



► Social Protection in Action: Building Social Protection Floors for All

2022

Russian Federation: Ratification of ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102)

Summary

On 3 October 2018, following approval by the Committee on Labour, Social Policy and Veterans' Affairs, the Federal Assembly of the Russian Federation (State Duma) adopted Law No. 349 on the ratification of the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102). It accepted the obligations for seven of the nine branches systematized by this flagship ILO social security Convention, that is those related to medical care, sickness benefit, old-age benefit, employment injury benefit, maternity benefit, invalidity benefit and survivors' benefit.

The formal ratification was registered by the ILO Director General on 26 February 2019, the date on which the instrument of ratification was deposited with the Legal Advisor of the ILO. Thereafter, the Russian Federation became the 56th ILO member State to ratify Convention No. 102.

Due to its unique features, Convention No. 102 is the main international treaty setting out the core principles and minimum standards for the design, establishment, and governance of comprehensive social security systems,

providing adequate protection against the entire range of social risks that people face throughout their lives.

Context

Since the 1990s, based on a long history of ensuring universal social security coverage, the Russian Federation has developed a social protection system providing protection for all nine social security branches stated in Convention No. 102, namely medical care, sickness, unemployment, old-age, employment injury, family allowances, maternity, invalidity and survivorship.

Near universal pension coverage is achieved through the combination of non-contributory schemes and social insurance, covering approximately two-thirds of the working-age population. More than 90 per cent of elderly people above statutory retirement age receive an old-age pension (ILO 2017). Close to 70 per cent of women giving birth are receiving a periodic maternity cash benefit and more than 95 per cent of people with severe disabilities receive a disability benefit (see figure 1).

Social Protection Floors Recommendation, 2012 (No. 202)

SDG 1.3 aims to implement nationally appropriate social protection systems and measures for all, including floors, and by 2030, achieve substantial coverage of the poor and the vulnerable.

Social protection floors (SPFs) guarantee access to essential health care and basic income security for children, persons of working age and older persons. 187 countries have adopted the Social Protection Floors Recommendation, 2012 (No.202), to achieve universal social protection.

The ratification of Convention No. 102 demonstrates the strong commitment of the Russian Federation to maintain a sustainable and adequate social protection system and strengthen access of the population to social rights. It further ensures that entitlements to benefits are prescribed in national law and that these benefits are adequate and predictable, contributing to the guiding principles set out in the Social Protection Floors Recommendation, 2012 (No. 202).

► This document is important for us, its discussion in Russia took time and involved substantial discussions.

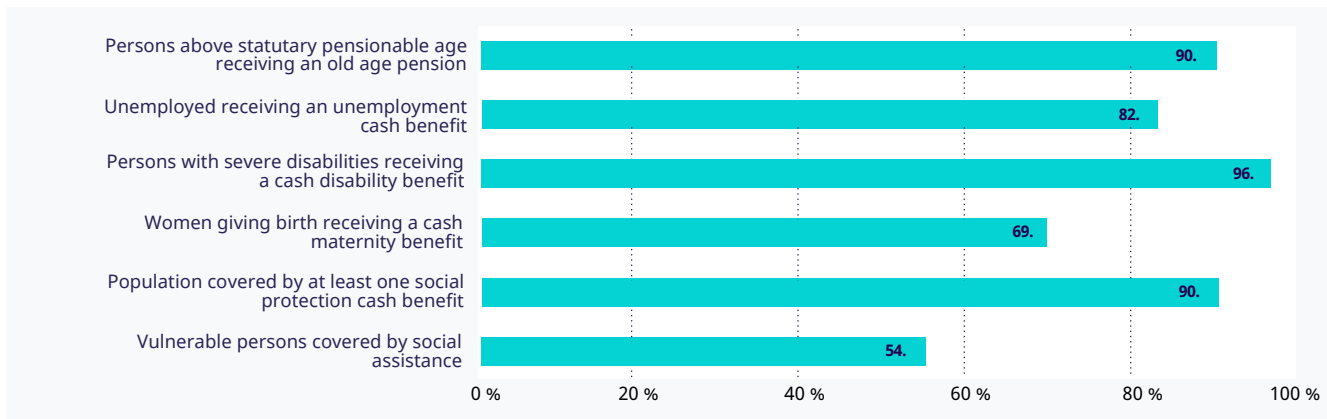
► Mr. Iaroslav Nilov, Chairman of the Committee on Labor, Social Policy and Veterans’ Affairs

