



International
Labour
Office

How global enterprises are responding to the global call for the extension of social protection

ILO-Global Compact Webinar series
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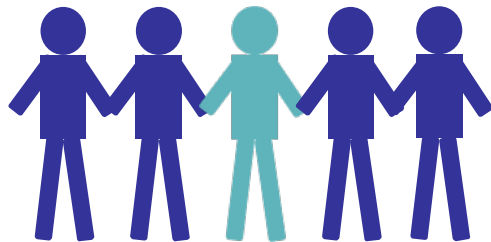


Webinar outline

- The global need for social protection
- Social protection: a human right and a decent work issue addressed by ILO instruments
- The global call for the extension of social protection and the contribution of social protection to the MDGs
- The ILO strategy for the extension of social security
- Exploratory study on social protection and MNEs
- Resources

The global need for social protection

➔ About **80 per cent of world population** does not have adequate social security coverage – 4 out of every 5 persons (ILO).



What about your workers?



What happens in the case of...

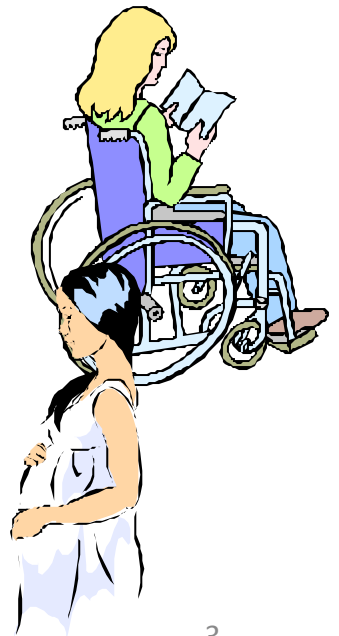
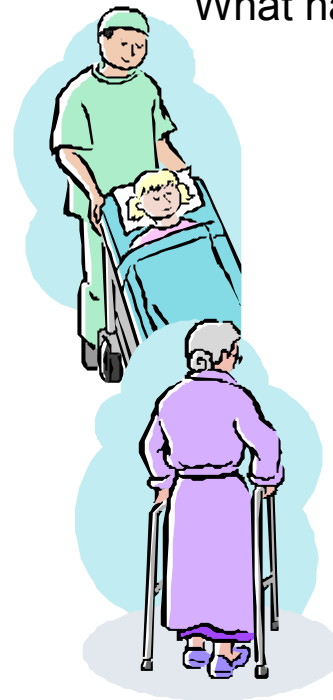
Sickness

Disability

Maternity

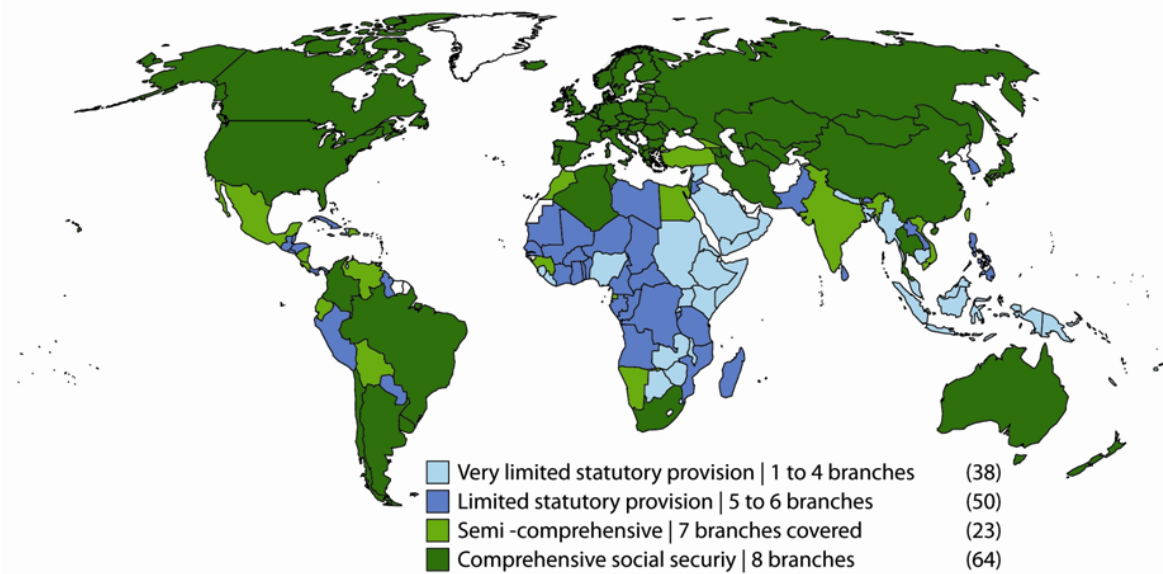
Old age

Etc.



