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Outcomes of the in-depth reviews carried out by the Conference of European Statisticians (CES) Bureau

In-depth review of statistics on social protection

Prepared by the Secretariat

Summary

The present note is the in-depth review paper on the measurement of social protection. The Bureau of the Conference of European Statisticians conducted the in-depth review at its meeting in January 2014. The purpose of the reviews carried out by the Bureau is to improve coordination of statistical activities in the region of the United Nations Economic Commission for Europe, identify gaps or duplication of work and address emerging issues.

The note summarises the international statistical activities in the area, identifies issues and problems, and makes recommendations on possible follow-up actions in this area.

The outcome of the review is provided in document ECE/CES/2014/9/Add.1.

I. Introduction

1. The Bureau of the Conference of European Statisticians (CES) regularly reviews selected statistical areas in depth. The aim of the reviews is to improve coordination of statistical activities in the UNECE region, identify gaps or duplication of work, and address emerging issues. The review focuses on strategic issues and highlights concerns of statistical offices of both a conceptual and a coordinating nature.
2. The CES Bureau selected social protection for an in-depth review at its meeting in February 2013. In the absence of a volunteer country to prepare the review paper, the secretariat undertook this task. The current paper provides the basis for the review by summarising the international statistical activities and identifying issues and problems.
3. Work on social protection statistics began in the late 1970s, with Eurostat and EU member countries' joint development of the European system of integrated social protection statistics (ESSPROS). ESSPROS focuses on the "coverage of precisely defined risks and needs including health, disability, old age, family and unemployment." The framework comprises a core system and modules and stipulates the collection of both quantitative and qualitative data.
4. In the 1990s, OECD developed its Social Expenditure Database (SOCX) to monitor trends in aggregate social expenditure and changes in its composition. The database contains time series spanning from 1980 to 2010 for OECD member countries.
5. At present, a large number of international organisations and bilateral institutions are involved in the collection, harmonization and dissemination of social protection statistics, including ILO and the World Bank, as well as the organisations mentioned above. Enhancing social protection is one of the main aims of ILO, which advocates a minimum level of social protection – a social protection floor. The World Bank's work focuses on developing countries, and disseminates harmonized data through its Atlas of Social Protection – Indicators of Resilience and Equity (ASPIRE) project.
6. In response to a request from the G20 Development Working Group, the Social Protection Inter-agency Cooperation Board (SPIAC-B) was formed in 2012 to coordinate the work of various organisations on social protection. The Board aims to reduce duplication of effort by harmonizing different social protection tools. Its most recent meeting on 29 October 2013 was attended by participants from 29 international organisations and bilateral institutions.
7. Some of the challenges involved in collecting reliable social protection data include measurement issues and a lack of internationally agreed upon standards and classifications. International organisations are often unable to exchange data because they use separate classification schemes. Disparate challenges are faced in developed countries and in developing countries, in part because of the different data sources used. In developed countries, social protection data mostly come from administrative sources and registers, whereas in developing countries, the data must be obtained from household surveys.
8. The different organisations working on social protection statistics need to coordinate their efforts. In addition to direct partnerships that already exist between organisations, SPIAC-B provides an international mechanism to harmonize work on social protection.

II. Scope of social protection statistics

9. The scope of social protection is not universally agreed upon. According to the DISA Classification of Statistical Activities, social protection comprises "statistics on measures to protect people against the risks of inadequate incomes associated with

unemployment, ill health, invalidity, old age, parental responsibilities, or inadequate income following the loss of a spouse or parent, etc.” It includes “statistics on pension beneficiaries, social security schemes, social protection expenditure, etc.”, but does not include “insurance companies as economic actors” or “pension funds as actors in financial markets.”

III. Overview of international statistical activities

A. Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT)

10. Under the heading of social welfare, CIS-STAT collects, processes, analyses and disseminates social protection and pension security data provided by national statistical services as well as information on the numbers of disabled persons in the Commonwealth countries. It prepares an annual report on the numbers of pensioners and pension security in the Commonwealth countries.

11. In the future, CIS-STAT will also provide advisory services to national statistical services on the organization of social security statistics in the Commonwealth countries.

