Health SDGs require a trebling of spending and careful tracking

The draft SDGs are much more ambitious than the MDGs on health: they target universal access to healthcare (UHC) and focus on accelerating reductions in maternal and child mortality and increasing access to sexual and reproductive health services. The consensus in the international health community is that UHC-related spending needs to be predominately public. Ensuring that healthcare is free at the point of delivery will also be critical to achieving equity (as will be shown in the next section). This will require a significant scale-up of spending – which makes the context of current stagnant spending very worrying.

In particular, this will require a vast scaling up of public spending. The Lancet Commission on Global Health 2035 has suggested that LICs and LMICs would need to spend US$51 billion more a year from 2015, rising to $80 billion in 2035, saving an additional 10 million lives.

One further major issue will need to be resolved in monitoring spending on the SDGs: the degree and nature of disaggregation. As research carried out by GSW has found, data in the health sector are very difficult to disaggregate. Whether considering beneficiaries for maternal and child health, spending on particular diseases or spending by objective such as sexual and reproductive health, it is fiendishly difficult to disentangle spending by intended outcome or with a focus on equity. Though overall health spending will need to be tracked to reach UHC, only more detailed data can assess whether governments are adequately tackling the main barriers to UHC and achieving higher life expectancy, as well as targeting those most in need.

SOCIAL PROTECTION

MDG target 1.A is to halve the proportion of people whose income is less than US$1.25 a day. This target was met in 2010, lifting half a billion people out of poverty in the process. However, concerns remain about the fact that many countries, especially in Africa, did not meet the target.
All government spending which boosts economic development for the poor and promotes inclusive and employment-intensive growth can help meet this goal. However, GSW data focuses on the direct government interventions that have been most effective in reducing poverty and providing employment, known as ‘social protection’ spending.47

Are countries meeting the social protection spending targets?

Social protection can be classified in two major groups, according to their financing mechanisms: contributory and non-contributory. To track efforts on MDG target 1A, GSW looks only at how much governments are spending on non-contributory social protection. This is because GSW focuses on mechanisms which target extreme poverty (and hunger)48 or can help to mitigate the poorest against shocks which may push them into deeper poverty. Given that contributory funds are almost always for those in formal (especially government) employment, they do not tend to target the poorest or most vulnerable, and hence are not included by GSW as a means to track spending on the MDGs.

Two targets have been established for spending on social protection. In 2008 at the African Union (AU) Windhoek Conference, African governments committed to a basic Social Protection Floor, the cost of which was determined at 4.5% of GDP. In addition, the International Labour Organization (ILO) and others have estimated the level of government spending needed to provide basic social protection at between 2.9% and 5.2% of GDP.49 Given that GSW tracks only non-contributory spending, we have chosen to measure countries’ progress by the lower end of the ILO target (i.e. 2.9% of GDP), although clearly this is a somewhat crude measure.50

For the 45 countries covered by the GSW database which have information available on social protection, spending is well below both these targets, as shown in Figure 2.23. No African country is anywhere near meeting the Windhoek or the ILO target. Timor Leste is the only country which meets the lower end of the ILO target range. Armenia is close, spending 2.3% of GDP, as is Jordan (2.2%). Only six countries (Dominican Republic, Guatemala, Haiti, India, Papua New Guinea, Samoa) spend 1%, and overall there is a woefully insufficient focus by LICs on social protection spending.

![Figure 2.23. Social protection spending as percentage of GDP](image-url)
What are the recent trends in social protection spending?

Around 60% of countries have either increased their spending on social protection or kept it at the same level as a percentage of GDP since 2012, while 53% have increased spending as a percentage of total spending, which shows a slight increase comparative with other sectors. This builds on previous GSW analysis which demonstrated slight rises from 2009 to 2012. Hence this appears to show a steady incremental increase in spending over the past five years on social protection – at the very least, the sector is staying relatively buoyant in comparison with other sectors, which is in line with recent findings in the ILO’s ‘World Social Protection Report’. GSW’s analysis of budget documents in collecting these data has revealed a number of countries that have introduced new social protection budget lines, which also appears to corroborate the report’s findings that a number of MICs are expanding their social protection programmes, while LICs are beginning to more explicitly focus on social protection.

SDG implications: US$100 billion spending and more detailed data for social protection

The draft SDGs reflect a consensus that the MDGs have targeted only extreme poverty, that inequality is rising across the world and that the poor increasingly require life-cycle social protection to provide resilience against natural disasters and other ‘shocks’. As a result, the SDGs include zero extreme poverty; inclusive and sustainable economic growth, full and productive employment and decent work for all; and reduced inequality. Investment in social protection will be essential to make progress on all these goals, moving towards a lifelong social protection floor reflected in comprehensive sector-wide spending programmes for social protection. Currently, the ILO estimates that 70% of the world’s population is at risk of falling through the cracks because they are not adequately covered by social protection. Ensuring improved coverage will take a huge scale-up in finance. Few estimates exist of the cost of such spending, apart from cash transfer programmes to end extreme poverty, which have been costed at US$66–95 billion a year. More comprehensive social protection floors would have costs several times higher.

The SDG agenda will also make it more vital to disaggregate social protection spending to understand how it is impacting on different goals – in terms of benefits (income, food, employment, etc.); beneficiaries (children, families, elderly or disabled people) and the degree to which it reduces poverty and inequality – by distinguishing clearly between contributory and non-contributory systems.