The global need for social protection

Currently, many countries do not have a comprehensive statutory social security system



How does this impact the business of multinational enterprises?

- A workforce vulnerable to life contingencies.
- Discrepancies in the protection afforded to workers within the same company from country-to-country.

Social protection – a human right

- Universal Declaration of Human Rights

- Article 22

- Everyone, as a member of society, has the **right to social security** and is entitled to realization, through national effort and international cooperation 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

- 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 security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.*

- Other international documents related to human rights, such as the International Covenant on Economic, Social and Cultural Rights (Article 9), refer to social protection.

- On this basis, the ILO has developed a number of in-depth instruments to realize this human right in the world of work.

Social protection – a decent work issue addressed through ILO instruments

- **ILO Social Security (Minimum Standards) Convention, 1952 (No. 102)**
 - Flagship Convention, which defines the 9 branches of Social Security.
 - Sets specific minimum standards for each branch.

- **ILO Social Protection Floors Recommendation, 2012 (No. 202)**
 - Provides guidance to establish comprehensive social security systems and extend social security.
 - Stipulates that effective access to health care and basic income security throughout the life cycle should be ensured.

- **ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration), 1977 and 2006**
 - The MNE Declaration targets both businesses and governments.
 - The section “Conditions of Work and Life” , sub-section “wages, benefits and conditions of work” refers to social security in the form of “benefits” for workers.
 - The OECD Guidelines for Multinational enterprises include that part of the ILO MNE Declaration.

The global call for the extension of social protection



Social Protection – a tool for the MDGs and beyond

Explicit linkages and ways in which social protection accelerates MDGs



MDG1: Eradicate extreme poverty and hunger

- Reducing poverty and inequality.
- Stimulating people to participate more actively in the economy.
- Supporting the full utilization of productive entrepreneurial capacity and increasing labour market participation.
- Improving food consumption and nutritional level of beneficiaries' households, including children.



MDG 2: Achieve universal primary education

- Improving educational attainment, higher school enrolment rates, fewer school drop-outs by removing demand-side barriers to education. Reduces the intensity of child labour.
- Supporting inclusive education by introducing changes in the supply side to address the specific needs of children who are marginalized or excluded (such as girls) to ensure they can access and benefit from education.



MDG 3: Promote gender equality and empower women (see point 8).

- Addressing barriers to gender equality and empowerment of women.
- Encouraging increased participation of women in the economy and greater labour market participation.
- Enhancing through social transfers women's position in the household and intra-household resource allocation and reducing their domestic burden.



MDG 4: Reduce child mortality

- Removing financial barriers that prevent people from accessing health services and prevents deeper impoverishment caused by medical expenses.



MDG 5: Improve maternal health

- Improving access to quality preventive and curative care for child and maternal health.
- Reducing risk factors for diseases among disadvantaged populations.
- Social transfers can directly mitigate the impacts of illness, specifically AIDS, and have helped mothers and children affected by HIV and AIDS.



MDG 6: Combat HIV/AIDS, malaria and other diseases

- Such cash transfers might prevent new infections, as they reduce the need for female and child household heads to resort to transactional sex to survive.
- Social pensions enable grandparents in 'missing-middle generation' families to care more adequately for orphaned and vulnerable children under their guardianship.
- There is evidence that social pensions also contribute to preventive health care for children.

