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# **Social Protection Floor Index**

## **Monitoring National Social Protection Policy Implementation**

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Presentation at Conference on Financing Social Protection

Exploring innovative ways to finance social protection on the national and international level

Brussels, Belgium, 17 September 2018

# Motivation and Objective

- Social Protection Floor Index (SPFI) as monitoring tool for Recommendation No. 202 (Bierbaum, Oppel, Tromp, & Cichon, 2016)
  - Assessment of protection gaps in income and health dimensions
  - Indication of financial resources needed to close gaps (as percent of a country's Gross Domestic Product (GDP))
- Target audience: Member countries, trade unions, civil society, etc.
- Results available for 2012 and 2013, next update beginning of next year for 2015
- Uses of the SPFI
  - At the international level
  - At the country level



# From the Social Protection Floor Concept to a Social Protection Floor Index

Recommendation No. 202 –  
4 basic social security guarantees

Basic income security for children

Basic income security for persons in  
active age unable to earn sufficient  
income

Basic income for older persons

Access to essential health care

SPFI – 2 dimensions  
of composite indicator

Shortfalls in income security  
over the life cycle

Shortfalls in health security



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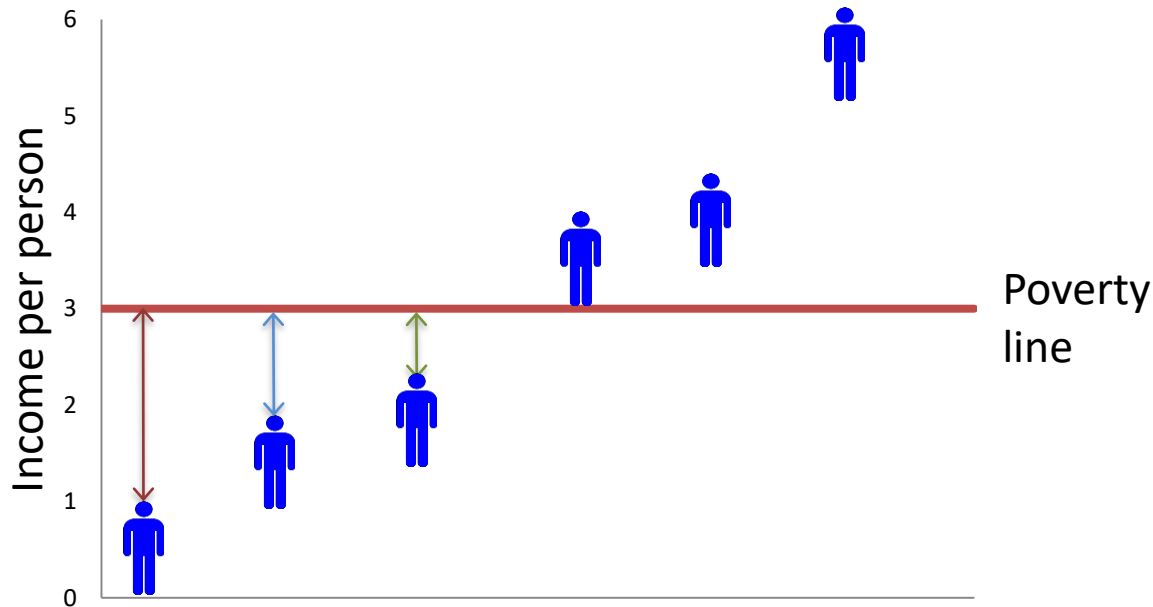


