oxford Development Studies.

⁵Armando Barrientos and David Hulme, 'Social Protection For The Poor And Poorest In Developing Countries: Reflections On A Quiet Revolution' (2009) 37 Oxford Development Studies.

⁶Ilo.org, 'Millennium Development Goals (Mdns) Employment Indicators' (2009)

<http://www.ilo.org/empelm/what/WCMS_114244/lang--en/index.htm> accessed 1 December 2015.

Social Security and Protection is Effective for Reducing the Poverty Level

The vulnerability of the young and the old can directly be reduced by the social transfers and these are a powerful instrument to eradicate poverty and inequality⁸. In fact, social transfers are very crucial in countries where the severe diseases like Hepatitis and AIDS have been escalated in orphaned and deprived kids, excluding old-age population, mainly widows, to take care of those with no any assistance. Cash transfers that lead to improvements in the health, education and nutrition of children have long-standing effects on output and earnings, and hence play a role in breaking the intergenerational cycle of poverty. There is a strong impact of social transfers on disregarded population and communities that can be even greater when backed up by legitimate measures to fight against discrimination and favouritism in employment, education and healthcare, property and land ownership, and much more.

Vulnerability to shocks can be reduced by social transfers. Well-designed programmes of social transfer have the potential to prevent the non-poor from poverty because of economic or environmental tremors. Seemingly without interruption, globalisation is developing new groups of people who are underprivileged and excluded from the society and who 'lose out' because of the change in market and production patterns. Moreover, environmental change threatens to bring extraordinary changes in the patterns of production and migration, which will ultimately be the reason of high level of poverty. To alleviate the negative effects of this economic and environmental change on livelihoods (means of support, employments, sources of revenue, etc.) of people, social transfers are crucial⁹.

In the recent past, the developing countries have experienced an increase in the number of all-encompassing cash transfer schemes. In general, such schemes have importantly contributed to identifying poverty and susceptibility among the population that is poor. Among these programmes, *Bolsa Familia* (family grant) in Brazil¹⁰ is one of the very effective programmes. At present, this programme covers over 12 million households in the country and pays

⁷S Fukuda-Parr and D Hulme, 'International Norm Dynamics And The "End Of Poverty": Understanding The Millennium Development Goals.' (2011) 17 *Global governance: a review of multilateralism and international organizations*.

⁸Armando Barrientos, 'Social Transfers And Growth: What Do We Know? What Do We Need To Find Out?' (2012) 40 *World Development*.

⁹Michael Marmot and others, 'WHO European Review Of Social Determinants Of Health And The Health Divide' (2012) 380 *The Lancet*.

¹⁰F. V Soares, R G Osório and R. P Ribas, 'Evaluating The Impact Of Brazil's Bolsa Familia: Cash Transfer Programs In Comparative Perspective' (2010) 45 *Latin American Research Review*.

mothers \$12 per child on monthly basis for their education school and healthcare¹¹. In accordance with the Fundacao Getulio Vargas¹², this conditional cash transfer attributes to every one out of 6 of the poverty reduction experienced by Brazil (over 8 per cent annually since 2003). It is estimated in Tanzania that a blend of basic and standardised old pension benefits and child benefits to school-going kids under 14 would mitigate the rate of poverty up to 30%¹³.

It has been found that many people in most developing countries do not have comprehensive and free access to healthcare. In fact, social exclusion and poverty is escalated by these 'out-of-pocket' payments for healthcare. It has been estimated by the World Health Organisation (WHO) that around 100 million people annually are pushed under the poverty line and the reason is that they have to use, and manage to pay for, healthcare¹⁴. The mechanisms of social health insurance mitigate dependence on out-of-pocket payments. Several developing countries have been found in Asia and Africa that launched the programmes of community-based health (like mutual schemes), and now reach about 40 million people.

Social Security System and Pro-Poor Growth

The pro-poor growth is promoted by social security and protection systems that increase the poor's capability of participating in, contributing to, and taking advantage of growth¹⁵. It does so by enhancing access to basic healthcare, nutrition and education as social services, which supports the poor's productivity and participation in the employment market and by preventing the poor from economic tremors and minimising their susceptibility.

Social Security and Protection is affordable

It has been estimated by the International Labour Organisation (ILO) that just a small proportion (2%) of global GDP would be essential to provide the poor across the world with a

¹¹F. V Soares, R G Osório and R. P Ribas, 'Evaluating The Impact Of Brazil's Bolsa Familia: Cash Transfer Programs In Comparative Perspective' (2010) 45 Latin American Research Review.