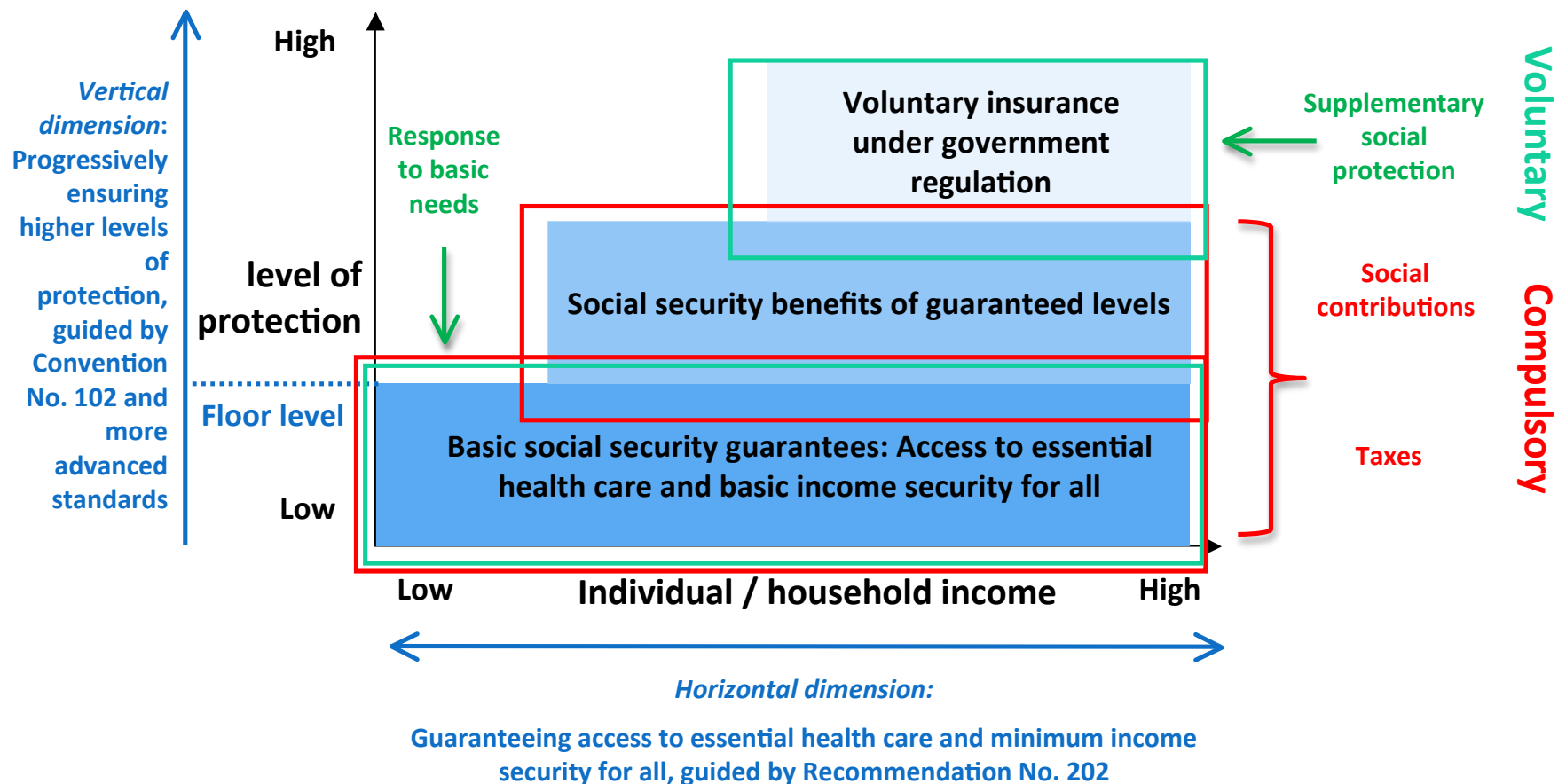


MDG 7: improved access to safe water, sanitation

- Improving access to safe water sources and basic sanitation facilities

ILO strategy for the extension of social security

- How does business contribute? How can it go further?