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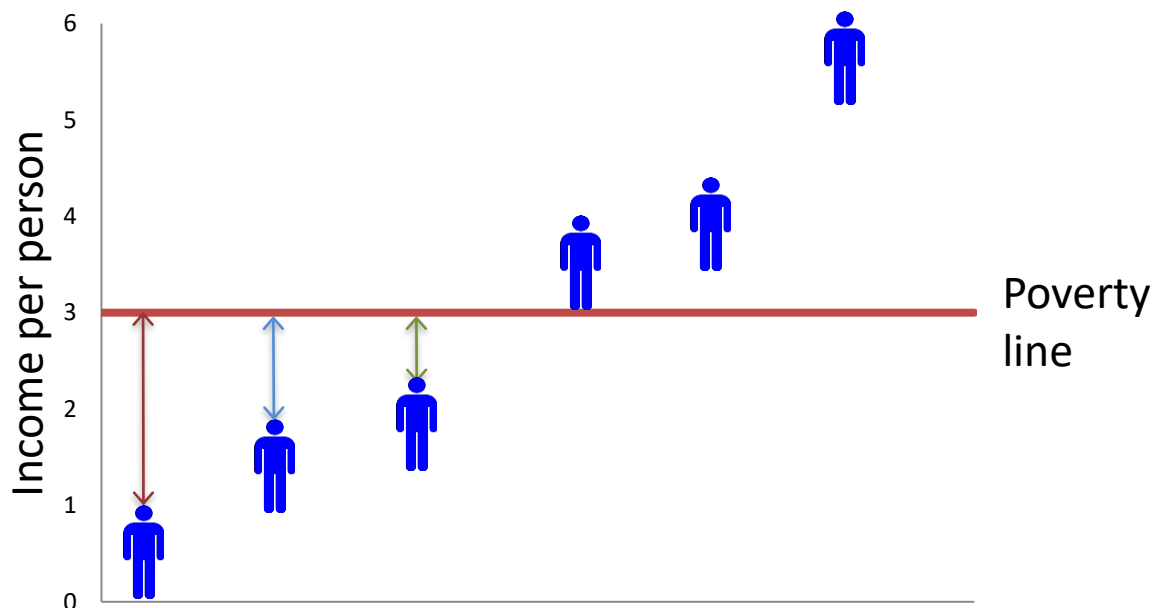
# Measuring Shortfalls in Income Security

Poverty gap:

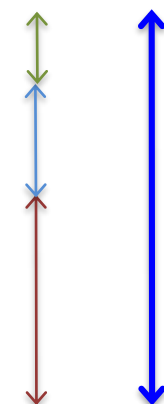


# Measuring Shortfalls in Income Security

Poverty gap:



Aggregated poverty gap:



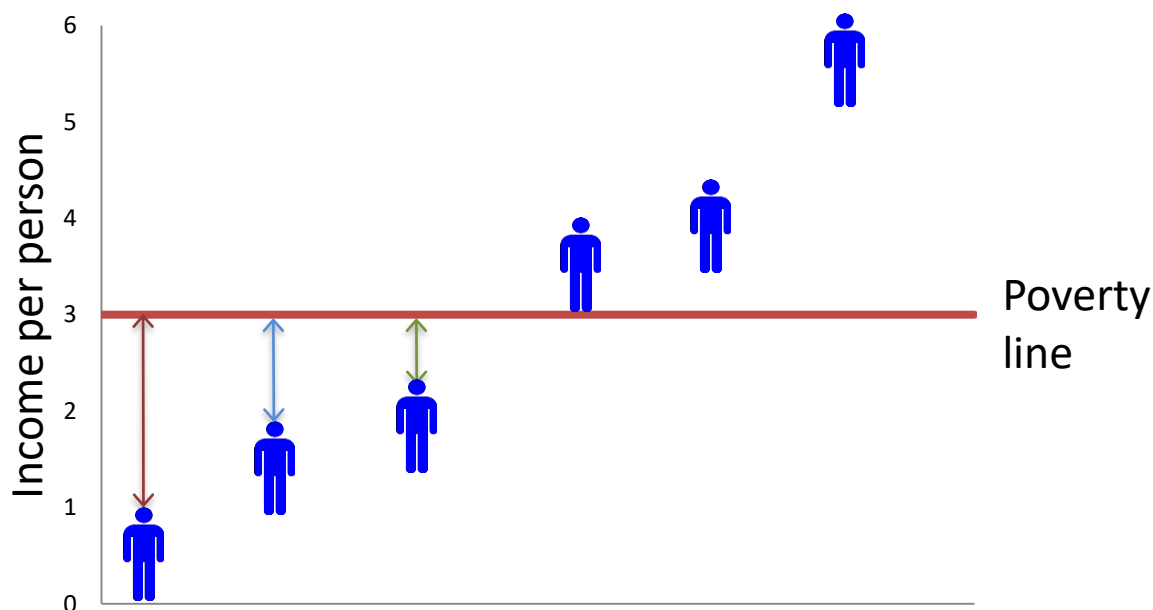
**Income gap:**

The minimum cost of eliminating poverty using targeted transfers (in percent of GDP).

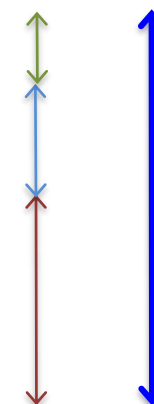


# Measuring Shortfalls in Income Security

Poverty gap:



Aggregated poverty gap:



**Income gap:**

The minimum cost of eliminating poverty using targeted transfers (in percent of GDP).