Convention No. 102 is both a comprehensive and flexible instrument. While it establishes the principles forming the backbone of social security systems, it may be ratified upon acceptance of at least three of the nine social security branches specified therein. Countries may however

subsequently extend their commitments to a greater number of branches. Nonetheless, with a view to creating a level playing field among the ratifying States, it requires the acceptance upon ratification of at least one of the following benefits: old age, employment injury, disability or survivors’ benefit.

By ratifying Convention No. 102 for all branches except unemployment and family benefits, the Russian Federation joins the group of countries which have accepted the obligations of the Convention for the highest number of branches.

Figure 1: Beneficiaries of social protection cash benefits in the Russian Federation, by groups of population, 2015 (SDG 1.3.1)



Russian social protection system

The Russian Federation attempted to maintain the legacy of universal social protection following the dissolution of the Soviet Union. Since 1991, the Russian social protection system has been reformed several times in the context of the new market economy in the 1990s, the global financial crises in 1998 and 2008 and in response to demographic challenges. The most recent pension reform in 2017–18 reinvigorated earlier debates about demographic changes and the need to ensure the sustainability of the pension system. The result of the parametric reform was to increase the retirement age for women from 55 to 60 years and for men from 60 to 65 years.

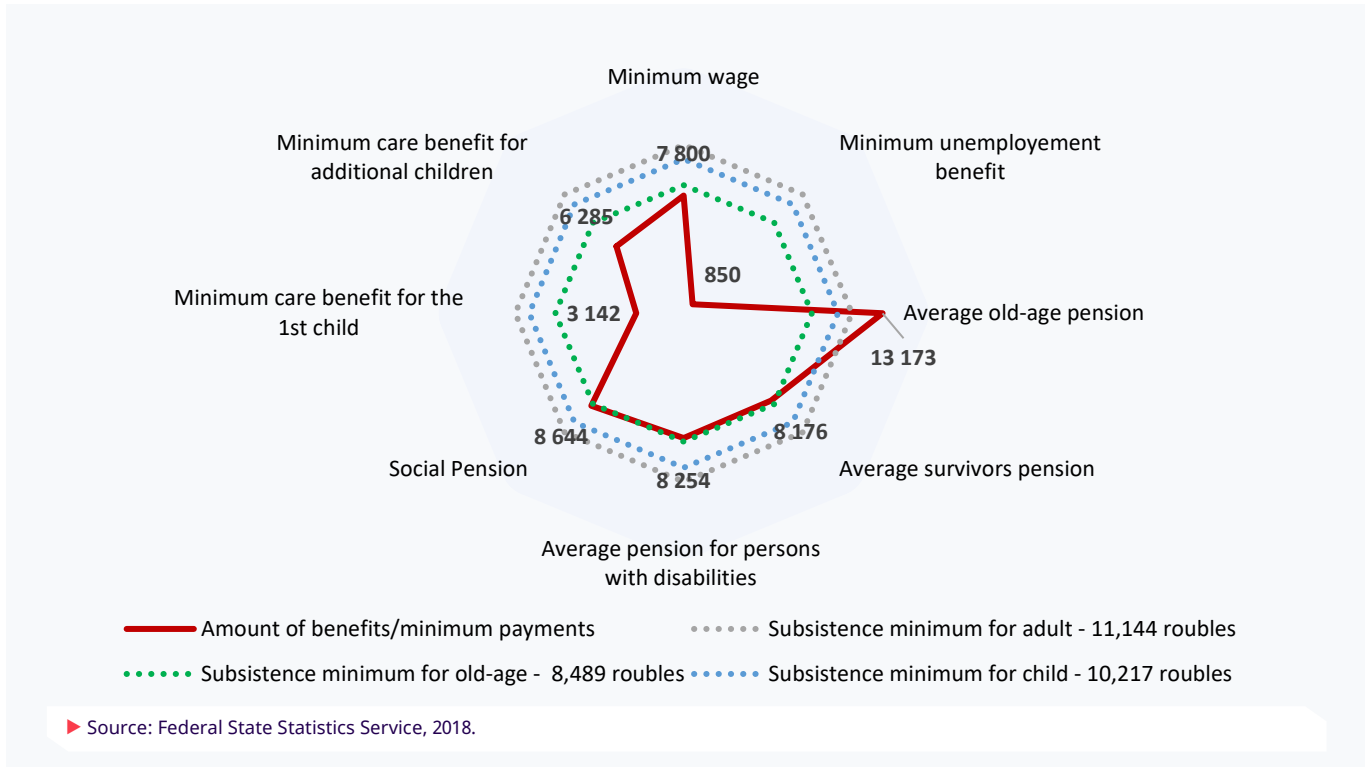
The Russian Federation’s current social protection system consists of: (a) social insurance, (b) social assistance and (c) social services.