B. International Labour Organization (ILO)

12. The ILO Social Security Inquiry collects statistics on social security expenditure, financing, coverage and benefits from both developed and developing countries. Its revised methodological approach is as compatible as possible with SNA, the EUROSTAT-ESSPROS approach to social protection revenue and expenditure statistics, the OECD Social Protection Expenditure database and IMF's 2001 Government Finance Statistics guidelines. In addition, coverage and benefit level data are collected and used for constructing coverage indicators by social security risk or social security function. ILO collects data directly from the institutions that manage national social protection schemes, especially data on the coverage of the population (active contributors, affiliated persons and actual beneficiaries), benefit levels, expenditure and financing.

13. Data are collected and disseminated through the ILO Social Security Database. A limited and regularly updated set of indicators on social security expenditure and coverage is now available for most East European countries starting from 2000 to the latest available year. First results for nine countries in South-Eastern Europe were summarized in ILO (2005): *Social Security Spending in South-Eastern Europe*, Budapest: ILO. More recently updated data and indicators covering both expenditure and coverage have been published in the first edition of the *World Social Security Report 2010/11*, which is the first in a series of *World Social Security Reports* which will also help to monitor the global progress on social security coverage and thus support the ILO's campaign to extend coverage.

14. Historical data (1949-1993) on revenues and expenditure of social security schemes from 22 European countries are available on an online database developed by the EURODATA Research Archive of the Mannheim Centre for European Social Research (MZES) in cooperation with ILO. Data for other countries are also available online on the ILO website.¹

15. ILO has also published *Social Protection Expenditure and Performance Reviews (SPER)*, which contain a broad range of statistics.

¹ <http://www.ilo.org/public/english/protection/secsoc/areas/stat/css/index.htm>

16. ILO has developed, in cooperation with the Council of Europe, a manual on statistical data requirements and indicators related to reporting on compliance with ILO Convention No. 102 on minimum standards in social security and with the European Code of Social Security.

17. ILO intends to review and, if necessary, propose revisions to further develop the international standards on statistics of social security/social protection as laid down in the Resolution concerning the development of social security statistics, adopted by the 9th ICLS (1957). This was discussed at the 17th ICLS.

18. Within the framework of the activities on the informal economy, the Social Protection Sector is developing a module with a limited number of questions on social protection to be integrated into the regular household surveys.

19. Over a period of four years (2009 to 2013), the Monitoring and Assessing Progress on Decent Work (MAP) project, with funding from the European Union, aims to facilitate the identification of decent work indicators that are relevant at the national level (based on the outcome of the Tripartite Meeting of Experts held in September 2008); support data collection; and use the collected data for an integrated policy analysis of decent work. Social protection is one of the four strategic objectives of the Decent Work agenda.

20. ILO runs the Global Extension of Social Security (GESS), a global knowledge sharing platform that “aims to facilitate the exchange of information and ideas, capture and document experiences, identify knowledge gaps, create new knowledge and promote innovation.”²

C. The International Social Security Association (ISSA)

21. ISSA continues its work to develop the statistical capacity of its members in developing countries and contributes to the development of international standards on social security/social protection statistics.

22. In collaboration with the United States Social Security Administration, ISSA collects information on the range of contingencies covered by social security schemes and disseminates it with Social Security Programmes throughout the World (SSPTW)³ and with the ISSA information service, Social Security Worldwide. ISSA also collects data on the legal framework and governance of Public Social Insurance Reserve Funds as well as their asset allocation and expenditure.

D. The Social Protection Inter-agency Cooperation Board (SPIAC-B)

23. SPIAC-B, an interagency coordination mechanism that comprises participants from international organizations and bilateral institutions, was established as a result of the G20 Development Working Group. The board was set up to “enhance global coordination and advocacy on social protection issues and to coordinate international cooperation in country demand-driven actions.” Four meetings have been held so far, the most recent of which was held on 29 October 2013 in Brussels. The next meeting will be held in May 2014 in Washington.

