

**Outline for the public hearing organised by the
Committee on Economic Cooperation and Development of the
German Bundestag on:
“The impact and financing of social security systems in the countries
of the Global South”
on Wednesday, 29 March 2023, from 10.30 hrs until 13.00 hrs**

I. Topic and objective:

Social security is a human right and an important prerequisite for sustainable economic and societal development. The right to social security was enshrined as early as 1948 in Article 22 of the UN Universal Declaration on Human Rights and has been recognised in the International Covenant on Economic, Social and Cultural Rights by almost all states worldwide as binding under international law. In September 2015, with the adoption of the 2030 Agenda, the United Nations also made clear the necessity for social security to, amongst other things, protect against poverty (SDG1), ensure health for all (SDG3) and reduce inequalities (SDG10). In addition, social security plays a significant role in achieving decent work (SDG8) and gender equality.

The top priority of basic social protection, as defined in Recommendation No. 202 of the International Labour Organisation (ILO) on Social Protection Floors from 2012, is to ensure universal access to income security across the whole life cycle (for children, people of active age and older persons), as well as to essential health care. It thus represents a central political answer to crises, poverty and hunger. The Covid-19 pandemic in particular showed that public social security systems are vital to protect people against poverty and make societies resilient to crises. The fact is that social security systems not only help to maintain livelihoods, but also have a variety of effects – from allowing schooling to be continued despite parents’ unemployment, to participation in local economic life and stabilising effects on society and state. Yet social security has so far been insufficiently realised worldwide. Four billion people, constituting half of humanity, have no access to social protection; indeed, on the African continent this figure rises to 83 percent of the population.

The impacts of Russia’s war of aggression against Ukraine show the need for expansion of social security systems in order to combat extreme poverty, ensure access to food for all citizens and create a safety net to protect against the next external shock. In this context, care should be taken in general to ensure that specific needs of women are taken into account in the development of social security systems, so that the programmes concerned genuinely empower women and reduce gender injustices.

Examples exist which demonstrate that effective basic social protection can be implemented even with limited financial resources. Malawi and Peru, for example, both have social security systems costing only 0.1% to 0.2% of GDP.

Many countries with social protection floors are better prepared to cope with external shocks, since they are able to boost funding within the system where needed, assuming the necessary financial resources are available. Nevertheless, these systems must also be further expanded to allow the next shocks to be better withstood. In this context, support from external donors in the form of technical and financial cooperation can play a significant role. Important elements could be the creation of a central register of social-benefits

recipients, or a systemic policy approach to enhance coordination between the existing programmes.

The purpose of the hearing is to analyse the effectiveness of social protection floors and describe the prospects for the future, as well as examine how the challenges to come can be dealt with in view of the changing geopolitical and especially climate-policy contexts. This includes the question of financing. What role do the different taxation and economic systems play and what supportive function could the international community, the EU and Germany play in this context? The hearing will also involve discussion of how the efforts of the ILO, the World Bank and possibly the International Monetary Fund (IMF) regarding social security can be better coordinated and whether private stakeholders such as insurance providers can be brought into this process. In addition, there should be discussion of what conditions must be met to allow stronger financial and technical support for the development and expansion of public social security systems.

II. Written statements

The experts are requested to send the Committee secretariat a written statement on the topic area to which they have been invited, including answers to the questions, by 22 March 2023. Naturally, experts are free to also consider the other topic area. Submissions setting out general positions on the topic are also possible in addition to this statement. The submissions will be distributed by the secretariat to Committee members in advance of the event as a basis for the deliberations during the hearing and also published.

Should others who have carried out in-depth academic work on the subject also proactively submit documents to the secretariat before the deadline, these documents will likewise be distributed to the Committee members, but not published by the secretariat.

III. Number of experts per parliamentary group:

The coalition parliamentary groups can nominate 1 expert each and the same applies to the opposition parliamentary groups. This makes a total of 6 experts. The parliamentary groups are requested to reach agreement on the division of the experts between the topic areas.

IV. Timeframe of the hearing

Up to three experts will participate per topic area, each of which will last 72 minutes. Each of the experts will have the opportunity to give an introductory statement lasting 4 minutes; this will be followed by two rounds of questions and answers per topic area.

Allocation of the 72 minutes per topic area:

- 12 minutes for introductory statements by the experts (3 experts x 4 minutes)
- 24 minutes for questions (6 parliamentary groups x 2 minutes for the first round of questions and 6 parliamentary groups x 2 minutes for the second round of questions)
- 36 minutes for answers : 3 experts x 7 minutes for the first round of answers and 3 experts x 5 minutes for the second round).

V. Topic areas and questions

Topic area A

Impact and success of social security systems so far

Question:

A1.

What impacts of relevance for development can social security systems have, particularly on poverty, inequality, hunger, economic development, education and health? Which approaches work particularly well and which approaches do not work well? Does the inclusion of rural areas and/or informal urban settlements pose a particular challenge and if so, how can this challenge be tackled?

A2.

What role can social security play in ensuring the equal participation of all, particularly girls and women, in social, political and economic life?

A3.

What challenges hamper the development of social security systems in the Global South? How can German development cooperation deal with these challenges and to what extent must they be overcome before the development of a social security system?

A4.

What experiences do the countries of the Global South have with the temporary expansion of social security systems during the Covid-19 pandemic and how can they be supported in making permanent this expansion of their systems?

A5.

What role have international stakeholders (state development cooperation, multilateral organisations, development banks, international NGOs and private stakeholders) played so far in the development of social security systems? Are there positive or negative examples, or “lessons learned”?

A6.

What geographical scopes of social security systems have so far been the most successful? What are the advantages and disadvantages of local, regional, national or supranational approaches?

Topic area B

Financing and implementation of social security systems

Questions:

B1.

What financing needs for social security exist in the countries of the Global South and to what extent can these needs be met through the countries' own national resources? How can countries enhance their revenue basis for social security and what successful examples exist? What role could the World Bank, IMF and ILO play in this context? How can it be ensured that the improved revenue basis is ring-fenced? What role do questions of governance (transparency, anti-corruption), stable taxation systems and promotion of economic development play?

B2.

How could finance mechanisms be structured and how can international development resources be used so as to promote local ownership and self-financing amongst the countries of the Global South? How can aspects of justice and redistribution at global level be addressed in this context?

B3.

What role can social security systems play in offsetting climate risks? What role can be played in this context by instruments to protect against loss and damage associated with climate change, such as the Global Shield against Climate Risks and the Loss and Damage Fund agreed at COP 27?

B4.

How can universal social protection (in line with the UN Sustainable Development Goals) and the realisation of the human right to social security be successful in the Global South? How would potential beneficiaries and workers be registered, in particular the self-employed and workers in the informal sector? What social protection instruments are suitable to also meet the needs of vulnerable groups? What practical challenges exist, with regard for example to disbursing or remitting the funds to the beneficiaries?

B5

Are there examples of the transition from international support to independent national financing?

B6.

Does it make sense for Middle Income Countries (MICs) to “only” be provided with advice and expertise on the development of social security systems, whilst Lower Income Countries, in contrast, are to benefit from adapted upfront financing for a certain period? Is it necessary to distinguish in this way, also in terms of promoting local ownership?