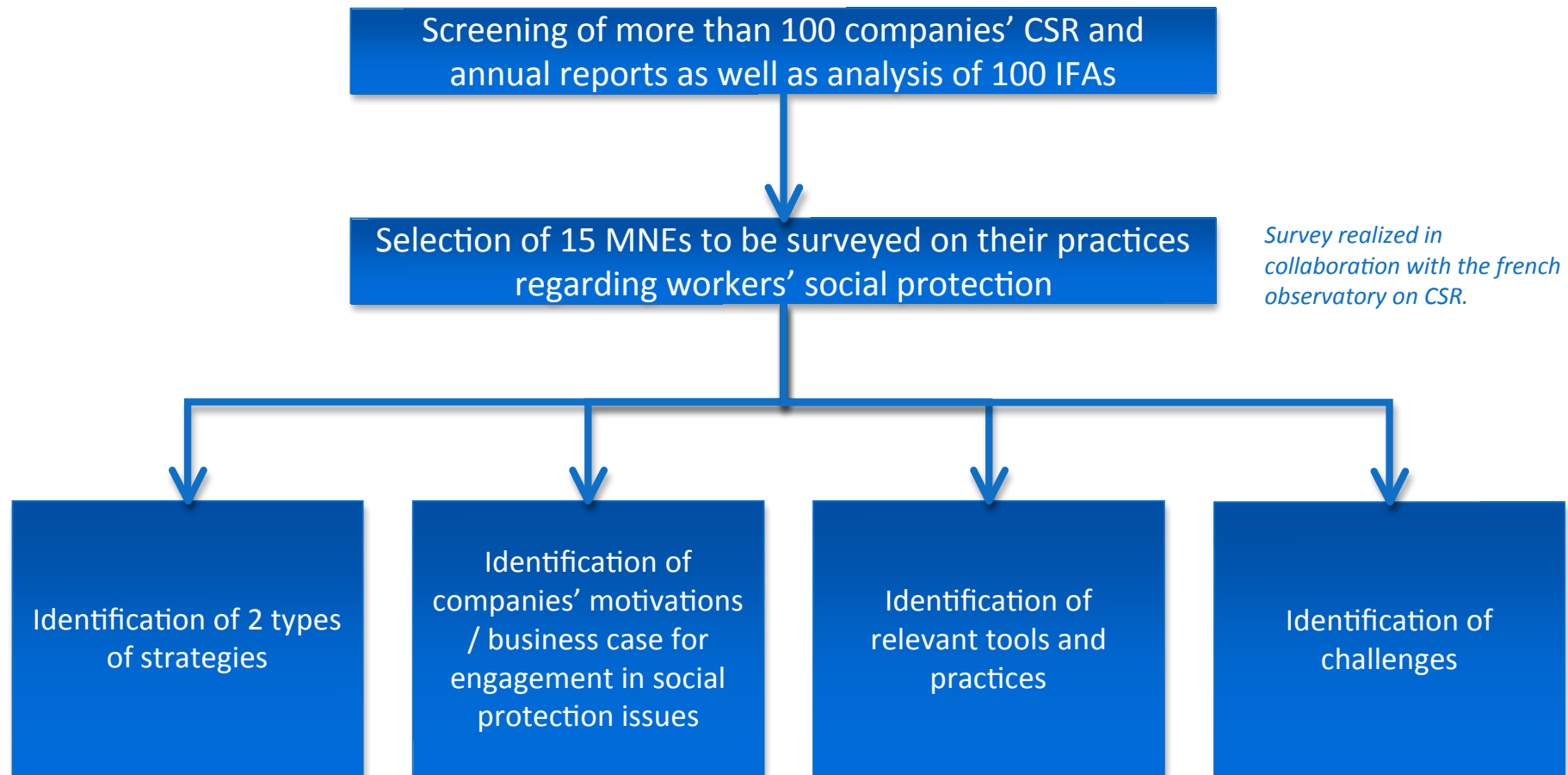
Mandatory

- **Comply** with mandatory obligations in terms of:
 - Social insurance contributions that allow the national social security system to work.
 - General taxes, from which a part is directed to social assistance.
 - Participate, through their representative organizations, to national dialogues on social protection extension.

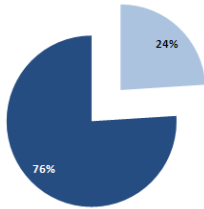
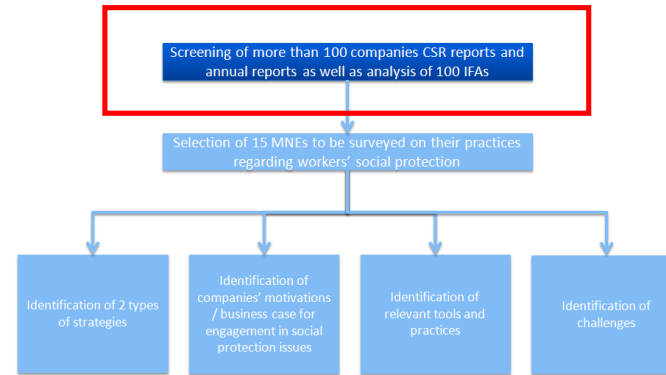
Voluntary

- Possible ways to go further and contribute to socio-economic development include taking into account social protection in company policies (CSR, HR, ...). This can be done for example through:
 - Direct contributions:
 - Respect all legal obligations concerning workers' social protection and, when considered insufficient, supplement with additional programmes. The discussion on extension of social security can be included in social dialogue.
 - Monitor efficiently the social protection of workers and communicate in a transparent way in corporate reporting on both mandatory and voluntary aspects, including within social dialogue frameworks.
 - Offer own corporate facilities (healthcare facilities for instance), as part of a broader accessibility strategy, and ensure that these facilities are aligned with national systems whenever possible.
 - Indirect contributions:
 - Business and CSR practices could include incentives for suppliers to comply with national social security obligations within their responsible management of the supply chain. This would have the potential to contribute to the formalization of employment.
 - Potential domino effect (e.g., driving competitors to align their social protection offer).

Exploratory study on social protection and MNEs

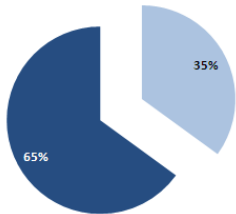
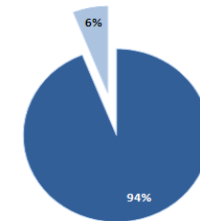


Exploratory study on social protection and MNEs - screening



Only 24% of S&P 100 companies reported on social protection in their CSR reports, annual reports and reference documents in 2010-2011.