24. The reports of all SPIAC-B meetings are available online.⁴

² <http://www.social-protection.org/>

³ <http://www.ssa.gov/policy/docs/progdesc/ssptw>

⁴ <http://www.ilo.org/newyork/issues-at-work/social-protection/social-protection-inter-agency-cooperation-board/lang--en/index.htm>

E. Eurostat

25. ESSPROS is a common framework developed in the late 1970's by Eurostat and the European Union (EU) Member States. It provides a coherent comparison between European countries of social benefits to households and their financing, thus making an international comparison of the administrative national data on social protection possible.

26. The ESSPROS manual elaborates that a social protection intervention can involve either the provision of financial resources to individuals or the direct provision of goods or services. Only interventions from public or private organisations – rather than individuals – are included. ESSPROS also outlines an additional requirement that the intervention must not be provided in exchange for money, goods or work. Interest-bearing loans and employer-provided benefits whose costs are deducted from the individual's salary are examples of services that do not fall under social protection for this reason. Interventions need not be unconditional to qualify as social protection, however. An intervention can stipulate, for example, enrolment in a training program.

27. Eurostat regularly produces indicators for monitoring the Europe 2020 strategy and support the open method of coordination for social protection and social inclusion.⁵ Indicators are used to monitor the overarching objectives, as well as the specific objectives of the three strands: social inclusion, pensions and health care. The main sources are the EU-Statistics on Income and Living Conditions (EU-SILC) and the EU Labour Force Survey (EU-LFS).

28. The indicators are presented in three categories – EU, National and Context. The commonly agreed EU indicators contribute to a comparative assessment of Member States' progress towards the common objectives on social protection and social inclusion. The commonly agreed national indicators are based on commonly agreed definitions and assumptions that provide key information to assess the progress of Member States in relation to certain objectives. Additionally, key context information is identified to assess the indicators.

F. European Foundation for the Improvement of Living and Working Conditions (Eurofound)

29. Eurofound conducted its fifth European Working Conditions Survey in 2010. The overview report, which contains a chapter on quality of work and employment, is now available online. One of the dimensions of this chapter is "ensuring career and employment security", which includes discussion of social protection.⁶

G. Organisation for Economic Co-operation and Development (OECD)

30. The OECD's Social Expenditure Database (SOCX) has been developed to monitor trends in aggregate social expenditure as well as changes in its composition. SOCX covers 34 OECD countries for the period 1980-2009/10 and estimates for 2010-2012. It contains reliable and internationally comparable statistics on public and private (mandatory and voluntary) social expenditure at the programme level, classified under the major social policy areas. These areas are as follows: Old age, Survivors, Incapacity-related benefits, Health, Family, Active labour market programmes, Unemployment, Housing, and Other

⁵ <http://ec.europa.eu/social/main.jsp?catId=756&langId=en>

⁶ <http://www.eurofound.europa.eu/pubdocs/2011/82/en/1/EF1182EN.pdf>

social policy areas. It also includes estimates of net total social spending for 2009 for 30 OECD countries.⁷

31. In November 2012, SOCX was updated together with the publication of a brief on social spending after the crisis.

32. The “How's Life?” initiative, which “paints a comprehensive picture of well-being in OECD countries and other major economies, by looking at people's material living conditions and quality of life across the population.” One of the components of the initiative is a section on “Well-being in the workplace: Measuring job quality.”

H. The World Bank

33. The ASPIRE project provides harmonized data on social protection programs, mostly in developing countries, based on household surveys.⁸ The World Bank's ADePT Social Protection software is used to produce information on ten indicators: average per capita transfer, coverage, benefit incidence, beneficiary incidence, generosity, Gini inequality reduction, poverty headcount reduction, poverty gap reduction, cost benefit ratio and social protection overlap. Currently, 56 countries are covered by the ASPIRE project. The project aims to eventually cover a total of 120 countries.

34. The Social Protection Assessment Results of Country Systems (SPARCS) is “an inter-agency initiative that aims to improve the performance of Social Protection and Labor (SP&L) systems by creating an 'open source' platform for collaboration, based on defining and assessing key system metrics and outcomes.”⁹ Following the October 2013 SPIAC-B meeting, SPARCS will be renamed the Inter-agency Social Protection Assessment and will be guided by SPIAC-B.