Poverty lines: \$1.9 and \$3.1 (now \$3.2) per day in 2011 PPP; relative poverty line set at 50 percent of median income (with income floor).



# Measuring Shortfalls in Health Security

## Health gap

### Expenditure adequacy

- Resources (percent of GDP) needed to close public health expenditure gap
- Benchmark (2013): 4.3% of GDP

### Allocation adequacy

- Resources (percent of GDP) needed to close gap in births attended by professionals
- Benchmark: 95.0% of births attended by professionals



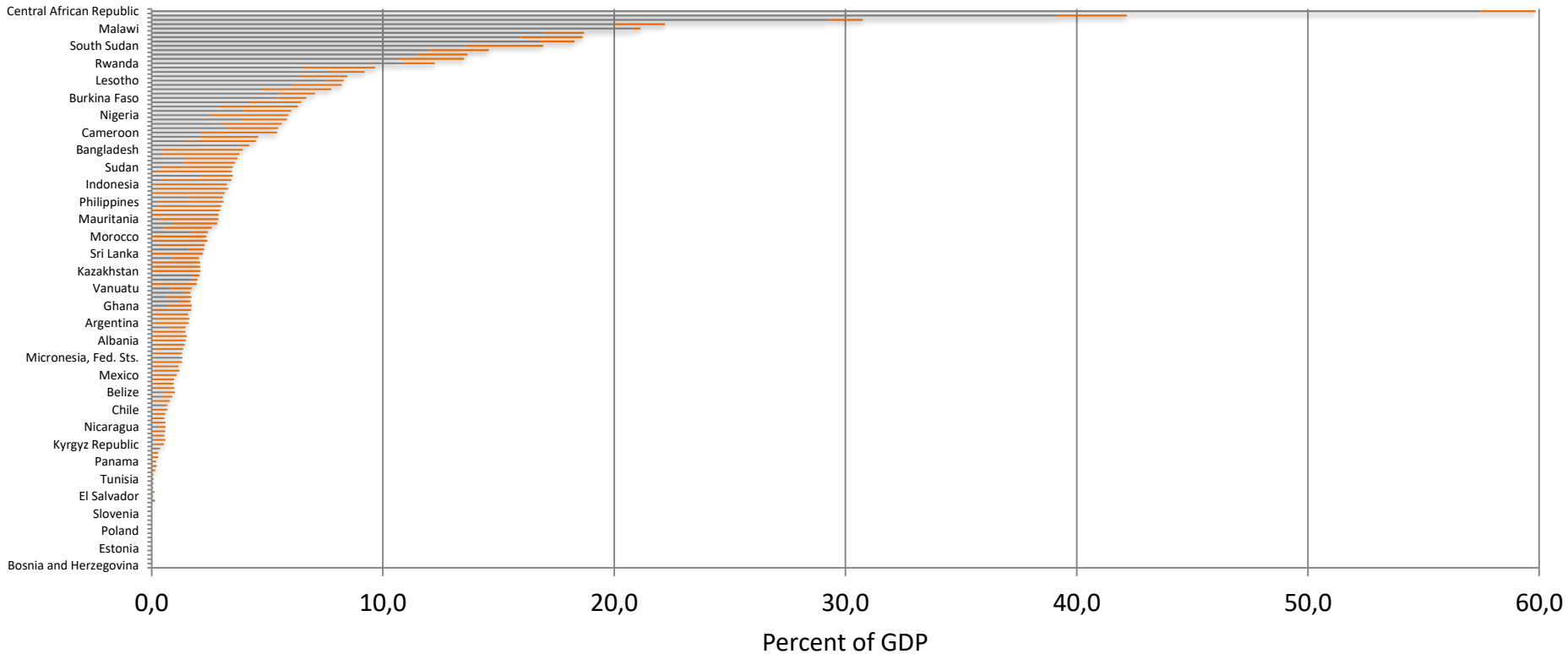
# Aggregation and Interpretation



Minimum share of GDP that a country needs to invest or reallocate to national SPF policies to close existing income and/or health gaps.



