International Labour Organization

Challenges and ideas to expand social security coverage

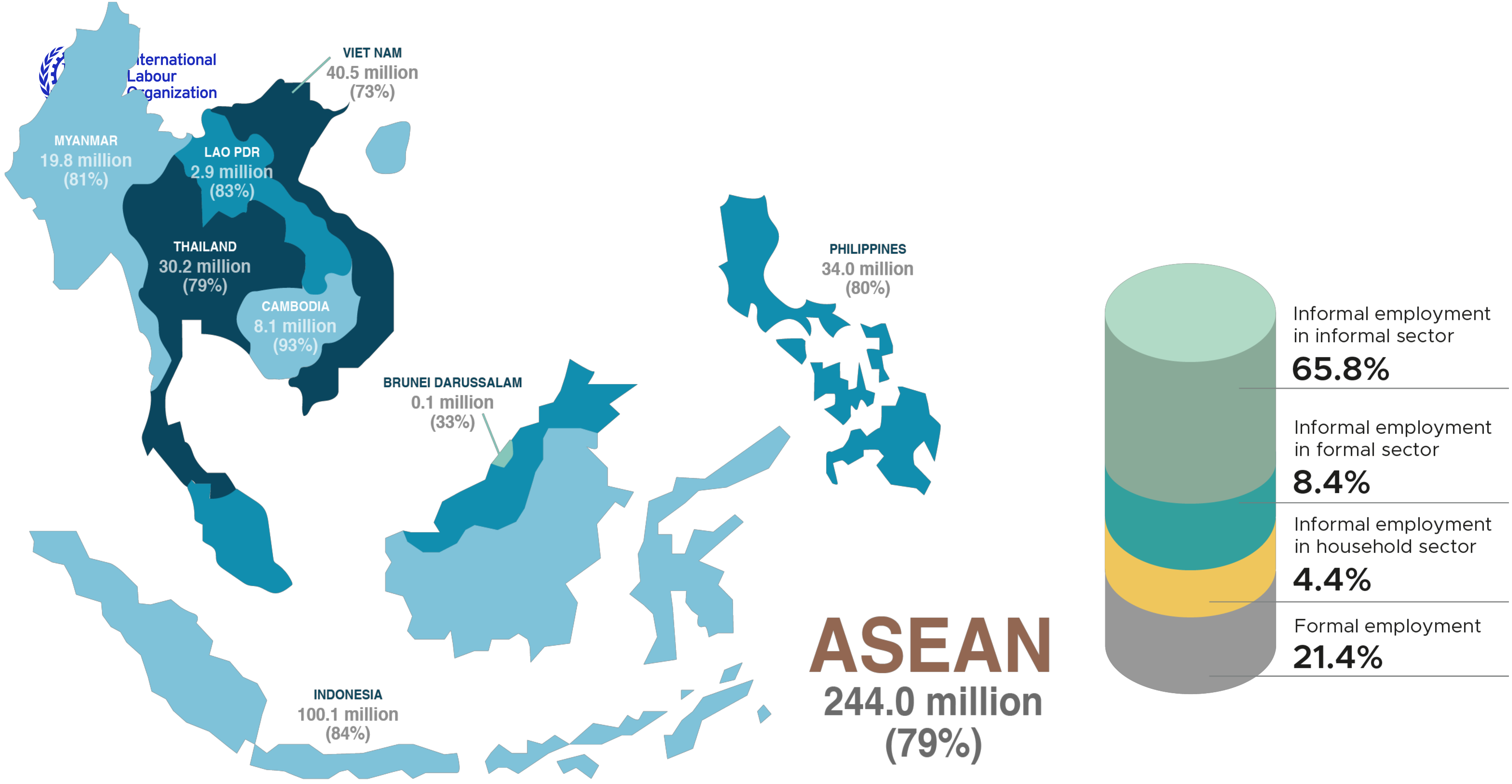
Nuno Cunha – Senior Social Protection Specialist

DWT East and South-East Asia

THE VIRTUAL 37TH ASSA BOARD MEETING
Date: 09 December 2020

OUTLINE

- Understanding what are we exactly talking about
- Main barriers to extending social protection
- Extension strategies
- Lessons learnt and recommendations


International Labour Organization
VIET NAM
40.5 million
(73%)
MYANMAR
19.8 million
(81%)
LAO PDR
2.9 million
(83%)
THAILAND
30.2 million
(79%)
CAMBODIA
8.1 million
(93%)
PHILIPPINES
34.0 million
(80%)
BRUNEI DARUSSALAM
0.1 million
(33%)
INDONESIA
100.1 million
(84%)
ASEAN
244.0 million
(79%)
Informal employment in informal sector
65.8%
Informal employment in formal sector
8.4%
Informal employment in household sector
4.4%
Formal employment
21.4%

