

Global Agenda Council on Social Security Systems 2012-2014



Understanding/Context

Social security systems worldwide must adapt to demographic shifts, economic cycles and evolving fiscal policies, among other issues. Many countries with growing numbers of older people are looking to gradually increase retirement ages and extend working lives. Government pension commitments also pose a challenge to fiscal sustainability, particularly when public expenditures on old-age pensions must be balanced against governmental responsibilities of providing healthcare, education and employment promotion, which are essential to the development of future generations. A core challenge is to provide a strong environment and effective tools that allow individuals to contribute to a pension system and to save for their own retirement beyond the minimum guaranteed by a social protection floor.

Shaping the Agenda

The Council agrees that, when designing a social security system, every country has to find a realistic and appropriate balance between collective solidarity and individual responsibility. To achieve these new balances, social security systems must be both sustainable and flexible. The Council is addressing the need for greater understanding of this balance by collaboratively building a “Framework for Sustainable Social Security Systems”. The framework rests on eight key building blocks, for which the Council is presenting ideas and recommendations:

1. Coherence and flexibility of the social security system
2. Higher levels of financial literacy as the bedrock of effective and sustainable social security
3. The development of effective capital markets
4. The role of the private sector

5. The existence and sustainability of a publicly run foundation pension floor
6. Decent employment as the best social security system
7. Better mobility of social security systems around the world
8. Tools to manage demographic realities

The Council presented the initial concept for the framework during a private session on social protection at the Annual Meeting 2013 in Davos-Klosters.

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The results of the first year fed into a public session on social protection at the 2013 World Economic Forum on East Asia in Myanmar. The Council will bring its framework to other international meetings in the field, with the objective of disseminating ideas and receiving feedback.

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