Expert Group Meeting
on
"Rethinking social development policies and frameworks"

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Building universal social protection systems that contribute to equitable and inclusive societies and resilient economies.

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Introduction

The pandemic and the multiple crises that have ensued have further underscored the *urgent need to build social protection systems* that are universal and can respond in an agile way to both ''routine'' life cycle risks as well as systemic shocks and structural transformations. Countries do not need to be ''developed'' to build social protection systems – social protection systems are a precondition for developing in an inclusive and sustainable manner.

Important policy questions arise about *how* countries, with diverse socioeconomic and labour market characteristics, can build robust social protection systems. While the oft-repeated maxim ''one-size-fits-all'' must surely be rejected, it would be equally misleading to suggest that anything goes. Having a plethora of temporary, narrowly targeted programmes without legal anchoring and financial sustainability will not do. Human rights instruments and international social security standards provide broad guidance on how to build universal, comprehensive, and sustainable social protection systems. These standards are not a straitjacket – rather, they provide core guiding principles that countries have agreed to and are a touchstone that they can use to build rights-based systems.

Before turning to the key policy issues, it is important to be clear that social protection policies cannot work on their own – there is a need for coherence between social protection policies and other economic and social policies. This includes labour protection and labour market and employment policies that shape the conditions of work (e.g. wages, health and safety), formalization policies, policies for the investment and regulation of essential social services (healthcare, childcare, etc.), and enabling macroeconomic policies (especially fiscal policies) needed to ensure the sustainability of social protection systems.

Section 1. Why are social protection policies needed to address current challenges?

The main objective of social protection policies is to realize the human right to social security in the face of life cycle risks we all face, from childhood through to old age. In practice, this requires that the system, entitlements, and eligibility criteria are established in domestic law and that public authorities take responsibility for the administration or supervision of the system. This includes ensuring that those who are eligible for the benefits have a right to receive them when needed. The latter in turn presupposes that the needed financial resources are made available and that effective and accessible complaints and redress mechanisms are in place. These are core elements of a rights-based universal social protection system, which guarantee that everyone has access to comprehensive, adequate and sustainable protection over the life cycle. Having secure access to social protection provides peace of

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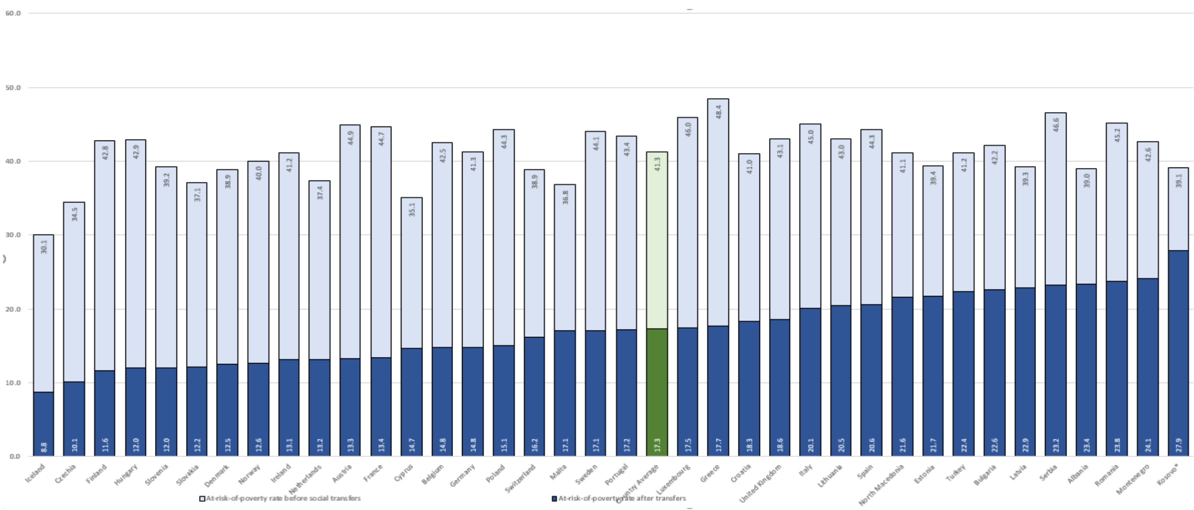
mind which has both economic and social benefits (not least in terms of physical and mental health, as well as productivity and creativity, etc.).

This section provides evidence of the impact of social protection on poverty and inequality—key challenges that most countries, both developing and developed, are grappling with. Social protection policies can help prevent poverty by protecting people from ''routine'' life cycle risks, for example, income insecurity due to employment injury, sickness, maternity, unemployment, and old age, to name a few.

The key role of social protection systems in improving people's living standards and alleviating poverty is illustrated by the fact that higher social protection expenditure is associated with lower poverty levels and reduced income inequality. Most recent data for European countries (2019 in the majority of cases) shows that the proportion of the population who are at risk of income poverty before and after taxes and transfers falls by over half — from 41.3 to 17.3 percent (see figure 1). Effectively, this represents a reduction in people's poverty risk of 58.4 percent.