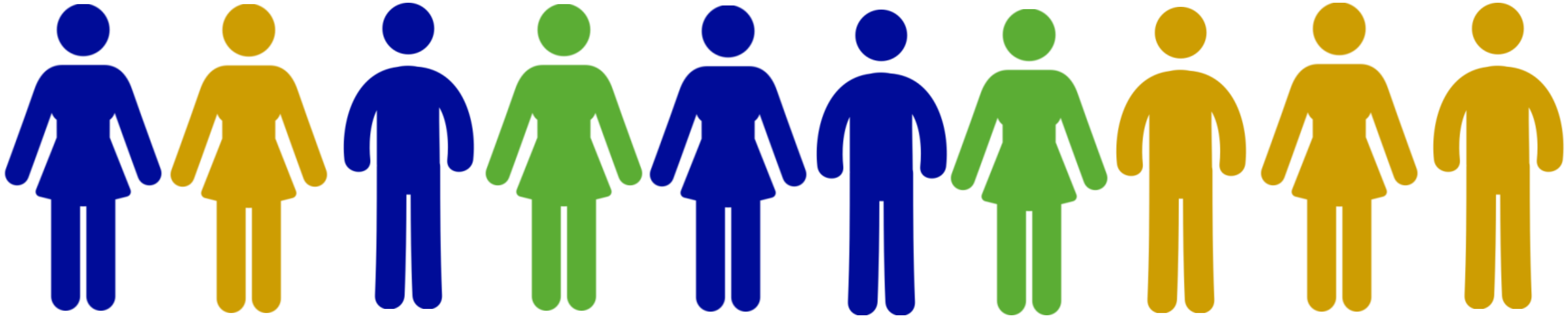
International Labour Organization

WHO ARE THOSE NOT COVERED BY SOCIAL SECURITY?

Some key questions?

- Do they work in the formal or informal sector?
- Are they waged or self-employed? Do they work for a Contract Agency?
- Do they work in part-time or full time/are they seasonal workers?
- If they are waged workers, how big is the enterprise they work for?
- In which sector do they work? Are they domestic workers? Do they work in agriculture/construction?
- What are their income level?
- If they work in an informal enterprise is some form of registration in place?