Six International Framework Agreements (IFAs – instruments negotiated between multinational company and a global union federation) include social protection provisions for all employees.

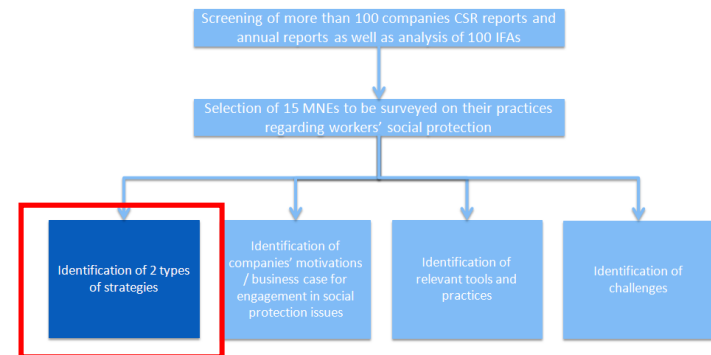


Those six IFAs all pertain to companies which historically have their headquarters located in France. As such, we conducted the same screening on CAC 40 companies, and found that 35% of companies reported on social protection in their CSR reports, annual reports and reference documents in 2010-2011.



It was decided to conduct a more in-depth study among 15 MNEs with headquarters in France. The survey was administered in collaboration with the French Observatory on CSR.

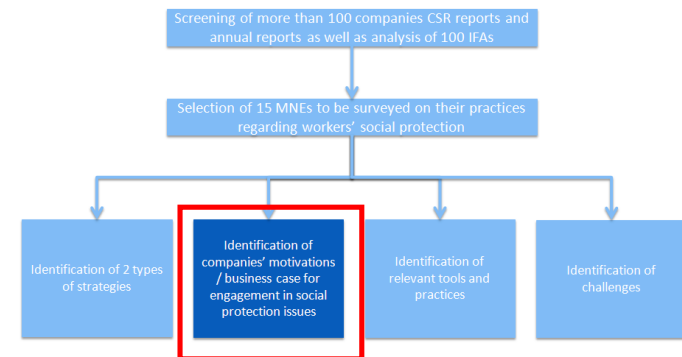
Exploratory study on social protection and MNEs – results of the interviews with 15 MNEs



Identification of 2 types of strategies

- « A priori » strategy
 - Decision to extend social protection to all employees at least at a minimum level taken by top management before any stocktaking.
 - Standards of protection set at the global level.
 - Centralized method of stocktaking and monitoring processes.⇒ Danone
- Progressive harmonization strategy
 - Process more than commitment to harmonize employees' social protection.
 - Decentralized method, progressive implementation depending on opportunities and local conditions.⇒ Lafarge

Exploratory study on social protection and MNEs – results of the interviews with 15 MNEs



Identification of companies' motivations

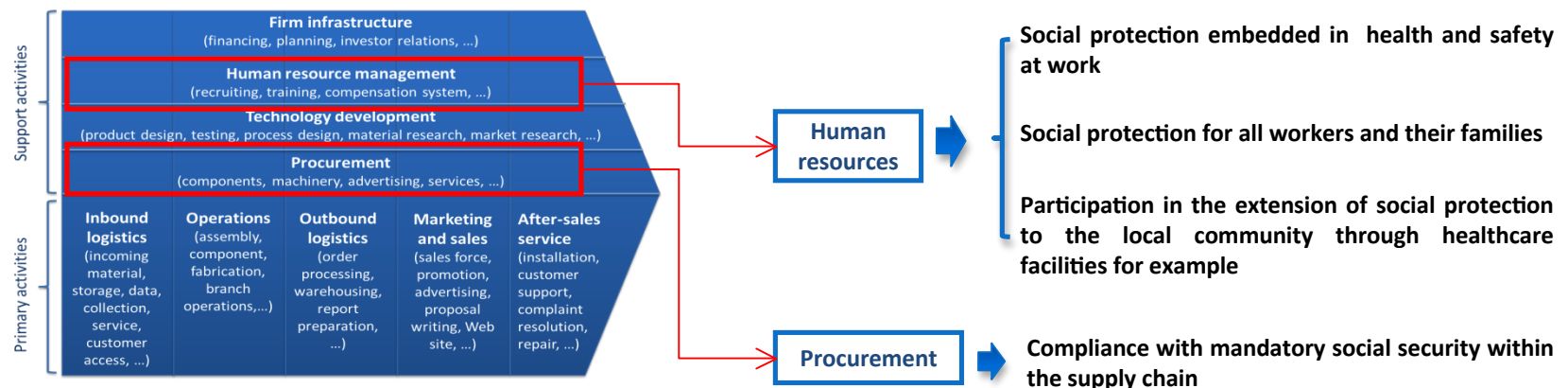
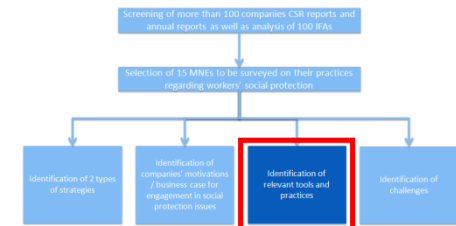
- A compliance issue
- A non-discrimination issue
- An investment in Human Capital, with potentially important returns:
 - Retention of staff / reduction of staff turnover
 - Increase in productivity (linked with increased health status)
 - Creation of a competitive advantage / HR talent retention and attraction strategy