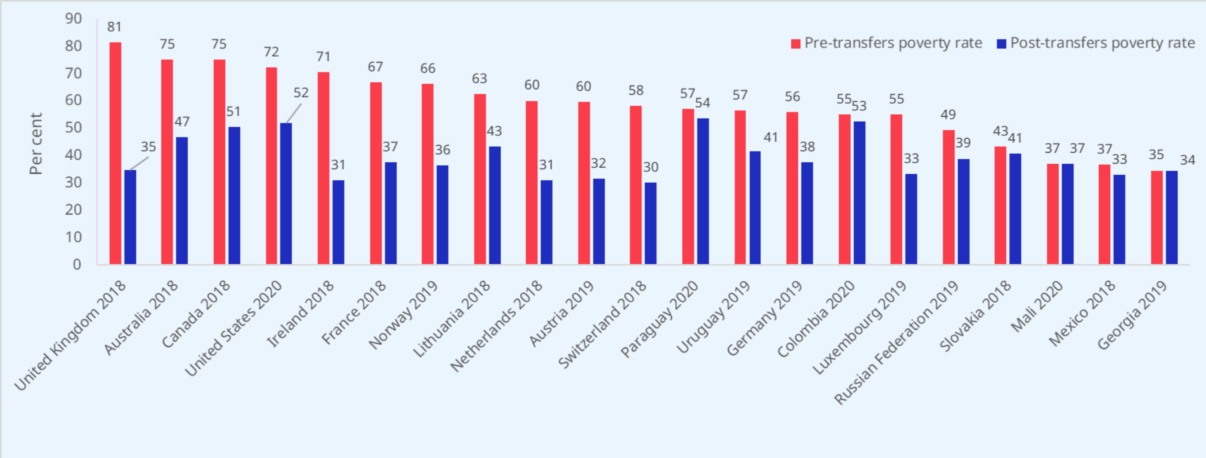
Figure 1. At-risk-of-poverty rate in the total population before and after all social transfers and taxes in European countries, circa 2019



Note: *under United Nations Security Council Resolution 1244/99. For Albania, Iceland, Kosovo, Slovakia, and The United Kingdom data are from 2018.
Source: Eurostat, 2021. https://ec.europa.eu/eurostat/databrowser/view/ilc_li09b/default/table?lang=en

Social protection is also very powerful in reducing poverty among single mothers of young children whose numbers are growing in many countries. Figure 2 shows that without exception, social transfers are essential for reducing poverty among single mothers in all countries, although their impact varies. In the United Kingdom, social transfers reduce poverty by 47 percentage points, followed by, Ireland (40pp) and Norway (40pp). At the other end of the spectrum, transfers in Mali do not have any effect in reducing relative poverty rates, while in Colombia, Georgia, Mexico, Slovakia and Paraguay the reduction remains below 4 percentage points.

Figure 2. Poverty rates among single mothers pre and post transfers, percentage of single mothers, persons aged 18 years or above, 2018-2020