35. Recently, the World Bank held a workshop on the use of household survey data for social protection statistics on 4-5 November 2013, in cooperation with ILO, OECD, ISSA, UNDP, FAO, ODI, GIP SPSI, IADB/BID, DAEL, Helpage, UNICEF and DFID. The workshop was titled “Towards Better Data on Coverage and Impact of Social Protection: The Role of Household Survey Data.”

I. United Nations Economic Commission for Europe (UNECE)

36. UNECE acts as secretariat for the expert group on measuring quality of employment, which was formed in February 2012. The expert group is chaired by Germany and comprises representatives from a number of countries and international organizations. It will present the full version of its “Statistical Framework for Measuring Quality of Employment” to the CES Bureau meeting in October 2014. One of the dimensions of the framework is devoted to security of employment and social protection, which includes indicators on contributors to pension schemes and unemployment insurance.

37. The work on measuring quality of employment is coordinated with four international organisations' closely linked initiatives:

- The ILO's Decent Work Indicators, which aim to improve quality of work in countries based on four strategic policy objectives (one of which is extending social protection).
- The European Union's quality of work indicators and the Europe 2020 strategy.

⁷ www.oecd.org/els/social/expenditure

⁸ <http://worldbank.org/aspire/>

⁹ <http://go.worldbank.org/9GC4EAU0F0>

- OECD's "How's Life?" initiative, which sets out to measure well-being, including a section on "Well-being in the workplace: Measuring job quality."
- Eurofound's set of indicators and the European Working Conditions Surveys.

IV. Issues and Challenges

A. Lack of internationally agreed standards, definitions, classifications and international comparability

38. During the ILO-hosted workshop on "Mapping existing international social protection statistics and indicators that would contribute to the monitoring of social protection extension through Social Protection Floors (SPFs)", which was held in Geneva between 13th and 15th March 2013, defining and classifying social protection data was identified as a main issue. It was noted that although there are overlaps, not all international organisations use the same classification criteria, so it is often not possible to exchange data amongst organisations. In some cases, different classifications may stem from the organisations' different objectives (for example, the World Bank's focus on the needs of developing countries).

39. One of the aims of SPIAC-B is to harmonize social protection standards and definitions. At its third meeting in February 2013, the World Bank and ILO presented a joint proposal on international social protection data harmonization. The proposal resulted from a workshop on social protection financing held in London in November 2012, during which international organisations agreed to prepare terms of reference for "cooperation in the areas of standardization of the terminology and classifications used, harmonization of the data collection efforts and different databases, and supporting countries to enhance their capacity in producing reliable social protection data and establishing national social protection statistical systems."

B. Measurement problems

40. Following resolutions in 2007, members of the European Union are mandated to comply with the guidelines set out in the ESSPROS manual. However, not all countries have been able to apply all of the ESSPROS methodology. In Eurostat's consolidated quality report released in 2013 (on 2011 social protection data), four countries reported measurement problems that arose from difficulty of applying the methodology. More commonly, measurement problems arose from issues with individual data sources. These problems were experienced in fourteen countries. In some cases, additional data sources were available, but in other cases, the problems led to omitted figures. Incomplete geographical coverage was also an issue, though it was only reported by four countries. Still, the consolidated quality report concludes that, overall, "data for almost all the countries are of good quality and useful for analytical purposes."¹⁰

41. Since the main sources of social protection data within EU are administrative sources and registers, the measurement problems within EU mostly concern coverage. Outside EU, however – especially in developing countries – organisations rely on household surveys for social protection data. While several organisations have produced generic questions on social protection to be included in the surveys, the questions to include are not universally agreed upon. Many countries still do not include any questions on social

¹⁰ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-11-030/EN/KS-RA-11-030-EN.PDF

protection in their household surveys and others include questions on social protection but do not analyse or disseminate the data.

V. Conclusions and recommendations

42. While social protection statistics are mostly reliable and comparable in the European Union, there remains much work to be done to address challenges faced by other countries and in particular by the less developed statistical systems. A large number of organisations are involved in the collection, harmonisation and dissemination of social protection statistics, but the results of their efforts are sometimes difficult to reconcile because they are based on different classification schemes. There is a need for better coordination amongst the organisations.