# Overview of Results, 2013 (I): \$1.9 per Day (2011 PPP)



■ Income gap at \$1.90 per day at 2011 PPP    ■ Health gap



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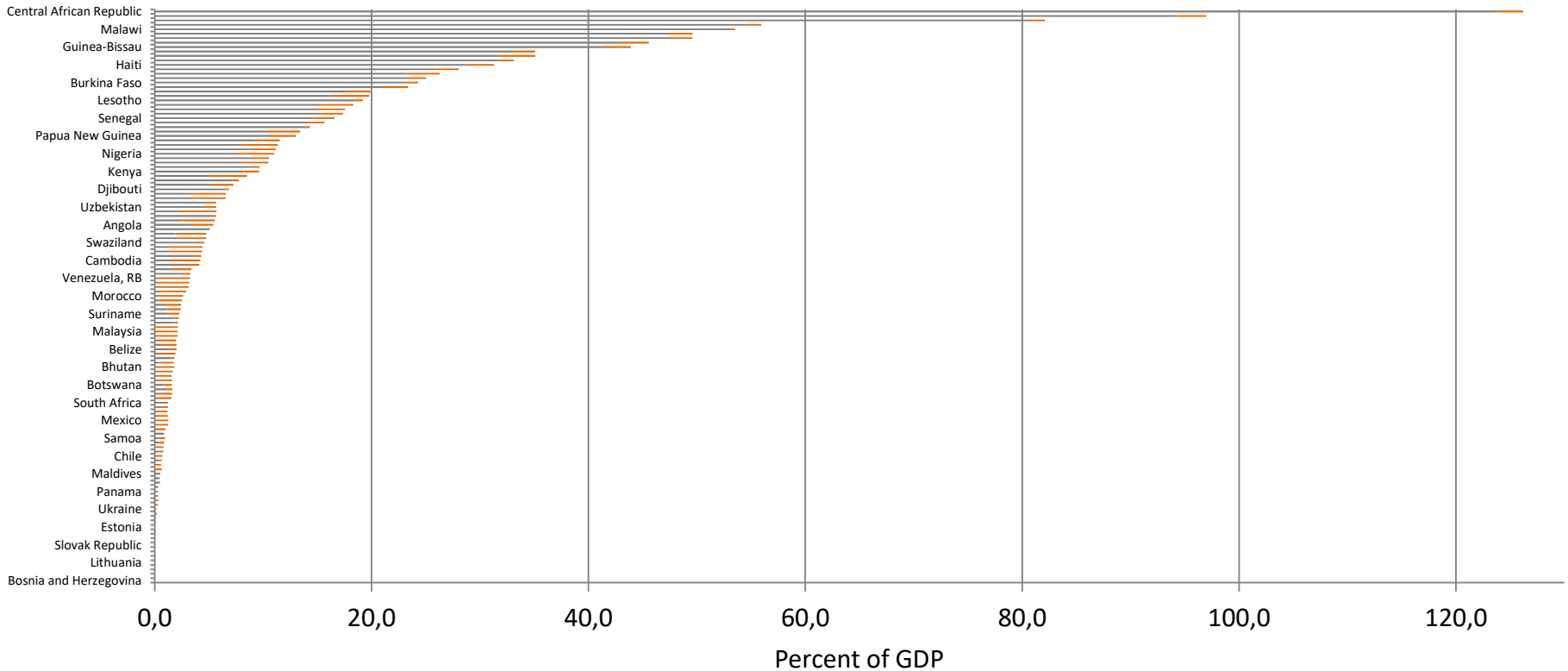
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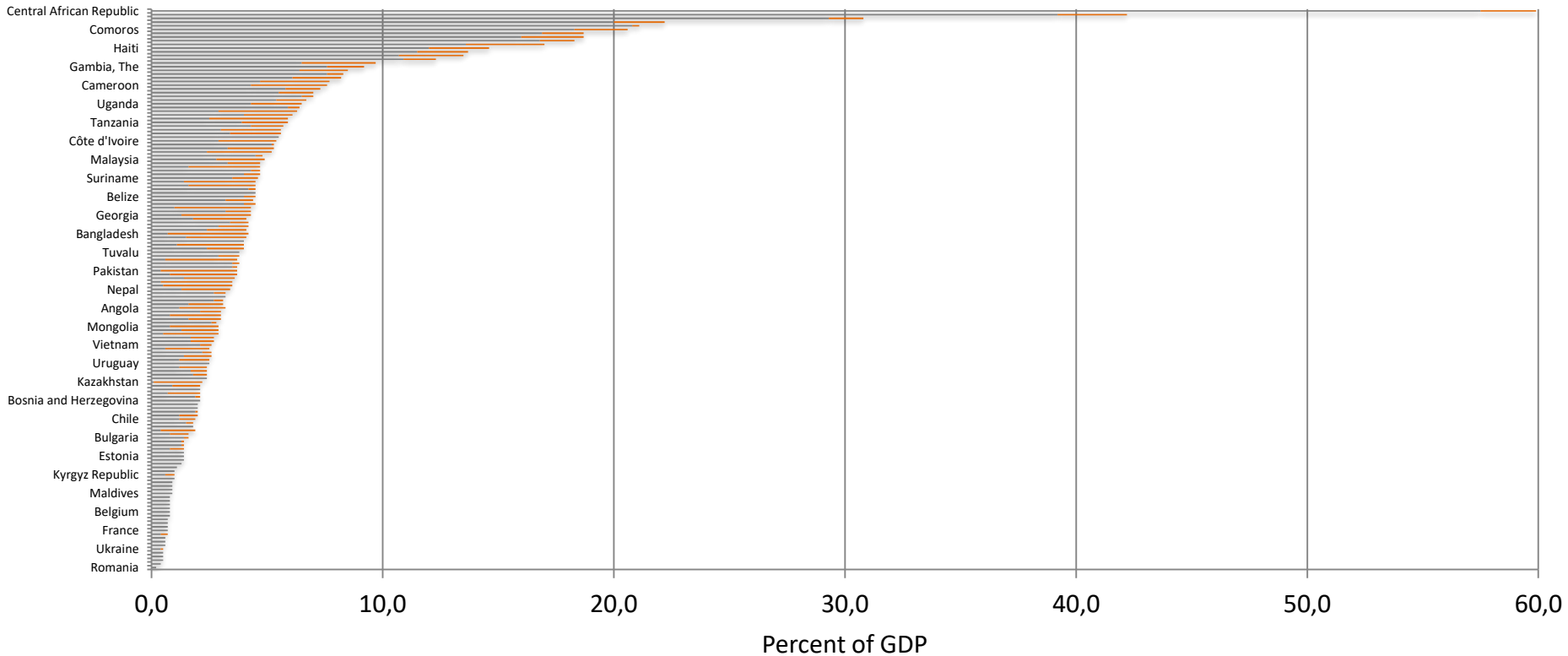
# Overview of Results, 2013 (II): \$3.1 per Day (2011 PPP)