Exploratory study on social protection and MNEs – results of the interviews with 15 MNEs

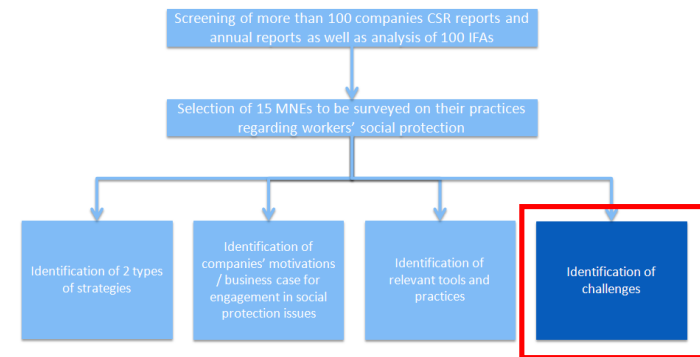
Identification of relevant tools and practices

Examples include:

- Embedding the strategy in social dialogue.
 - Danone and its IFA.
- Setting standards of protection flexibly so that they can build on each country's national system.
- Monitoring implementation and impact.
- Paying special care to exclusions within collective insurance contracts.
- Etc. (see the publication 😊)



Exploratory study on social protection and MNEs – results of the interviews with 15 MNEs



Identification of challenges

- No toolkit or methodology for elaborating and implementing a global strategy on workers' social protection at the company level.
- No standardized reporting methods or guidelines as regards social protection actions by companies (no key indicators etc.), and no integration of such actions within rating agencies' screenings.
- No systematic, aggregated measure of economic and social impact of social protection actions at the company level.

Resources (1/2)

- ILO Helpdesk for business: www.ilo.org/business
- ILO Platform for the extension of social security: www.socialsecurityextension.org
- ILO ESS Working Paper 35, “The extension of social security and the social responsibility of multinational enterprises: An exploratory study”:
<http://www.socialsecurityextension.org/gimi/gess/ShowProjectPage.do?pid=1935>
- ILO World Social Security Report:
<http://www.socialsecurityextension.org/gimi/gess/RessShowRessource.do?ressourceId=15263>
- ILO Social Security Inquiry (database on mandatory social protection by country):
http://www.ilo.org/dyn/ilossi/ssimain.home?p_lang=en
- ILO statistical resources and key indicators on social protection:
<http://www.socialsecurityextension.org/gimi/gess/ShowTheme.do?tid=10>
- International Social Security Association – Social Security Observatory:
<http://www.issa.int/Observatory/Social-Security-Observatory>
- Safety and health at work – ILO web page: <http://www.ilo.org/global/topics/safety-and-health-at-work/lang--en/index.htm>
- Maternity protection resource package – ILO toolkit: http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_193968/lang--en/index.htm
- IFAs database: <http://ec.europa.eu/social/main.jsp?catId=978&langId=en>
- ILO bureau for workers’ activities: www.ilo.org/actrav
- ILO Bureau for employers’ activities: www.ilo.org/actemp

Resources (2/2)

■ ILO instruments related to this presentation

- 1952 Social Security (Minimum Standards) Convention (No. 102)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_INSTRUMENT_ID:312247
- 1962 Equality of Treatment (Social Security) Convention (No. 118)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312263
- 1964 Employment Injury Benefits Convention (No. 121)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312266
- 1967 Invalidity, Old-Age and Survivors' Benefits Convention (No. 128)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312273
- 1969 Medical Care and Sickness Benefits Convention (No. 130)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312275
- 1982 Maintenance of Social Security Rights Convention (No. 157)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312302
- 1988 Employment Promotion and Protection against Unemployment Convention (No. 168)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312313
- 2000 Maternity Protection Convention (No. 183)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312328

- 1944 Income Security Recommendation (No. 67)
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312405:NO
- Medical Care Recommendation (No. 69)
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312407:NO
- 2012 Social Protection Floors Recommendation (No. 202)
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:3065524:NO

- 1977, 2006 (revised) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (ILO MNE Declaration)
http://www.ilo.org/public/libdoc/ilo/2006/106B09_303_engl.pdf



“The world does not lack the resources to eradicate poverty, it lacks the right priorities.”