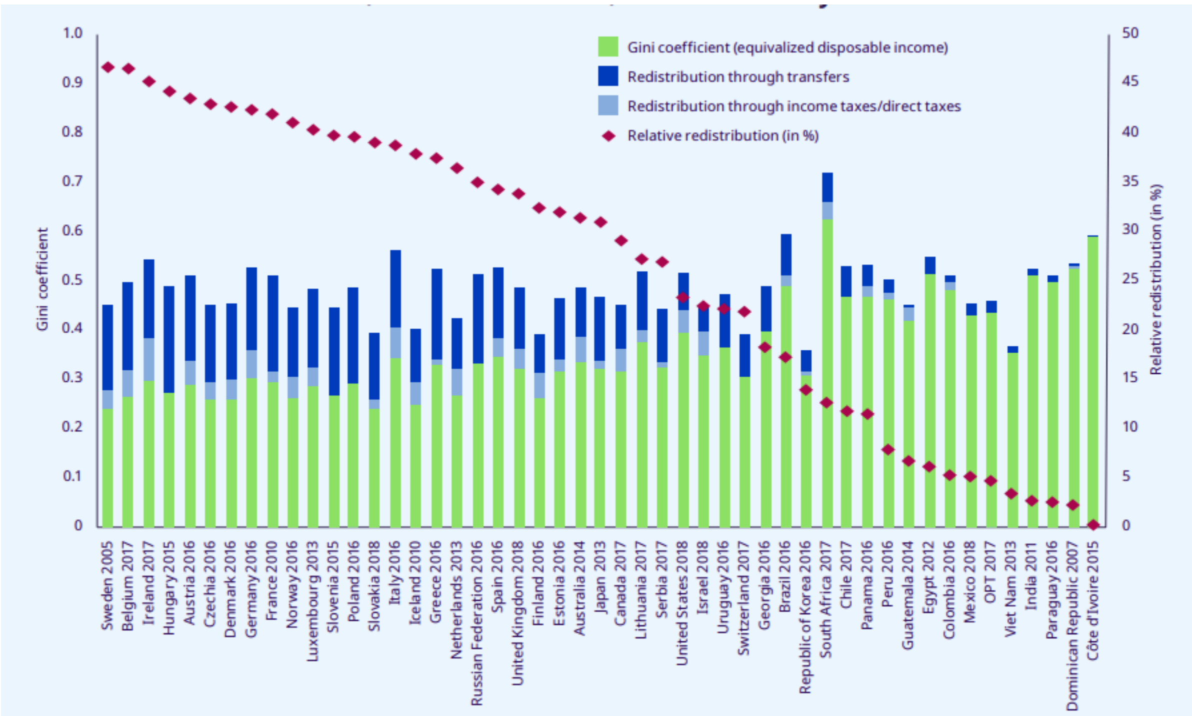


Note: Pre-transfers poverty rates are calculated using adjusted market income. Post-transfers poverty rates are calculated using adjusted disposable income. Adjusted market income includes income from earnings and occupational pensions. Adjusted disposable income includes income from earnings, occupational pensions, and social transfers (e.g. state old-age and survivors benefits, unemployment benefits, short term sickness and injury benefits, child-related benefits and family leave benefits). The adjusted income equals the unadjusted income divided by the square root of household size. Both market and disposable income are net of income taxes and social security contributions. The poverty line set at one-half of national median equivalent disposable income among all persons aged 25-54 years.

Source: ILO calculations based on the Luxembourg Income Study (LIS) Database.

Social protection also has an important impact on inequalities, both vertical and horizontal. This effect helps make societies more equitable, and more socially cohesive. Figure 3 compares levels of inequality in market incomes, measured by the Gini coefficient (combined green and blue bars), with levels of inequality in disposable incomes (green bars). The reduction in inequality achieved by social protection transfers (dark blue bars) and taxes (light blue bars) varies significantly. While many European countries reduce inequality by more than one-third through the combined effects of taxes and transfers, middle-income countries with less well-developed social protection systems achieve a much smaller degree of redistribution. Most middle-income countries fall on the right-hand side of the figure with relatively low levels of redistribution in percentage terms (e.g. South Africa and Chile around 12% compared to Uruguay around 22%, and Sweden in the high 40s).

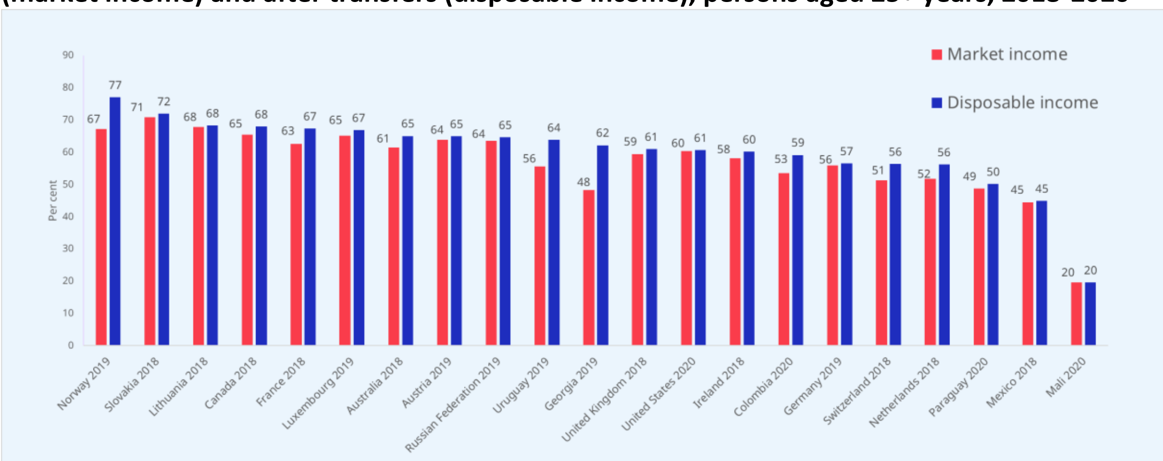
Figure 3. Reduction of inequality (Gini coefficient) through social security transfers and taxes, selected countries, latest available year



Source: World Social Protection Report 2020-22; ILO calculations based on Luxembourg Income Study (LIS) database (http://www.lisdatacenter.org), multiple countries, 2005–18. Link: https://wspr.social-protection.org

Social protection can also reduce income inequality between women and men. Figure 4 shows that across the 21 countries for which post-2018 data are available, women's personal income before transfers (market income) lags behind men's, with the women/men ratio ranging from 20 percent in Mali to 71 percent in Slovakia. Except in Mali, in all countries analyzed, this ratio improves after social transfers are factored in. However, women's personal income continues to be substantially lower than men's everywhere, indicating that social transfers on their own are insufficient to fully redress gender inequalities in market income. This underlines the importance of complementary policies needed to address inequalities in the labour market, including policies to reduce the gender wage gap.

Figure 4. Average women's personal income as a percentage of average men's before transfers (market income) and after transfers (disposable income), persons aged 25+ years, 2018-2020



Source: ILO calculations based on the Luxembourg Income Study (LIS) Database.