■ Income gap at \$3.10 per day at 2011 PPP    ■ Health gap



# Overview of Results, 2013 (III): Relative Minimum Income Criterion



■ Income gap based on minimum income criterion and income floor    ■ Health gap



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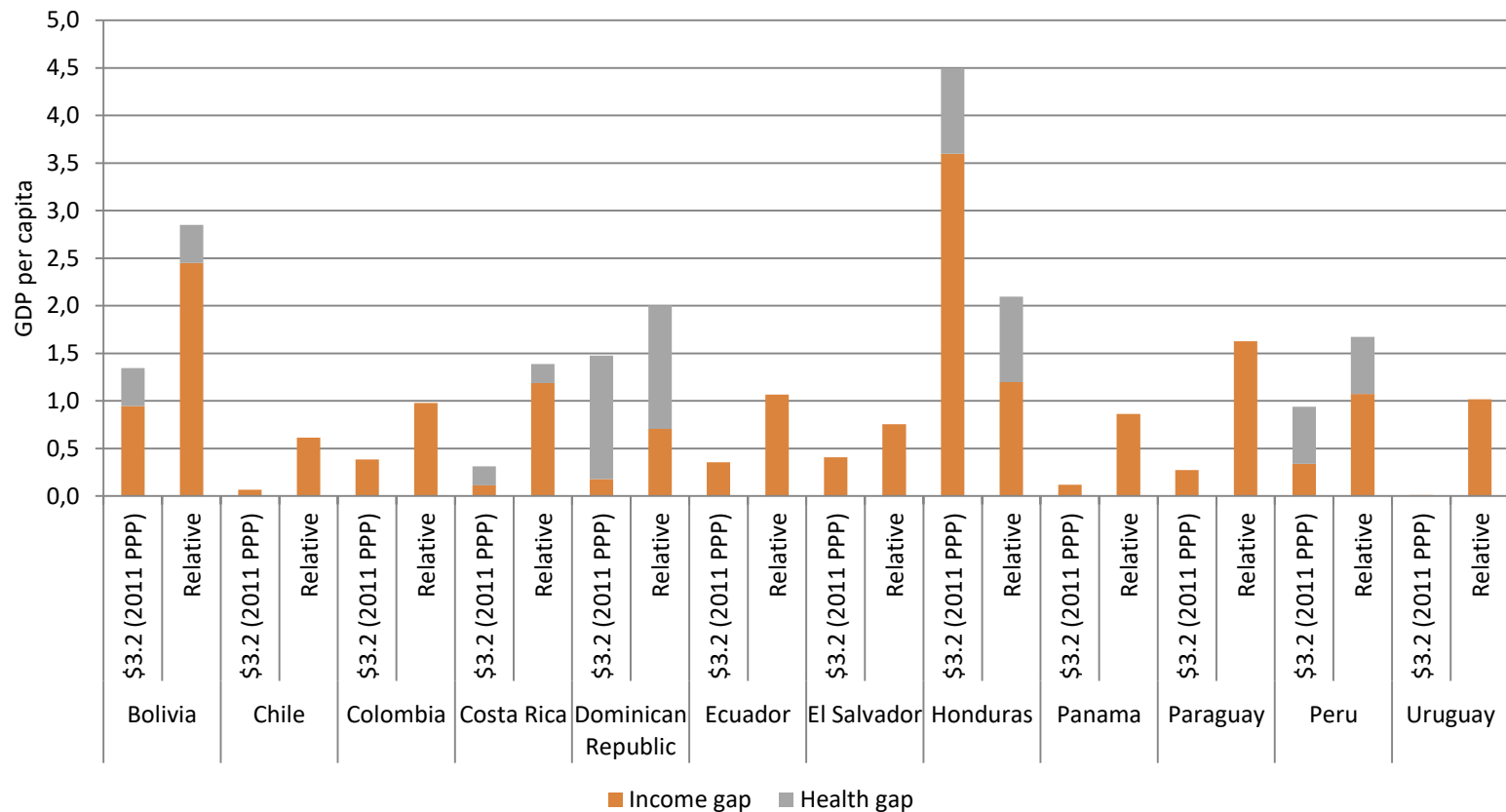
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# Selected Latin American Countries, 2015: \$3.2 per Day (2011 PPP) and Relative Minimum Income Criterion



