



7TH TRADE UNION-OECD DAC FORUM

3 MAY 2022

SUMMARY REPORT

BUILDING RESILIENCE, ENSURING SUSTAINABILITY: THE ROLE OF ODA IN ACHIEVING UNIVERSAL SOCIAL PROTECTION

The 7th Trade Union-DAC Forum started with a high-level panel moderated by the Acting President of the Trade Union Advisory Committee to the OECD (TUAC) and including the Chair of the OECD Development Assistance Committee (DAC), the General Secretary of the International Trade Union Confederation (ITUC), the Head of the Reviews, Results, Evaluation and Development Innovation Division at the OECD Development Co-operation Directorate (DCD) and the Head of the Social Cohesion Unit at the OECD Development Centre.

In her intervention Susanna Moorehead, DAC Chair, referred to the multiple crises that we are facing and noted that though Official Development Assistance (ODA) was at its highest in 2021, it is facing many pressures. She emphasised that social protection had operated very effectively during COVID and that we need long-term social protection for resilience, linking humanitarian and development responses. Ms Moorehead further noted that ODA to social protection has increased, but is still relatively low, and that DAC members need to make difficult trade-offs when selecting funding priorities. But ODA is only a small part of the solution and it should be complemented by domestic resource mobilisation, making the case to governments in developing countries that this is a good investment. She further emphasised the importance of building highly cost-effective social protection systems and noted the critical role that trade unions play in building social protection.

Rahul Malhotra, Head of Division at the DCD, presented the evolution of ODA to social protection over the past 20 years, showing how the pandemic generated high increases in social protection funding. Bilateral ODA comes mainly from five donors and is concentrated in few recipient countries. Mr Malhotra further emphasised that social protection is very cost effective, can generate development results, and has a transformational potential in reducing poverty, inequality and contributing to inclusive growth. Building on lessons from DAC peer reviews, he highlighted the role of development co-operation in supporting social protection systems' focus on results, predictability, flexibility and sustainability. He referred to the spill over effects of social protection and to the importance of aligning with national policies and strategies of partner countries and their societies.

Alexandre Kolev, Head of Unit at the Development Centre, remarked that social protection, besides being a human right, makes economic sense, and has multiplier effects. He highlighted the importance of political will to invest in social protection and put forward some of the key challenges faced when delivering on universal social protection. These included developing appropriate measures to expand coverage to informal economy workers, making social protection instruments gender sensitive and finding appropriate modalities to finance the extension of social protection. He further noted that, although there is a huge financing gap,



universal social protection can be affordable in the medium term, increasing fiscal space and the efficiency of public service delivery.

Sharan Burrow, ITUC General Secretary, emphasised the importance of universal social protection for workers who are facing today's multiple crises. Social protection is at the centre of the ITUC's demands for a New Social Contract which is at the heart of resilience and essential for a just development. To consolidate a long term response, statutory based comprehensive social protection is needed. She further underlined the cost-effectiveness of social protection which will bring more than double the investment back over a period of time, and manifested the ITUC's support to a Global Social Protection Fund that will generate the necessary international and domestic funding and provide technical support. She reminded participants of the low levels of ODA going to social protection and requested an increase in the percentage of ODA to social protection to 7% by 2030 and a further increase to 14% beyond.

OPEN DEBATE BETWEEN DAC MEMBERS AND TRADE UNIONS

The open debate that followed started with a contribution from a representative of the East African Trade Union Confederation who pointed out that social protection coverage in Africa increased during the pandemic, and gave examples of how African governments have been extending coverage to informal economy workers. The representative from Somalian trade unions followed with a description on how trade unions have contributed to the country's social protection strategy, and to monitoring government commitments and resource allocation.

The challenges that Bangladesh is facing in terms of social protection coverage, especially for informal economy and migrant workers, were spelled out by a representative from Bangladeshi trade unions, who also put forward their demands for a specific legislation on social protection, and a tripartite institution managing the social protection system.

The EU DAC delegate pointed out that the EU strongly values the contribution of trade unions, and proposed ways in which they could help DAC members to push for greater allocations to social protection in developing countries.

The Belgian DAC delegate remarked that too little has been invested in social protection and showed support for a Global Social Protection Fund to improve coordination and avoid duplication. She also manifested interest in having a collective discussion at the DAC on ODA for social protection.

The role of tripartism in improving the quality of social protection systems was spelled out by a representative from the Argentinian trade union CGT who referred to the examples of the Dominican Republic and Argentina. She made remarks on the risks of privatisation of social protection, the need to couple financial contributions with the fight against tax evasion and profit shifting, and the importance of articulating contributory and non-contributory systems.

The French DAC delegate welcomed the urgency of this debate and emphasised the importance of ownership and involving communities to avoid a top down approach. He



pointed out the need to include climate resilience in the debate on social protection and connect it to a just transition and the creation of green jobs. He emphasised the need for a cross-cutting approach and holding a discussion at the DAC on social protection.

Two final interventions by trade unionists from Senegal and Burkina Faso made important points on the challenges for social protection in their respective countries, including the need to cover and organise informal workers, to find sustainable solutions through social dialogue and tripartism, and the importance of including migrant workers who are not covered by social protection.

In closing the debate, TUAC Acting President, Marc Leemans summarised some of the main points and pointed to specific areas of joint work between trade unions and the DAC. He emphasised that social protection is one of the four pillars of the Decent Work Agenda (together with job creation, labour rights and social dialogue). These four pillars are interrelated and need to be given special attention; they should be crosscutting to all development cooperation initiatives.

CONCLUSIONS AND SUGGESTED WAY FORWARD

In the concluding remarks, references were made to the strong potential for joint work between trade unions and the DAC in generating political support for social protection and in contributing to domestic resource mobilisation. The need for a dedicated DAC discussion on social protection, to analyse why contributions to social protection are so limited and concentrated was also put forward.

The DAC Community of Practice on Poverty and Inequalities offers an important space for further discussions between trade unions and the DAC on social protection and other joint priorities related to SDG 8 and the New Social Contract. Trade unions and the DCD will further explore how to translate the concept of the New Social Contract to development cooperation work.