In addition to its critical role in protecting people from ''routine'' life cycle risks, in recent decades we have also seen the counter-cyclical function of SPS during economic crises (2008 GFC) and systemic shocks (2020-22 COVID) in helping countries get out of recessions. Injecting further financing into social protection during crises is critical as it prevents further economic contraction, which only prolongs recessions, delays recovery and reduces the revenue available to governments for social expenditure. Thus, during both crises, social protection was the go-to policy response for many governments. For the GFC it was used to protect jobs and income, stimulate aggregate demand and maintain social stability. Similarly, during the pandemic it was used for the same purposes with an additional focus on protecting people's health. Testament to the pivotal role played is that 2008 and 2020 saw some of the largest mobilization of social protection measures ever seen.

A key lesson to emerge was that countries best able to diffuse the crises' adverse impacts were those that already had strong social protection systems. Countries without sufficiently strong social protection systems in place struggled to adopt emergency ad hoc measures; this often entailed a fair degree of improvisation, often with sub-optimal results in terms of the adequacy and duration of protection.

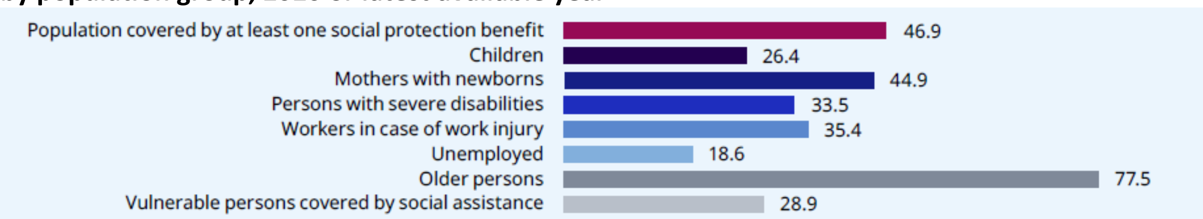
Indeed, social protection policies not only serve to protect people from systemic shocks, but they are also an important facilitator of structural transformations by supporting workers to move from sectors that need to be de-prioritized to new jobs in priority sectors and industries by providing unemployment protection, and social transfers while workers re-skill and look for new employment opportunities. As the UN SG remarked, ''The green economy will be a new source of prosperity and employment. But let us not forget that some people will lose their jobs, particularly in the post-industrial rustbelts of our world'' (UN 2020).

Section 2. What are the critical features of an effective social protection system?

A systems approach: Social protection across the life-cycle and the need for *a comprehensive range of benefits*.

As of 2020, only 46.9 percent of the global population were effectively covered by at least one social protection benefit – this means as many as 4.1 billion people were left wholly unprotected (see Figure 5) (ILO 2021b).

Figure 5. SDG indicator 1.3.1: Effective social protection coverage, global and regional estimates, by population group, 2020 or latest available year

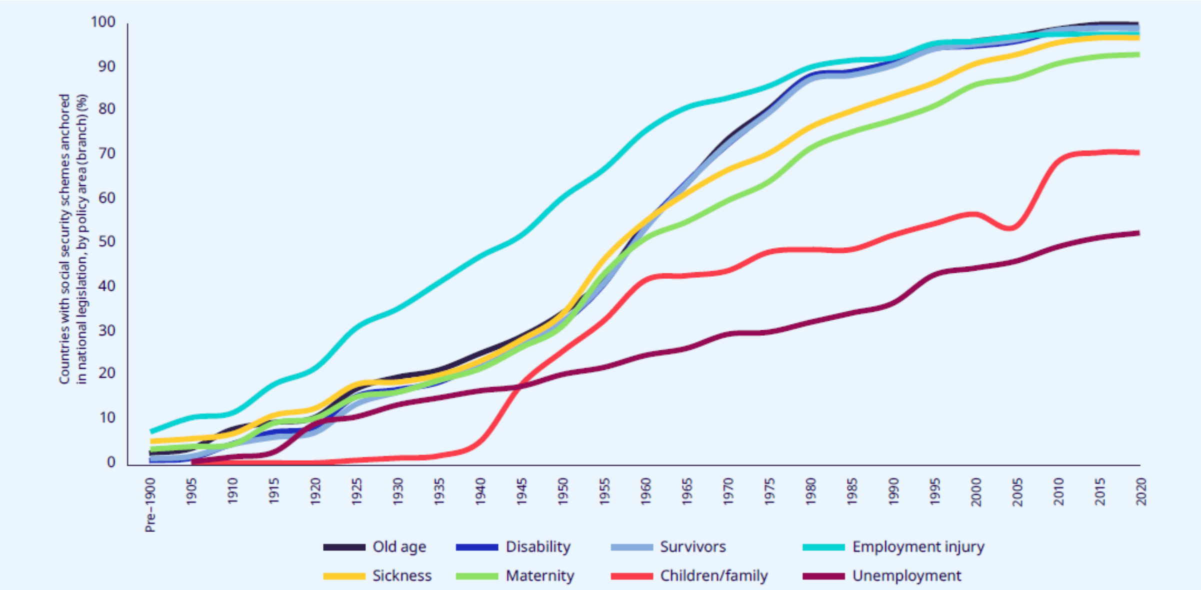


Sources: ILO, World Social Protection Database, based on the SSI; ISSA/SSA, Social Security Programs Throughout the World; ILOSTAT; national sources.