# Uses of SPFI at International Level

- Focus measure for advocacy (cf. Jahan, 2017)
- “Towards a 2030 Agenda Dashboard” (Bissio, 2016)
- “Global space of deliberation on social reform by states, social movements and global publics” (Berten & Leisering, 2017)
  - Observation
  - Comparison
  - Communication
- Metaphor: Composite indicator as door to a house (Jahan, 2017)



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# Uses of SPFI at Country Level

- Comparisons of progress in one country over time
  - So far, only two years available (next update beginning 2019)
  - Challenge of data availability (particular regarding income gap)
- Comparison of different countries at one point in time
  - Countries with same level of economic development or other comparable characteristics
  - Some questions to be asked:
    - Comparison of existing social protection schemes (achievements, not only gaps)
    - Differences in national policy choices/fiscal space/priorities
    - Good practices, policy transfers



# Further Topic in the Future: SPF-related Fiscal Challenges

Country	SPF gap at the relative poverty line in 2013 as per cent of GDP	Government revenue as per cent of GDP*	SPF gap as per cent of government revenue*	SPF gap as per cent of average revenue (in per cent) of lower-middle-income countries*
El Salvador	0.8	18.7	4.3	5.2
Mongolia	2.1	27.7	7.6	13.6
Morocco	2.8	32.7	8.6	18.2
Zambia	7.0	17.5	40.0	45.5

Source: World Bank (2017) and own calculations.

Notes: \*The latest country data available in the World Development Indicators (World Bank, 2017) were used for this preliminary fiscal challenge indicator.



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- Bissio, R. (2016). Towards a 2030 Agenda Dashboard. In B. Adams, R. Bissio, C. Y. Ling, K. Judd, J. Martens & W. Obenland (Eds.), *Spotlight on Sustainable Development 2016. Report of the reflection group on the 2030 Agenda for Sustainable Development* (pp. 148-185). Beirut/Bonn/Montevideo/New York/Penang/Suva: Social Watch/Global Policy Forum/Development Alternatives with Women for a New Era/Third World Network/Arab NGO Network for Development.
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- World Bank. (2017). World Development Indicators. Retrieved July 18, 2017 from <http://data.worldbank.org/products/wdi>





# Limitations and Strengths

- Limitations and caveats
  - Focus on shortfalls
  - Average measure that masks disparities within a country
  - Huge complexity of health care systems
  - GDP as denominator
  - Data availability
- Strengths
  - Inclusion of high-income countries
  - Accessibility, replicability, transparency
  - Interpretability