The contributory social insurance scheme comprises pension, medical, sickness and employment injury benefits for eligible workers contributing to social insurance funds as well as students and elderly people whose benefits are

financed from the general budget. Non-contributory social assistance schemes are intended for vulnerable groups of the population, such as individuals and families living on incomes below the minimum subsistence level and the elderly with insufficient social and pension insurance contributions. A range of social care services is organized for different groups of the population, such as children without adequate parental care, persons with disabilities and the elderly. In recent years, the focus has been on the development of community-based social services, including long-term care, in the context of population ageing.

The minimum subsistence level is a nationally recognized minimum income level such that a person with income below this level is considered to be poor. In 2017, 19.3 million people or 13.2 per cent of the total population were living on incomes below the minimum subsistence level (Federal State Statistics Service 2018). Figure 2 presents the benefit levels in the Russian Federation in comparison with the minimum subsistence level.

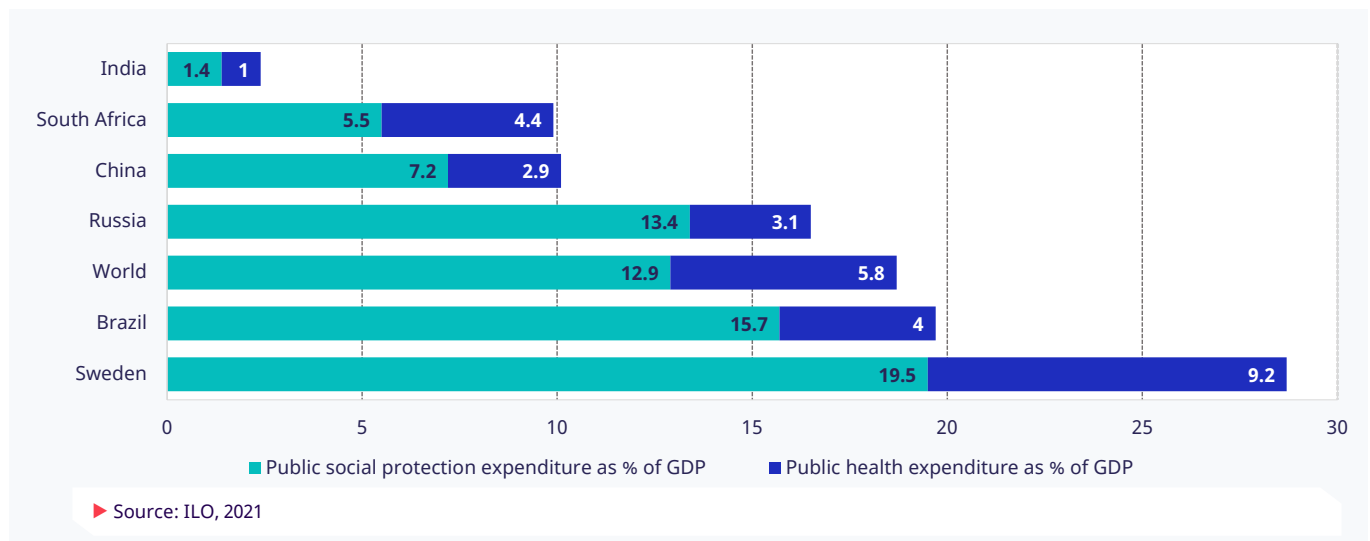
Figure 2: Benefit levels in the Russian Federation in comparison with the minimum subsistence level (Russian roubles), 2017



Public social protection expenditure in the Russian Federation reaches 13.4 per cent of GDP, slightly higher than the world average of 12.9 per cent (see figure 3). Sweden has one of the most mature social protection systems worldwide and is investing 19.5 per cent of its GDP. Together with Brazil, the Russian Federation is leading

among BRICS¹ countries in investment in social protection. Healthcare is an area where investments worldwide, in South Africa, and in Brazil are slightly higher than in the Russian Federation. This has been acknowledged by the Government which is prioritizing improvement of the health sector and access to health services.