Clearly there is much progress yet to be made. Covering the 9 life cycle risks cannot happen overnight. It needs to be developed in a progressive, sequential and planned manner.

As Figure, 6 shows, countries have historically tended first to address the area of employment injury, then introduced old-age pensions and disability and survivors' benefits, followed by sickness, health and maternity protection. Benefits for children and families, and unemployment benefits, have typically come last.

Figure 6. Development of social protection schemes anchored in national legislation by policy area, pre-1900 to 2020 (percentage of countries)



Notes: Based on the information available for 186 countries. The policy areas covered are those specified in Convention No. 102, excluding healthcare. The estimates include all programmes prescribed by law, including employers' liability schemes.

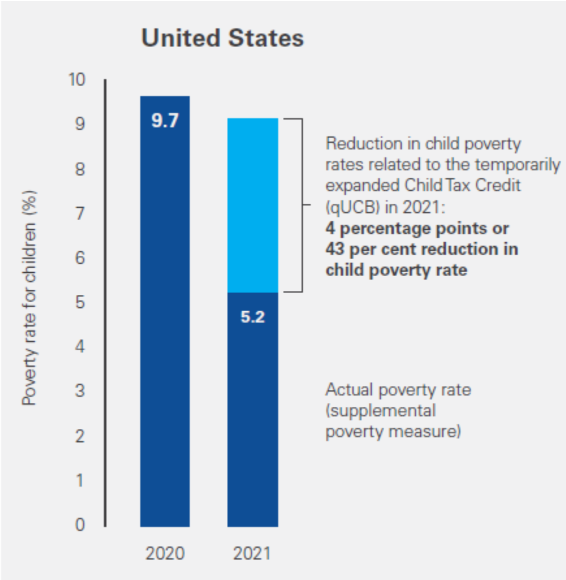
Sources: ILO, World Social Protection Database, based on the SSI; ISSA/SSA, Social Security Programs Throughout the World; ILOSTAT; national sources.

This does not mean that all countries need to follow the same approach – today, for example, possibly due to the ravages of COVID-19 on labour markets, countries are showing great interest in developing unemployment protection schemes. This needs a caveat as the protection against unemployment is often harder to implement as it requires coupling with the development and operation of employment services and extensive experience in the administration of other branches of social security.

When it comes to tackling inequalities, family benefits are too often neglected even though they are much more impactful in reducing inequalities, especially gender inequality, than some other benefits, especially when they are gender-responsive in their design and delivery. Despite this, only 26.4 percent of children globally receive social protection. This means that 1.46 billion children below the age of 15 years are not covered at all (ILO and UNICEF 2023). Child benefits are a foundational policy for child and social development. Universal and quasi-universal child benefits (UCBs and qUCBs) hold promise and offer a simple and scalable route to universal coverage and to support welfare systems strengthening, achieving children's rights, promoting child development, and driving socioeconomic development (ILO and UNICEF 2024 Forthcoming). Importantly, extensive evidence shows the cost-effectiveness of UCBs in addressing child poverty in both absolute and relative terms.

The poverty reduction effects of UCBs can be powerful and swift. When the United States temporarily expanded its main child benefit in 2021, as part of the response to the pandemic to cover most children, the child poverty reduction effects of this temporary adjustment were huge: slashing the child poverty rate nearly in half in 2021 – by 43 percent – to the lowest level on record, moving 2.9 million children out of poverty (see Figure 7) (Burns, Fox, and Wilson 2022). Simulations for 14 middle-income countries show that a UCB scheme costing just 1 percent of GDP would reduce poverty for the whole population in each country by as much as 20 percent, and that child poverty reduction would be equal to or greater than this (ODI and UNICEF 2020).

Figure 7. The reduction of child poverty in the United States (2021) through its quasi-UCB



Source: (Burns, Fox, and Wilson 2022).

Even though pensions are one of the most widely available forms of social protection, with 77.5 per cent of people above retirement age receiving some form of old-age pension, adequacy remains an issue and there are major disparities across regions, between rural and urban areas, and between women and men. Women are less likely than men to be effectively covered by a contributory pension scheme, with 38.7 percent of working-age men covered by an old-age pension scheme, compared to only 26.3 percent of women, reflecting women's labour market disadvantages (such as more interrupted labour market trajectories, the prevalence of part-time and temporary work, higher tendency to work informally or in sectors where informality is prevalent, etc.) (ILO 2021b).

Countries that have achieved universal or near-universal coverage of pensions for both women and men, often combine contributory and non-contributory pension schemes. Countries such as the Plurinational State of Bolivia, Botswana, Lesotho, Namibia and the United Republic of Tanzania (Zanzibar), have established universal non-contributory, tax-financed schemes, and other countries, such as Cabo Verde and Trinidad and Tobago, are close to achieving universality through a combination of contributory and non-contributory schemes. These experiences show that progress towards universal pension coverage, including of women, is feasible in low- and middle-income countries. However, while tax-financed non-contributory pension schemes, especially when they are universal or pension-tested, can help close the gender gap in coverage, the level of benefit they provide can be low and insufficient as an income-replacement mechanism, especially for those with higher levels of earnings.