Employment status of workers



Employees

38.7%

Own-account

38.3%

Contributing family workers

20.8%

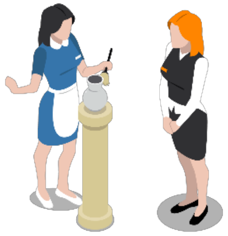
Employer

2.1%

Type of workers by sector

43.6%

19.1%



37.3%

International Labour Organization

Barriers to extending social protection

Legal barriers

Weak enforcement

Lack of
policy integration

Admin barriers

Barriers to extending social protection

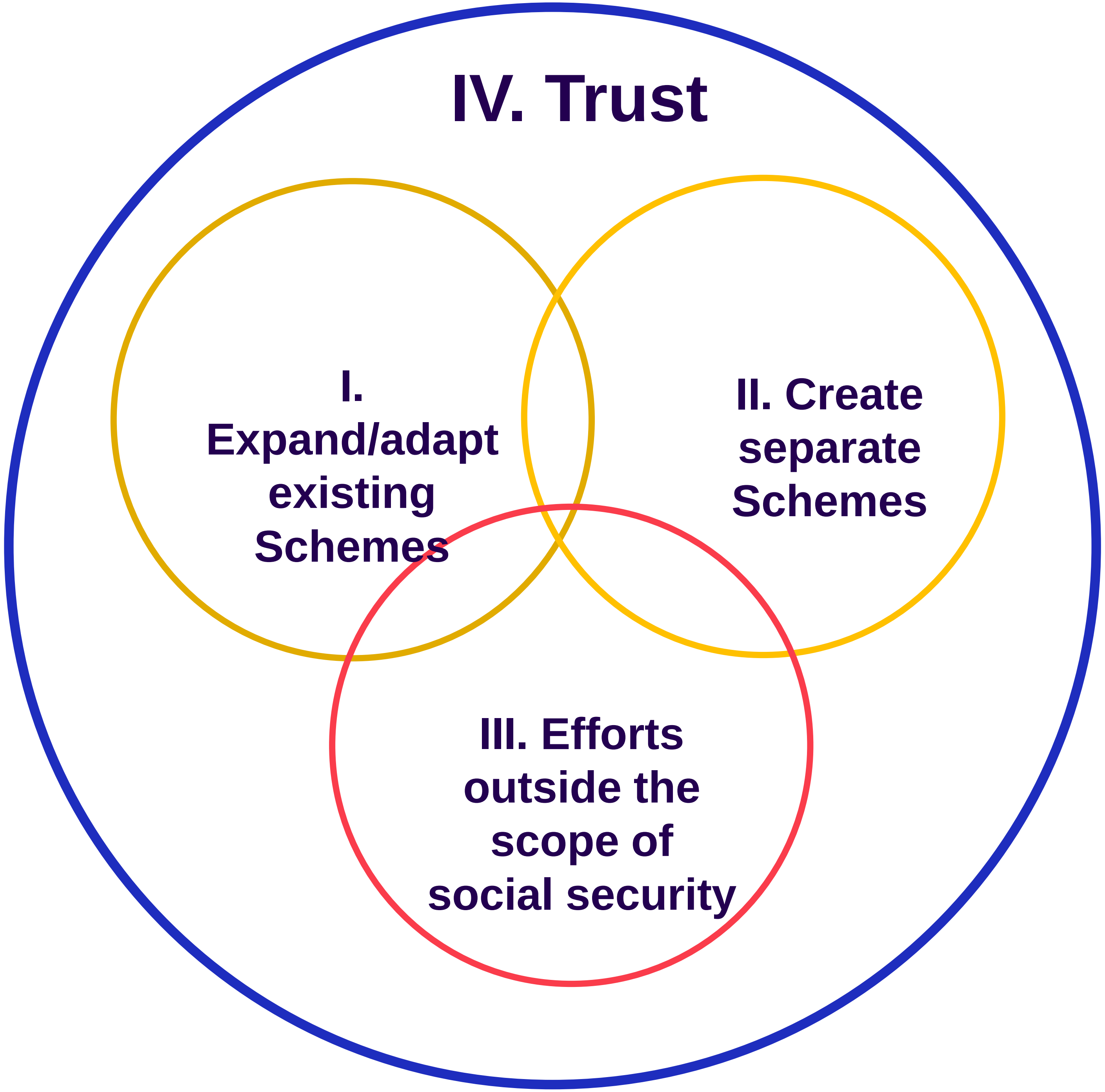

Affordability


Governance


Incentives
& trust


Information


Organization
& representation


IV. Trust
I. Expand/adapt existing Schemes
II. Create separate Schemes
III. Efforts outside the scope of social security

International
Labour
Organization

I. Expand/adapt existing schemes

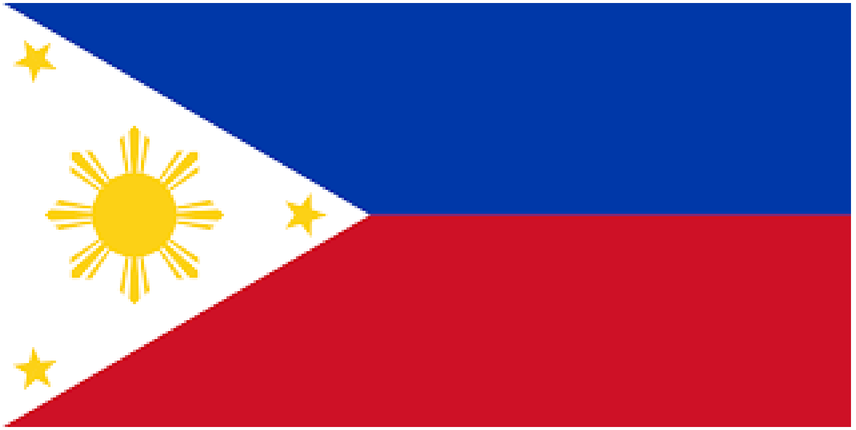
Reducing legal barriers

Introducing financial incentives

Adapting administrative and operational framework

International Labour Organization

Combination



SOCIAL SECURITY SYSTEM

Adapt existing approach to reach broad range of workers

PhilHealth
Your Partner in Health

Enrolling groups instead of individuals

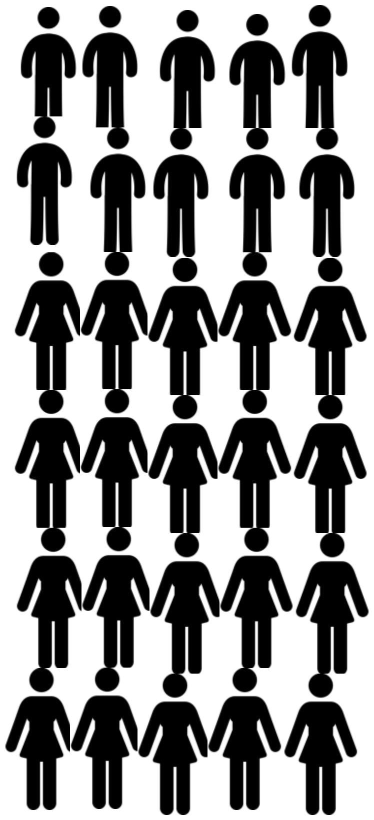
Develop mechanism to collect daily contributions