Figure 3: Public social protection and health expenditure in the Russian Federation as a percentage of GDP, 2016



¹ The BRICS consists of five major emerging economies: Brazil, the Russian Federation, India, China and South Africa.

Significance of ratifying Convention No. 102

Ratifying Convention No. 102 contributes to making the human right to social security a reality. Although the Russian Federation has used ILO social security standards as a reference for the development of its social protection system, the ratification of this landmark Convention is the first amongst ILO's up-to-date social security instruments. By ratifying Convention No. 102, the Russian Federation commits to ensure further alignment and compliance of its legal system with the instrument that is at the centre of the international legal social security architecture, and which serves as a global reference point in the field of social security. The implementation of the Convention's principles and benchmarks will allow progressive expansion of social protection coverage and improvement of the adequacy of benefits.

► **Ratification of the Convention No. 102 means that Russia will undertake the relevant international obligations, including the most important one, the guarantee that a person shall receive a pension equal to at least 40 per cent of previous earnings.**

► **Andrey Isaev**, Member of the Committee on Budget and Taxes

The ratification of Convention No. 102 shows the Russian Federation's commitment to further develop its social protection system and observe at least internationally agreed minimum levels of protection in the context of a globalized economy. In a broader context, the ratification of the Convention is also conducive to achieving the Sustainable Development Goals, including SDG 1.3 on social protection as well as SDG 3 (good health and well-being), SDG 5 (gender equality), SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities) and SDG 16 (peace, justice and strong institutions).

Ratifying Convention No. 102 constitutes a sound baseline and reference framework for national legislation. As mentioned above, based on the relevant federal and regional legal frameworks as well as national practice, the Russian Federation ratified Convention No. 102 accepting obligations under all branches except those related to unemployment and family benefits.

Actual benefit levels in the Russian Federation for the accepted branches often meet and exceed the Convention's minimum standards and qualifying

conditions. For example, there are no eligibility criteria for maternity benefits; rather all working women as well as women studying in vocational schools are eligible for maternity benefits. Furthermore, according to the Convention, the duration of payment may be limited to 12 weeks, while in the Russian Federation, maternity benefits are paid in full for the entire period of 20 weeks of maternity leave. The maternity benefit amounts to 100 per cent of previous earnings, which is more than twice the minimum 45 per cent prescribed by ILO Convention No. 102. Another example where the national legal framework exceeds the minimum standard prescribed in Convention No. 102 is the provision of a benefit for the care of a sick family member, which is not treated as a contingency by the Convention. Such a guarantee has a long tradition in the Russian Federation and contributes to the prevention of loss of income in case of sickness in the family.



Furthermore, in the process leading to the ratification of Convention No. 102, the Russian Trilateral Commission on the Regulation of Social and Labour Relations approved in September 2015 a methodology for the calculation of replacement rates in the case of old age, disability or loss of breadwinner benefits that is based on the legal obligations stemming from the Convention (Government of the Russian Federation 2018b). This methodology will be followed by the Government for demonstrating compliance with the quantitative benchmarks set by the Convention in order to secure adequate levels of benefits.

Ratifying Convention No. 102 will also contribute to protecting the social protection system in times of crisis. When ratified, translated into and protected by national legislation, Convention No. 102 allows for the provision of adequate levels of social protection benefits that should be resistant to erosion in times of financial crises or economic downturns as well as the necessary reforms in the context of ageing and other structural transformations of the world of work. The ratification acts as a powerful tool for the

maintenance of minimum standards of social security and ensures international, national and public supervision over the process of reforms. By so doing, it provides a guarantee that the country's social security system will continue to rest on sound governance principles and ensure effective access to adequate social security.

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