Juan Somavia, former Director General of the ILO

Thank you for your attention

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Danone healthcare ambition for All Danoners

Webinar, 14/05/2013

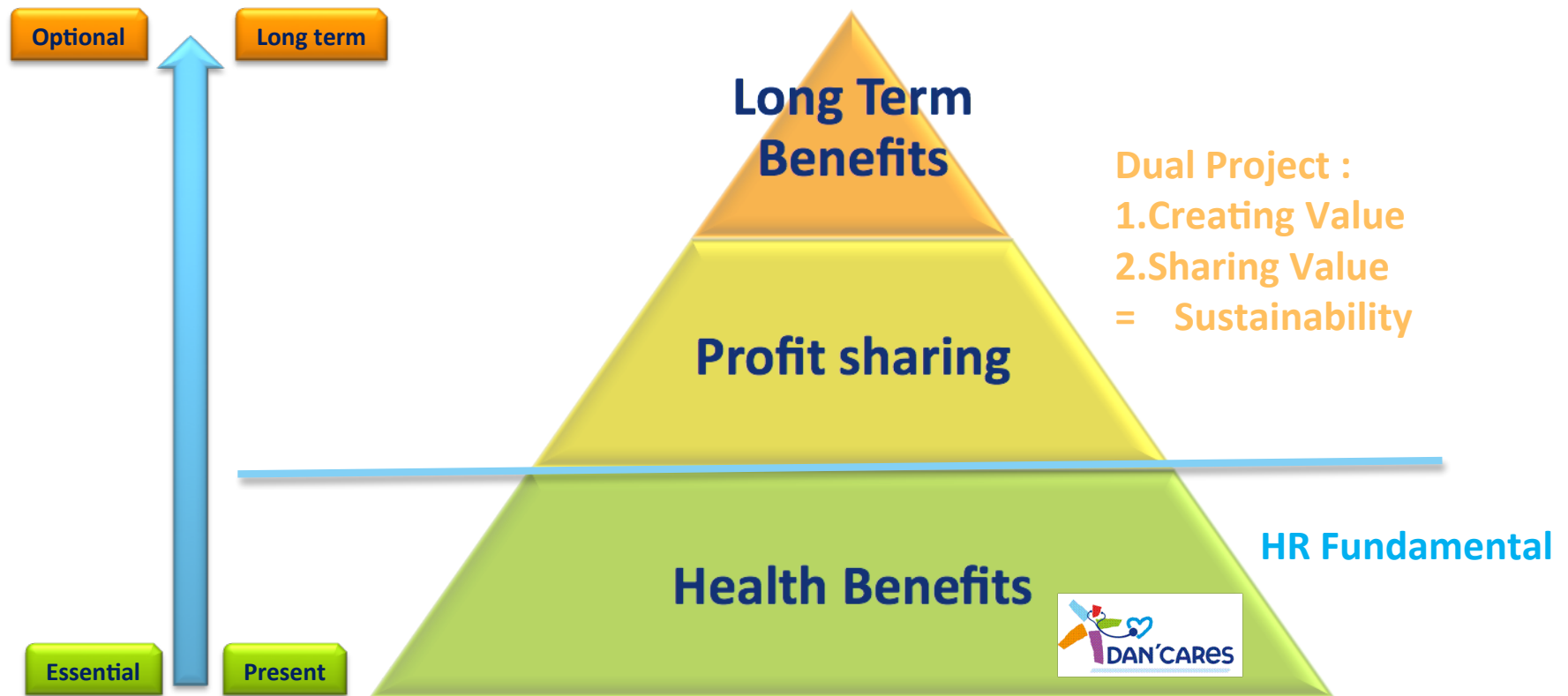
Pascal Desbourdes



✱ Why Dan'Cares ?



■ We want to breakthrough the way we share value creation with all Danoners , starting with what is fundamental .



✱ Why Dan'Cares ?



Danone Mission

« Bring **health** through food to the largest number of **people** »

- Health and people are at the **heart of our mission**: an Health benefits ambition is 100% consistent
- Danone wants to provide an **access to health care** for **each** Danoner



Dan'Cares Ambition

« Ensure **ALL DANONERS** are provided with **high quality** coverage for **CORE RISKS** while taking into account **LOCAL** market practices »

✶ Why Dan'Cares ?