iGroup Programme

Registration, collection and communication

Micro-finance institutions, cooperatives, associations, banks and NGOs

Receive premium discounts and value-added services



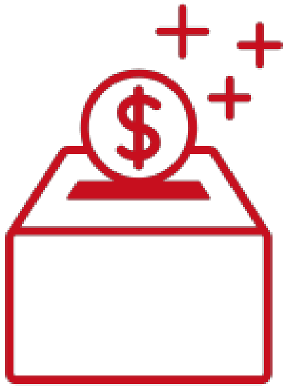
At least 30 workers

PhilHealth
Your Partner in Health

SOCIAL SECURITY SYSTEM

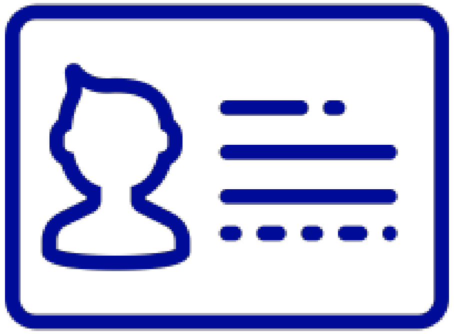
International
Labour
Organization

Other administrative innovations



Adapted mechanisms for contribution payment - daily payments into steel boxes

Now moving towards to electronic boxes



Unified card for registrants and beneficiaries (Phil Health, Home Dev. Mutual Fund, SSS)

Allows for different transactions and coordination

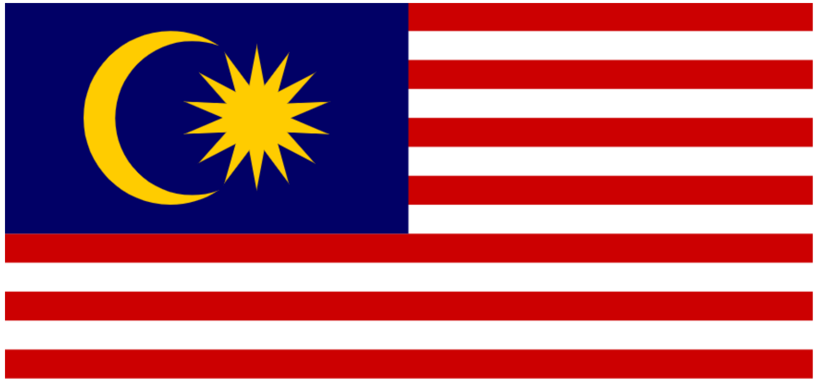
Kader JKN Indonesia (recruitment of agents in the community)

Agents collect contributions;
Enrol new members
Carry out outreach activities
Communicate and handle complaints

Total of 2000 agents and 2 millions members

International Labour Organization

Innovations for new forms of work



Taxi drivers (incl. GRAB and UBER) are required to register to get their license with SOCSO since 2017

PERKESO

SOCSO
Social Security Organization
Pertubuhan Keselamatan Sosial
(PERKESO)

