With the financial support of the European Union

Social Protection Brief

Meaning and aim of Social Protection

The term Social Protection is meant here as the set of social assistance (SA, also called Social Expenditure) and social insurance (SI) measures that aim to increase the well-being being of the population, in conjunction with Labour Market Regulation (LMR).

Life-cycle approach

The life cycle approach to social protection reflects the understanding that individuals face different risks and vulnerabilities at different stages in life and that social protection can be designed and provided to address these risks at each stage. The validity of this assumption is consolidated in the social protection literature and is extended to the population of both professionals and their employees.

Social protection policies deficiency

Social protection policies are implemented through a collection of programmes that deliver benefits, goods or services. Ideally these programmes fit together coherently within a unified, integrated social protection system and adapted to the country context and population needs. Usually, social protection programmse are delivered by pubic institutions, but the budgetary restriction force the private sector to study social protection measure for a purpose-build population. Professional sector offers a good practice of those social protection measure designs and implemented at bilateral level, where the interest of Professional and their Employees are shared.

Role of Social Protection System carried out by Bilateral Private Institutions

Taken above mentioned definitions as universally accepted, the assumption here is that the Social Protection System implemented through a Bilateral Social Dialogue Mechanism, which is the effect of Collective Bargaining Mechanism in the Liberal Professional Sector, represents the response to Risks and Vulnerability faced by both Professionals and Employees.

Risk

From the perspective of an individual actor, Risk can be described in terms of a balance between probability and impact. Probability may be alternatively expressed in terms of probable frequency with which a shock occurs. Thus a household may face a relatively high probability of a short-term incapacitating illness or unemployment.

Vulnerability

In turn, Vulnerability is the exposure to contingencies and stress, and difficulty in coping with them.
Social vulnerability refers to the characteristics of a person or group in terms of their capacity to anticipate, cope with, resist and recovery from the impact of a natural hazard [1]
Vulnerability is broadly defined as the "potential for loss" [2]. With good support from a high number of studies, different methodologies analysing vulnerability emerged and other definitions were

[1] B. Wisner, Self-assessment of coping capacity, United Nations University Press, N.Y. 2006

[2] J. Mitchell, What's in a name?, University of South Caroline, 2000.

formulated. The conceptual framework expanded with the inclusion of coping and resilience concepts [3].

Risk and Vulnerability faced though Social Dialogue Mechanism

Aforementioned Risk and Vulnerability can be faced by a social protection framework which covers both social assistance, provided by public funds, and social security provided by provate contributions.
In respect to the Liberal Professionals sector and related Social Dialogue Mechanism in force in Italy, social assistance could be crossed out from expected measures, since the target population in the Liberal Professions Sector, presents a living standards that would exclude population from the eligibility.
Rather different is the need when occupational issue is considered.
The ILO lists following social protection categories to be considered: employment injury, occupational safety and health, temporary incapacity, permanent incapacity, medical expenses, rehabilitation to work. All these categories are applicable to the Liberal Professions Sector.

Figure 2 Social Protection at workplace

ILO standards for employment injury.
According to ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) (Article 32), the contingencies covered under the employment injury benefit include the following accident-at-work or employment-related diseases:
a) sickness ("morbid condition"),
b) temporary incapacity for work resulting from such a condition,
(c) total or partial loss of earning capacity, likely to be permanent and
(d) the loss of support suffered by dependents as the result of the death of the breadwinner. In addition, the range of benefits required by Convention No. 102 includes necessary medical care, sickness benefit for the period of incapacity for work, disability pension in case of loss of earning capacity, and survivors' pension in case of death of a breadwinner.

Occupational Safety and health. In most countries employment injury was the first contingency covered by social security. These schemes are often closely linked to occupational health and safety regulations. Many schemes also include preventive elements, aimed at improving workplace safety. In employment injury scheme, compensation and prevention are logically and practically not separable. It is obvious that the most desirable way to reduce the cost of occupational injuries and diseases is to reduce their incidence. For the effective setting of preventive strategy, the collection and analysis of data on occupational accident and disease is very important.
Compensation. The employment injury schemes benefits in kind or in cash for workers at contingency caused by occupational injury and disease are:

Temporary incapacity cash benefits. Most employment injury social security systems pay cash benefits to injured workers until the latter return to work or have reached maximum medical recovery. Temporary incapacity also includes periods of absence from work because of rehabilitation programmes aimed at minimizing the permanent loss of earning capacity.

Permanent incapacity and survivorship benefits. Permanent incapacity benefits are paid after the medical condition of the injured person has stabilized and the worker has gone through vocational rehabilitation programmes, whenever these are available. Permanent incapacity can be either total or partial. When a worker dies due to a work-related accident or disease, benefits are paid to the survivors; the surviving spouse and children are always considered.