It is important therefore that both contributory and non-contributory schemes are adapted to the realities faced by women through specific design features such as the reference salary used for benefit determination, the replacement rates applied, the rules for benefit indexation, minimum benefit guarantees, as well as policies to recognize and compensate periods of care or care-related leave.

Extend coverage to uncovered workers: The lynchpin for the formalization of enterprises and employment

Depending on national policy and legal frameworks, part-time, temporary or self-employed workers may be covered only partially or not at all. Many of these workers experience lower job and income security, poorer working conditions, and lower social protection coverage than those in formal full-time employment arrangements. This includes both longstanding forms of informal employment like agricultural smallholders and domestic workers, as well as ''newer'' forms of employment such as workers on digital platforms (see Box 1).

Most workers in the informal economy are not affiliated with contributory schemes, nor are they reached by narrowly targeted "safety nets", as they are not considered "poor enough" to qualify for these. For this reason, they are sometimes referred to as the "missing middle" and account for 1.6 billion informal workers who are not covered by either mechanism. Among this broad category of workers in the informal economy, there is great diversity in terms of employment status (wage worker vs self-employed), economic sector, location (urban vs rural), and income level, to mention just a few factors. The obstacles these workers face vary but often include legal, financial, administrative, and institutional barriers, which require context-specific policy measures that can help overcome them (see ILO 2021a). For example, the facilitation of microenterprise registration and tax/contribution collection through monotax mechanisms in Argentina, Brazil and Uruguay is an example of a mechanism that has allowed certain categories of self-employed workers to pay social security contributions and taxes in a simplified way, while the microenterprises are registered and become progressively formalized.

Box 1 Ensuring social protection for workers on digital platforms

More and more work, both locally provided services and geographically dispersed work ("crowdwork"), is mediated on digital platforms. Yet in many cases, workers in such arrangements are not adequately protected. An ILO survey of 20,000 platform workers in 100 countries found that only around 40 percent of respondents were covered by health insurance and only 20 percent had access to employment injury protection, unemployment protection, and old-age pensions. The survey results also highlight another challenge: most platform workers who had access to social protection were not covered through their economic activity on the platform, but because they had contributed to social insurance through other current or past employment, or because they were covered through tax-financed programmes, or through family members (e.g. for health insurance). This implies that the cost of their coverage was borne by others, including other employers and taxpayers, while the digital platforms largely avoided contributing to the social protection of the workers active on their platforms. Such gaps also highlight the need to adapt social protection systems to evolving contexts and demands by extending adequate protection to workers in all types of employment, taking into account their specific situations, ensuring fairness, and facilitating labour market transitions and labour mobility.

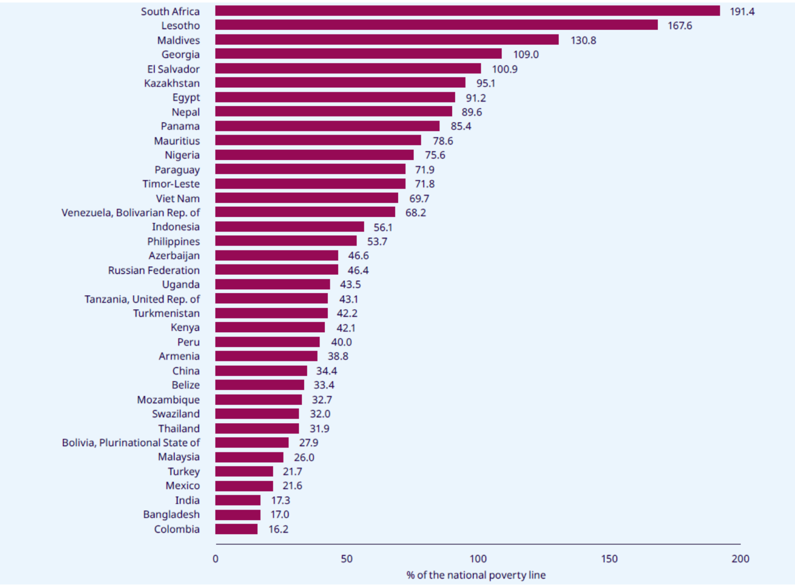
Sources: (ILO 2021b)

Ensure the adequacy of social protection benefits

The adequacy of benefits is emphasized in international social security standards – Convention 102 specifies minimum thresholds. But in practice labour market informality not only reduces the contributions workers can make to contributory systems, it also means that States are not able to mobilize sufficient resources through taxation.

Indeed, benefit levels in many social security schemes remain below the minimum adequacy standards set in C102 and other more advanced standards. For example, in many countries the level of non-contributory old-age pensions is set at less than 50 percent of the value of the national poverty line: that is, the pension is not sufficient to prevent old-age poverty. As a result, older people in these countries who rely on a social pension for their income are still poor (see Figure 8).

Figure 8. Non-contributory old-age pensions as a percentage of the national poverty line, single person, selected countries, 2017 or latest available year



Sources: ILO, World Social Protection Database, based on the SSI; ISSA/SSA, Social Security Programs Throughout the World; ILOSTAT; national sources.