Combination

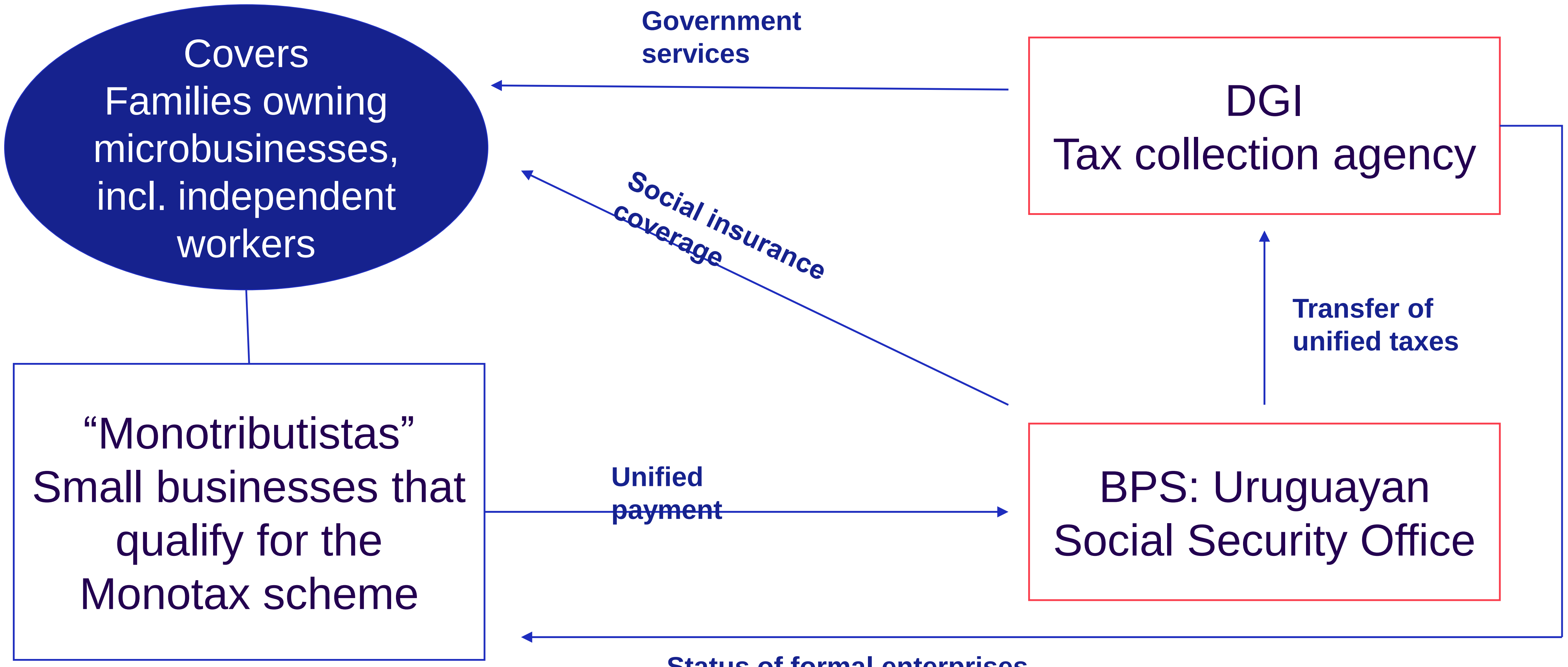
Flexible and gradual approach

Monotax Scheme

Monotax: Unified tax and insurance contribution requirement

Lower taxes and contributions

Strategic alliance between tax and social security authorities



II. Create separate Schemes

- **Specific contributory schemes**

- **Sector and occupation specific programmes**

- **Non-contributory schemes**

Specific schemes

Sector-specific characteristics (subcontracting and casual work)

Scheme for construction workers

Alternative financing arrangements: Levy to be paid by main contractors

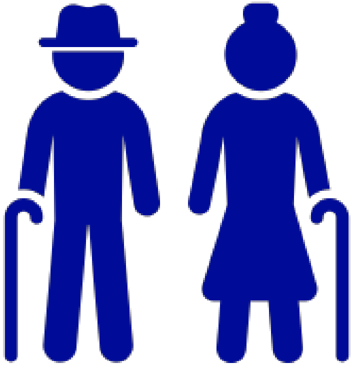
In China, firms need to submit the certificate of employment injury insurance to apply for the business permit

SPECIFIC SCHEMES FOR AGRICULTURE

Ecuador – Peasants Social Insurance

- Highly subsidized
- Contribution rates substantially lower than under the general mandatory scheme.
- Most registrations are undertaken collectively through a rural organization,
- Covers roughly 4.5 million rural population, among whom 73 per cent are registered

Universal schemes

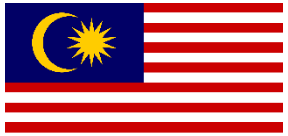


Universal old-age and disability pension in Timor Leste

Universal old-age allowance in Thailand

Universal old-age and disability pension in Brunei Darussalam

Universal Coverage scheme in Thailand



National health system in Malaysia

III. Efforts outside the scope of social security

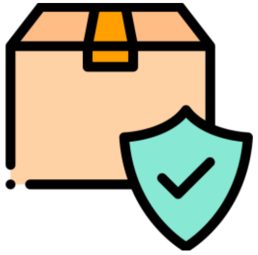
- Formalization of enterprises
- Labour legislation and labour policies
- Tax policies
- Promoting the freedom of association & the right to collective bargaining
- Other policies (incl. Employment policies, skills and training, and addressing discrimination)

INTEGRATE SOLUTIONS

Quality

Admin Network

Enforcement & compliance



Information

Integration

International Labour Organization

Thank You

Nuno Cunha – cunhan@ilo.org