Medical expenses and rehabilitation benefits. These benefits can be provided under the workers' compensation legislation or under general programmes not limited to work injuries and diseases. The injured worker is generally entitled to receive the medical attention necessary for a full recovery. The rehabilitation benefits include the expenses incurred for the services that are needed to return workers to their work and day-to-day living.

Rehabilitation and back to work. The Employment Injury Benefits Convention, 1964 (No. 121) (article 26) requires member countries to provide rehabilitation services which are designed to prepare a disabled person for the resumption of his/her previous activity, or, if this is not possible, the most suitable alternative works, having regard to his/her aptitudes and capacity; and to take measures to further the placement of disabled persons in suitable employment. Sustainability of employment injury and occupational diseases schemes can be achieved by allowing implementation of

---

[3] K. Hewitt, Regions of Risk, Longman, London, 1997.

policies to minimize the side effects of the disability through prevention measures, early-stage medical treatments, and rehabilitation.

Figure 3 ILO Conventions on Social Protection

	ILO Conventions					
Social Protection Schemes	C 102 / 1952 Social Security Convention	C 130 / 1969 Medical Care and Sickness Convention	C 168 / 1988 Employment Promotion and Protection against Unemployment Convention	C 128 / 1967 Invalidity, Old-age and Survivors Convention	C 121 / 1964 Employment Injury Benefits Convention	C 183 / 2000 Maternity Protection Convention
Medical care	√	√				
Sickness benefit	√	√				
Unemployment benefit	√		√			
Old-age benefit	√			√		
Employment injury benefit	√					
Family benefit	√					
Maternity benefit	√					√
Invalidity benefit	√			√		
Survivors' benefit				√		

Annex drawn from European Commission Concept paper Nr 4
Supporting Social Protection Systems, 2015

Historical Drivers of Social Protection Systems

The social protection models influencing Europe today emerged from specific socio-political contexts in the 19th and 20th century to produce two fundamental paradigms, commonly referred to as the Bismarck and the Beveridge systems.

Bismarck pioneered social health insurance in 1883 and introduced contributory pensions in 1889. The pensions aimed to tie the workers' loyalties to the state and, at the same time, heighten the status of the civil service relative to the status of the working classes.
in this scheme, benefits depend on contributions by employers and employees to occupationally segmented plans. The model relies on a strong commitment to traditional family-hood: 'the state will only interfere when the family's capacity to service its members is exhausted'.

William Beveridgen argued for the state to have a central role in guaranteeing the necessary resources for people's welfare, as well as being the main provider of services, the most iconic of which is the National Health Service. The service built on the earlier introduction of basic welfare reforms in the early years of the 20th century under the liberal government of Herbert Asquith, most famously through the 1909 'Peoples' budget' of Chancellor David Lloyd.

The fundamental difference between the two systems lies in the strong association in the Bismarck system between contribution and benefits in contrast to the provision of universal benefits in the Beveridge system. The former can be seen as providing protection against risk and retirement benefits to those who work, while the latter is aimed at rather than preventing poverty throughout society on the basis of citizenship and solidarity.

A distinct 'Scandinavian' model for social protection, with important implications for social policy design, emerged first in Denmark (in 1891) with the introduction of a pension system based on needs testing, *without* consideration of earned income earlier in life. 'An old-age allowance could be granted to those 'worthily in need' who had reached the age of 69'. The Danish scheme came to serve as a model for a similar system, with a needs tested portion financed from public funds established in Sweden in 2013, reflecting a recognition of the unsuitability of contributory systems for poorer members of the farming community, where most residual poverty was to be found during the country's comparatively late industrialisation.

Social Protection Policy Frameworks

A country's choice of policy framework reflects a complex interaction of factors that constitute the social and policy context of a nation. The nature of poverty and vulnerability interact with politics and ideology, shaped by the views and decisions of political and civil society champions. Three frameworks that have and continue to influence the development of social protection systems around the world are below described.

The Social Risk Management Framework (supported by the World Bank)

The Social Risk Management framework is founded on two main principles: 'people with low incomes are more exposed to shocks and have fewer market and state instruments to be able to prevent and mitigate risks'. The SRM concludes that this exposes the poor to risks and vulnerabilities limit their engagement in profitable, but risky, activities – potentially diminishing human capital and productive capabilities. Within the SRM, the provision of *risk management instruments* is one of the most effective strategies to achieve poverty reduction, income stabilization, consumption stabilization and asset accumulation.