¹²C Castro, M A Ruediger and E Lazarou, 'Fundacao Getulio Vargas And PRONASCI: A Study Of Brazilian Think Tanks' [2015] How Think Tanks Shape Social Development Policies, 333.

¹³Michael Cichon, 'The Social Protection Floors Recommendation, 2012 (No. 202): Can A Six-Page Document Change The Course Of Social History?' (2013) 66 International Social Security Review.

¹⁴David B Evans, Robert Marten and Carissa Etienne, 'Universal Health Coverage Is A Development Issue' (2012) 380 The Lancet.

¹⁵Tony Addison, Chronic Poverty Report 2008-09 (Chronic Poverty Research Centre 2008).

fundamental social security bundle by easing their universal access to basic social services and 6% to cover people who have no access to social security¹⁶. In his study Hagemeyer¹⁷ examined 12 low income countries and found that 3.7 to 10.6% of GDP in 2010 was the cost of developing a basic social security package, while the package's individual elements were more affordable: between 0.6 and 1.5 of GDP were the per annum cost of providing people with standardised basic old age and disability pensions in 2010; basic healthcare was between the GDP's 1.5% and 5.5%; providing support to people who are jobless or underemployed was between 0.3% and 0.8% of GDP¹⁸.

However, the meaning of affordability is obviously not that resources are available, or that only domestic resource could financially support the basic social security package. There is a major role of developing economies (such as by escalating social spending as a GDP and total government spending proportion, redistributing finances between domains of social policy, and so on) and the international organisations have to interpret its policy pledge into solid support for their national initiatives regarding social protection, so that they can improve social and human security to eradicate poverty ultimately.

Social Protection has a Positive Impact on Growth

The income of the poor should be raised and in that case, domestic demand is increased by social security transfers and, consequently, promotes massive growth through the expansion of domestic markets. As an instance, in Zambia, a large proportion (80%) of social transfers is spent on local goods. Besides, social protection has the potential to make growth equitable, develops social organisation and, ultimately it makes growth increasingly more sustainable. All the countries have recognised the value of equitable growth and simultaneously, the better-quality income distribution can enhance quality of growth¹⁹.

As far as the case of Europe is concerned, it reveals that social expenditure at the high levels and growth of economy can live together. In the (OECD) Organisation for Economic Co-

¹⁶ Armando Barrientos, 'Social Protection And Poverty' (2011) 20 International Journal of Social Welfare.

¹⁷ K Hagemeyer, 'Rights-Based Approach To Social Security Coverage Expansion.' [2009] Closing the coverage gap: The role of social pensions and other retirement income transfers.

¹⁸ K Hagemeyer, 'Rights-Based Approach To Social Security Coverage Expansion.' [2009] Closing the coverage gap: The role of social pensions and other retirement income transfers.

¹⁹ Michael Cichon, 'The Social Protection Floors Recommendation, 2012 (No. 202): Can A Six-Page Document Change The Course Of Social History?' (2013) 66 International Social Security Review.

operation and Development (OECD) countries, the social and economic development is determined by the formation of universal social security systems and these systems have played their role in mitigating poverty and consolidating social inclusion. Now, it is projected that there are 30 OECD countries made a commitment to spend 13% of their GDP to their social security systems and this average is below 2% in low-income economies²⁰. It has been found that the European Union, including Switzerland, Iceland and Norway, spend on average over 25% of their GDP on total social protection expenditure²¹. Moreover, it is accepted worldwide that high levels of spending on social security and protection can lower the poverty levels. Therefore, making sure the coverage of social security to the poor across the world is indeed a main question of political will in devising the appropriate urgencies, instead of a dearth of means.

Social Security and Protection as a Global Pledge

The countries that have only rudimentary systems, establishing comprehensive social security systems is one of the major tasks to prepare global society for prospect economic and financial declines and to attain all the global objectives. There are many international governments, organisations, agencies, donors, and civil society communities that have recognised that the role of social security system is major to prevent and mitigate poverty, while improving social and economic development.

Social Security is an Ultimate Need of Developing Economies

The developing countries are now increasingly demanding for more public measures on social security and employment. The African Union Social Policy Framework 2008 is its best example which demands from the continent's governments to develop and enact social security and protection plans at the national level based on a minimum package²².

²⁰Peter Townsend, Building Decent Societies (International Labour Office, Palgrave Macmillan 2009).

²¹Ilo.org, 'World Social Security Report 2010/11. Providing Coverage In Times Of Crisis And Beyond' (2010) <http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_146566/lang-en/index.htm> accessed 1 December 2015.