Our research shows that more than half of all social protection schemes for which we have data do not have a mechanism to adjust the benefit level to the consumer price index and/or to wages. This means that in the current context, the real value of benefits these schemes provide cannot keep up with inflation (ILO 2023). It is of utmost importance that countries without indexation rules follow the adjustments principles enshrined in international social security standards which can help maintain the purchasing power of benefits.

Ensure adequate, equitable and sustainable financing

Low coverage rates can largely be explained by under-investment in social protection. ILO calculations show that to achieve at least a social protection floor, developing countries would need to invest an additional 3.8 percent of their GDP on average in their national social protection systems. The additional investment needed is much higher in the case of low-income countries (15.9 percent of their GDP) (ILO 2020). Closing this financing gap is clearly not feasible in the short term, and certainly not possible at a time when many countries are facing a serious tightening of fiscal space. However, progressively increasing fiscal space for a social protection floor should be an important consideration, including in IMF's engagement on social spending—there is a clear need for greater policy coherence between social protection and fiscal policies.

First, international social security standards stipulate that benefits should be financed sustainably "with due regard to social justice and equity" which implies social solidarity and redistribution. With regard to tax systems, this implies that their progressiveness and effectiveness needs to be ensured to increase tax revenue and ensure equity in the financing underpinning social protection provisions. To paraphrase recent work by the USP2030 (2013), concretely this means developing a progressive tax system that requires those with the capacity to pay more to do so, including through progressive income taxes, capital gains taxes, inheritance taxes, property taxes, and corporate taxes, whilst reducing forms of taxation that are not affordable for households to pay. It also requires paying careful attention to avoid the adverse impacts of regressive VAT on people on low and unstable incomes. In addition, further broadening and diversifying the financing base through eco taxes and taxes on luxury items provide promising avenues too. Improving tax administration and collection efforts with a view to tackling Illicit financial flows, evasion of social security contributions, and tax evasion is also part of this effort.

Second, more spending on social protection should not come at the expense of spending on education, healthcare, or food subsidies, given the synergies between them—social spending is not a zero-sum game (i.e. more for social protection, less for socials services). In the case of health coverage, for instance, significant progress has been made, with almost two-thirds of the global population protected by a health scheme. Still, people in the lowest income quintile and in rural areas face challenges in meeting their health needs without financial hardship. While population coverage has increased, less attention has been paid to adequacy in some contexts, leading to high out-of-pocket payments. Investing in the availability of quality healthcare services is thus crucial. The pandemic revealed the need to invest in healthcare services, drawing attention to the challenges faced in deploying, retaining, and protecting well-trained and motivated health workers to ensure the delivery of quality healthcare services.

Likewise, seeking additional financing by looking for quick-fire solutions is not without problems. For example, subsidy reforms have been a favored option in some countries. However, it is dangerous to remove subsidies while developing so-called "safety nets" as a way of compensating the poorest, which often exclude many of those who are vulnerable. In addition, there is often a time lag – with subsidies frequently removed overnight, while developing social protection systems takes much longer – leaving populations unprotected, including those who may be hovering above the poverty line or even well above it, as they still have very low incomes and are vulnerable to price increases. Thus, given the dynamic nature of poverty over time and that people's poverty status can change drastically in a short period as they fall in and out of poverty, social protection has a preventive poverty function. It is thus imperative for countries to pro-actively expand the fiscal space for solid social protection systems.

Third, on financing challenges, the UN SG's SDG Financing Report, which was issued in April, has called for an urgently needed set of improvements in global development finance, including the need to evolve the scale and mission of public development banks, to scale up and accelerate the channeling of Special Drawing Rights (SDRs) to countries in need, to rewrite international tax norms, especially for taxing digitalized and globalized business and digital assets. A course adjustment is also being called for in the design and ambition of the Common Framework on Debt Treatment. Today, more than 50 developing countries are experiencing severe debt problems. Twenty-five countries paid more than 20 percent of government revenue in external debt service last year. This is the highest level since 2000 when the Heavily Indebted Poor Country debt relief initiative was reformulated. Today, financial pressures are again squeezing social spending in these countries at a time when employment growth is decelerating, and poverty and inequality are rising.

In addition to these broader financing options that are being proposed (debt, concessional finance, tax reform), it is important to also underline the role of social security contributions as a critical source of financing for social protection systems. This is important in view of the emerging view from some international organizations that are urging countries to reduce or even abolish social security contributions and replace them with general taxation. The argument is that by doing so governments can create incentives for employment generation and formalization. This is not supported by evidence.

A paper commissioned by the ILO and WIEGOs set out to evaluate the validity of these arguments by bringing together the evidence on the impact of social security contributions on labour markets and looking at the experiences of countries that have reduced social contributions in an effort to increase formal employment (Calligaro and Centrángelo 2023). The evidence shows that social contributions are one of the main sources of financing for social protection systems and it remained a stable source of financing in the 21st century. In 2019, social security contributions accounted for 18.8 percent of total tax and contribution revenue which corresponded to 5.7 percent of GDP (global average). Furthermore, the evidence does not show a clear pattern between contribution rates and informal employment. In fact, the reduction of informality does not depend primarily on the magnitude of contributions. Instead, it requires a broad and coherent set of measures that support the creation of new formal jobs and the registration of informal workers. Thus, there are no significant employment or formalization gains to be had in reducing contribution rates.