The framework proposes that the development of national social protection systems should begin by profiling risks specific to a particular national context, in order to best understand country-specific vulnerabilities. The SRM framework identifies three main risk management strategies to include in a national social protection system: risk reduction, risk mitigation and risk coping. The WB understands risk reduction as *ex ante* measures to promote livelihoods (such as microfinance or free education), risk mitigation as *ex ante* measures to reduce income variance if a shock occurs (such as insurance or pensions), and risk coping as *ex post* measures to reduce distress (such as food aid and cash transfers). The SRM framework uses these three strategies to protect populations against a multitude of shocks, rather than promoting general equity or minimum guarantees.

The Transformative Social Protection Framework (supported by Devereux and Sabates-Wheeler (2004).

This framework reconceptualises the nature of vulnerability by addressing the increasingly important socio-political drivers that cause and perpetuate poverty and vulnerability to risk.
The TSP framework provides a four-component model of social protection tools. The first component includes *provision* tools such as social transfers and access to basic social services, particularly for poor individuals and groups who need special care. The second component, *prevention*, includes various measures that can be taken in order to prevent deprivation such as social insurance, informal saving clubs and means of risk diversification. The third component, *promotion*, consists of livelihood support measures that aim to lift people out of poverty, such as microcredit programmes, public works projects and school feeding programmes. The fourth component, *transformation,* includes social and political instruments intended to empower the poor and tackle social structures that perpetuate poverty and social exclusion. Examples include legislation to support socially vulnerable groups, anti-discrimination campaigns, affirmative action and civil society mobilization.

The Life Cycle Approach (supported by the ILO and World Health Organisation).

The life cycle approach to social protection reflects the understanding that individuals face different risks and vulnerabilities at different stages in life and that social protection can be designed and provided to address these risks at each stage. A life cycle can be understood as a period in which an individual's level of vulnerability is constant. An individual enters a new life cycle 'when the set of risks and certainties that define the level of vulnerability, changes in a positive or negative way'. Life cycle changes that result from negative shocks in social or economic status lead an individual to enter a new life cycle marked by higher levels of risk and vulnerability. Social protection instruments can address shocks as they occur, protecting individuals from negative life-cycle changes. Social protection can enhance existing livelihoods in a way that makes current phases of the life cycle less prone to vulnerabilities.
In its essence, this approach goes beyond the concept of 'vulnerability', applied to both individuals and households – and indeed to broader social groupings such as 'community' – towards an approach which links the provision of social assistance to those in need to social insurance to prevent need for all individuals.

Glossary

Social Protection

All definitions addressed to Vulnerability and Risk and levels of deprivation deemed unacceptable through a form of response which is both social and public in character.
Social protection refers to the public actions taken in response to levels of vulnerability, risk and deprivation which are deemed socially unacceptable within a given society.
(Andy Norton, Social Protection Concepts, Overseas development Institute, UK 2001).
Social protection include public actions against poverty (social assistance) and private contribution towards well-being (social insurance).

Social Assistance (Funded by the State)

Social assistance is defined as benefits in cash or in kinds that are financed by the state (national or local) and that are mostly provided on the basis of a means or income test. The concept also includes universal benefit schemes, i.e. those which are tax base but do not use a means test.
Social assistance encompasses public actions which are designed to transfer resources to groups deemed eligible due to deprivation. Deprivation may be defined by low income, or in terms of other dimensions of poverty (e.g. social or nutritional status).

Social Insurance (Funded by Private Contribution)

Social insurance is social security that is financed by contributions and based on the insurance principle: that is, individuals or households protect themselves against risk by combining to pool resources with a larger number of similarly exposed individuals or households.
Social insurance is social security that is financed by contributions and based on the insurance principle: that is, individuals or households protect themselves against risk by combining to pool resources with a larger number of similarly exposed individuals or households.
Social insurance is social security that is financed by contributions and is based on the insurance principle. The essence of insurance is understood here to be the elimination of the uncertain risk of loss for the individual or household by combining a larger number of similarly exposed individuals or households into a common fund that makes good the loss caused to any one member. (Van Ginneken 1999).

Boxes extracted from European Commission Concept paper Nr 4 Supporting Social Protection Systems, 2015

Box 2: The Universal Declaration of Human Rights – 10 December 1948

Article 22

Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Article 25

(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to

Box 3: The Social Security (Minimum Standards) Convention, 1952 (No 102)

The Social Security Convention establishes worldwide-agreed minimum standards for all nine branches of social security. These branches are:

— medical care;

— sickness benefit;

— unemployment benefit;

— old-age benefit;

— employment injury benefit;

— family benefit;

— maternity benefit;

— invalidity benefit;

— survivors' benefit.