- ▼ Danone **cares** about **all** the Danoners
- ▼ Danone wants to create a differentiation that will **reinforce Danoners' credibility** as Health ambassadors
- ▼ Dan'Cares' impacts are social **and** economic

Improve Engagement

Improve Motivation

Reduce turnover

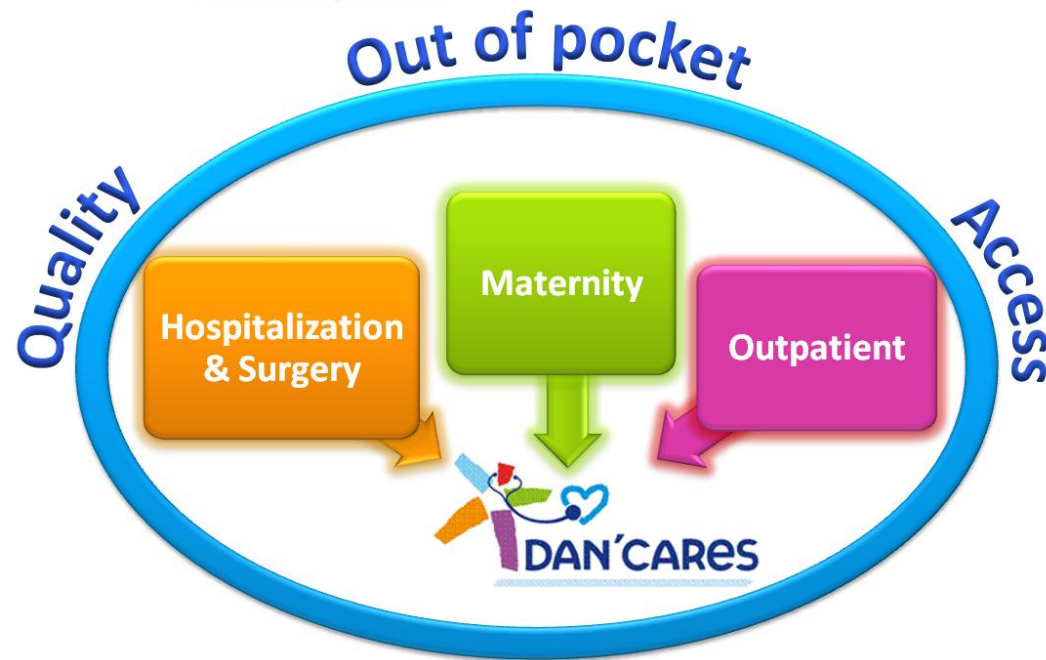
Reduce absenteeism

Accelerate Cross CBU mobility

Boost Employer Branding and Attractiveness



* What is Dan'Cares Ambition ?



**For ALL
Danoners**

3 CORE RISKS

Hospitalization

Maternity (pregnancy, childbirth..)

Outpatient (doctor's visit , drugs, tests,..)

3 CRITERIA

Quality

Access (distance and time)

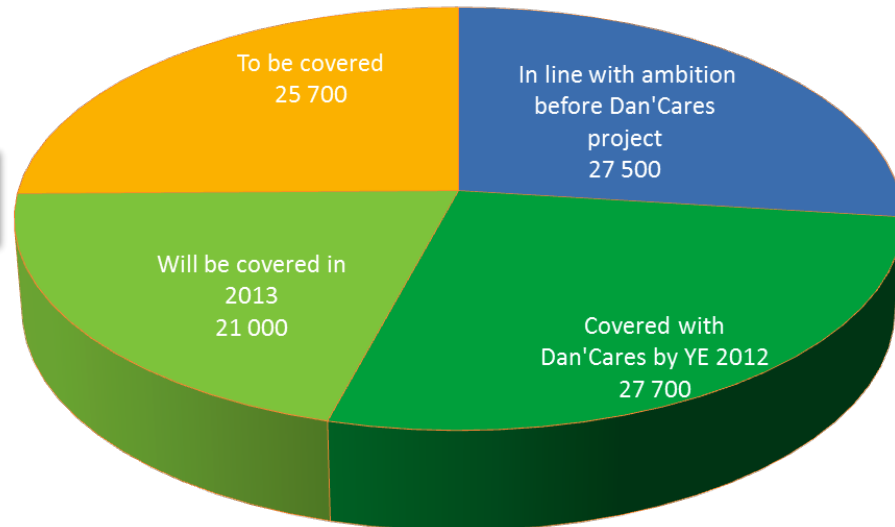
Out of pocket (remaining to pay for the Danoner)



What has already been done ?



Among the 101 900 Danoners :



13 countries