²²capacity4dev.eu, 'Food & Nutrition Security And Sustainable Agriculture - ROSA : The Africa Union's Social Policy Framework For Africa |' (2015) <<http://capacity4dev.ec.europa.eu/hunger-foodsecurity-nutrition/document/africa-unions-social-policy-framework-africa>> accessed 1 December 2015.

The UN Social Protection Floor Initiative (UNSPFI)

The importance of social security and protection systems has been recognised worldwide. A promotional framework has been comprised by the ILO Declaration on Social Justice for a Fair Globalisation²³ to enact the four corner stones as fundamental principle or practice of decent work at global, regional and national levels. Additionally, the UK has adopted the notion of a basic social security floor and in this regard, the organisation has introduced the Social Protection Floor Initiative (SPFI).

On the basis of the progressive universalism and its principle, the SPFI aims to make sure a least set of advantages given by social security for each and every one: the social protection floor. On the basis of that floor, social protection and security at the higher levels should then be required as countries develop and the fiscal space for redistributive policies expands.

The International Labour Conference was held in the mid of 2009 that adopted the ILO Global Jobs Pact and requested economies to develop:

“Adequate social protection for all, drawing on a basic social protection floor including: access to health care, income security for the elderly and persons with disabilities, child benefits and income security combined with public employment guarantee schemes for the unemployed and working poor”²⁴.

In Europe, there are many civil society groups and organisations that support the Global Campaign on Social Security and Coverage for All launched by ILO. One of the most well-known of such civil society organisations is the European Working Group on Social Protection and Decent Work in Development Cooperation that works with the core objective of seeing social security given the importance it be worthy of in EU aid policy and as an integral component of the Decent Work Agenda.

²³Social-protection.org, 'ILO | Social Protection Platform | Theme | The Right To Social Protection' (2015) <<http://www.social-protection.org/gimi/gess/ShowTheme.do?tid=2566>> accessed 1 December 2015.

²⁴Social-protection.org, 'ILO | Social Protection Platform | Theme | The Right To Social Protection' (2015) <<http://www.social-protection.org/gimi/gess/ShowTheme.do?tid=2566>> accessed 1 December 2015.

Conclusions and Recommendations

The European Union has a development policy and has signed the Lisbon Treaty and thus its main focus is on the eradication of poverty. In this regard, Article 208 of the Official Journal of the European Union 2008 declares that “*Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty*”²⁵. Moreover, the EU recognises the Decent Work Agenda given by ILO, which integrates social security as one of the corner stones. This has resulted in a improved interest in the contribution of social protection in development, while fighting against poverty. Its strong pledge is reaffirmed by the EU 2020 strategy to become the EU a keen, sustainable and comprehensive economy by creating the opportunity of smart and high levels of employment as well as social cohesion.

Further, the value and worth of social security and protection system has been recognised by the EU in its reaction to the economic and financial recession at the global level as well as increased prices of food and fuel. It also recognises that the initiatives regarding social security are crucial to effectively cope with these local, national and global critical situations. In this regard, EU has organised a programme with the title of ‘Supporting Developing Countries in Coping with the Crisis’ in which it is recommended by it that the EU member countries and the Commission support developing economies in establishing social security systems, like cash transfers (Commission of the European Communities 2009). Recently, it has been recognised by the Foreign Affairs Council Conclusions on the MDG Summit that social security programmes to eradicate poverty and inequality are crucial to all the developing economies so that they can achieve their global objectives of the MDGs.

However, there is no coherent strategic plan of EU to support social security by development cooperation. Now, it is the best time to consider this incoherence of the EU’s strategic plan. On the basis of its economic development record and its technical proficiency, the following steps are necessary to be taken by the EU:

²⁵Europa.eu, 'European Commission - PRESS RELEASES - Press Release - European Commission Opens Debate To Change Gears In The Fight Against Poverty' (2010) <http://europa.eu/rapid/press-release_IP-10-1494_en.htm?locale=en> accessed 1 December 2015.

- The EU should provide sufficient, long-standing and foreseeable financial and technical backing to leverage the hard work of developing economies to establish comprehensive social security systems.
- The EU should reinforce the SPFI given by the ILO.
- The EU should integrate social security system and decent work as focus areas in more country and regional strategy documents by giving professional help for sector and budget support policy dialogue in this domain. This approach will make sure that the most disregarded population will take advantage of EU funds, comprising people residing below the poverty line and people working in the informal economy.

The above mentioned are inevitable needs that the European civil society organisations should put forward to the EU.

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