At the same time, any reduction in social security contributions creates an effective loss in revenues in the short term, thereby limiting the fiscal space for social protection. Moreover, replacing contributions with other taxes (such as broad value-added tax unless levied on luxury items) could be regressive and lead to greater imbalances on the macroeconomic front, while tax-financed benefits are unlikely to provide the same level of income replacement as benefits financed through social contributions. It is important therefore that international financial institutions encourage the financing of social protection systems through an appropriate mix of social contributions and progressive taxes

Why temporary ''safety nets'' are not optimal

There is a significant body of literature analysing whether social safety nets that target benefits to people with low incomes produce better redistributive outcomes than those grounded in universal approaches (for a review of the literature see Razavi et al. 2022). The majority of studies find that levels of inequality are lower in countries with universal approaches. One explanation for this outcome is that more universalistic approaches are better able to mobilize support from the general public across all income. As a result, social protection budgets are larger in countries with universal approaches.

Furthermore, targeted schemes that seek to reach the poorest, especially when proxy means testing is used, can produce significant exclusions of the most vulnerable population groups, increase the opacity and complexity of procedures, and create additional barriers that beneficiaries have to navigate, and have limited opportunity for complaint or redress. Often there is no on-demand registration available, and the recertification process can be insufficiently regular (sometimes years elapse) to ensure potentially eligible persons can access benefits when the need arises. Not only are such schemes bad at treating poverty, they are also bad at preventing poverty. Moving from strictly targeted, means-tested benefits to categorical or universal schemes also reduces administrative costs. Estimates suggest that for universal schemes the average administrative cost is 3 percent, whereas for targeted programmes it is 11 percent (Ortiz et al. 2017; Razavi et al. 2022).

Having said this, it would be misleading to assume that there was no place for means-tested schemes within a broader universal system. In countries where universality is the norm, means-tested social assistance schemes play a secondary residual role (as is the case in many high-income countries) to support individuals who, for some reason, fall through the cracks.

In practice, this requires that the social protection system is legally anchored and public authorities take responsibility for their administration, including by ensuring that those who are eligible for the benefits have a right to receive them when needed by making the financial resources available and by establishing effective complaints and redress mechanisms. This is a far cry from temporary safety nets that are often unreliable nor rights-based, providing unpredictable benefits to a subset of the population while leaving many other vulnerable groups without coverage.

Section 3. Building state capacity and accountability: Repairing the social contract

Today there is far greater recognition than there was at the height of ''Washington consensus'' of the need to rethink the capacities and role of government within the economy and society, and above all recover a sense of public purpose (Mazzucato 2013, 2021). With respect to social protection, this requires enhancing State capacity in a concerted fashion that goes beyond the currently fashionable focus on delivery systems alone and the role of digital technologies in making delivery systems more efficient (without sufficient warnings of the dark side of digitalization: its exclusion of those who do not have access to the technology, and the use of algorithms to entrench inequalities and surveillance of the poor) (UN 2019). It is equally urgent to build State capacity to regulate labour markets, formalize employment and enterprises, build effective and well-governed social insurance systems, and strengthen the capacity of tax authorities to collect taxes.

Historically, crises have prompted the progressive reconfiguration of the role of the State and existing social arrangements. Arguably, the pandemic reshaped thinking about the role of the State and reasserted the recognition of the need for strengthened State capacity. The pandemic showed that, when prompted into action, States are not without choices, and that they have both the potential and the requisite instruments to combat major challenges. However, it also showed that there are major deficits in State capacity in too many countries with respect to their ability to protect their citizens from the adverse impacts of the pandemic (ILO 2021b). Widespread deficits in State capacity in many countries require a more concerted strengthening of State capacities beyond delivery systems alone. While there is clear merit in ensuring an effective delivery chain, a singular focus on delivery obscures and sidelines pivotal questions about the capacity of States to effectively regulate labour markets, formalize employment and enterprises, build well-governed social insurance systems and administrations, put in place tax policies and strengthen the capacity of tax authorities to actually collect taxes to be able to finance social protection and public services. The capacity of States to mobilize resources improves policy space and the ability to set agendas and influence employment and social protection strategies to achieve their development objectives.

''Bringing the State back in'' begs the question of how they can be held accountable to their citizens and to society more broadly. This is all the more urgent in a context where many States seem to have lost their legitimacy and ''where confidence in institutions and leaders is eroding'' (UN 2020). This means creating the conditions for vibrant dialogue and representation of workers, employers and other relevant and representative organizations of persons concerned (e.g. pensioners, children's rights, women's rights, etc.) when countries are defining their social protection strategies, the extension of social protection to hitherto uncovered groups, their implementation and their effective monitoring.

This is likely to ensure not only greater accountability on the part of the state to citizens, workers and right-holders, but also prevent those in power from using ''state largesse'' for short-term political and electoral gains – the putting in place of temporary social protection programmes before elections that are not anchored in legislation nor based on sustainable financing strategies.

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