



# Community-based Social Protection System

**Christian Jacquier**

**Coordinator**

**ILO/STEP Programme**

**Turin, December 2007**





# Community-based Social Protection System

1. **Global Phenomenon**
2. **Origins and causes phenomenon**
3. **Characteristics**
4. **Sectoriel Organization**
5. **Comparative Advantages**
6. **Limits**
7. **Linked (articulated) Systems**
8. **Agenda & International Consensus**





# Global Phenomenon

- **Africa**
- **Asia**
- **Latin America**
- **Europe, Japan, North America**
- **Global Inventory: universal phenomenon, with a significant increase**



# Origin and causes

- **Deficiency of Social Security Cover**
- **Deficiency of the Offer**
- **State Deficiency**
- **Dysfunctions of National Systems: lack of funds, inefficiencies, lack of solidarity & equity**
- **Local initiatives of the civil society**
- **Reality and importance of needs to have a Social Protection**
- **Conceptual Pertinence**



# Characteristics

- **Shared characteristics**
  - Cover of poor and excluded people
  - low « insurance premium »
  - Development of customized package (**Composition du paquet adapté**)
  - Procedures adapted
  - reduction of transaction fees
  - increase in value of « social capital »

## Diversity of:

- **Stakeholders**
- **Mechanisms**
- **Covered risks**
- **Names**
- **Legal status**
- **Size**
- **Governance**
- **Funding**





# Sectoriel Organization

- **Mutual sector**
- **Cooperative sector**
- **Social Security**
- **Micro-finance**
- **Networks of associations**
- **Micro-insurance**
- **Regulators**
- **Donors**
- **Networks of universities**





# COMPARATIVE ADVANTAGES

- **Participation & democratic governance**
- **Proximity of the beneficiaries**
- **Empowerment of excluded people: counter-power**
- **Increase of dignity**
- **Specific needs and local characteristics taken into account**
- **Increased value of local resources and “social capital”**
- **Reduction of transaction fees**
- **Reduction of frauds and insurance risks**
- **Strengthening of responsibilities**
- **Improvement of prevention, education, and of health promotion**
- **Identification of the poorest as well as of local solidarity**
- **Develop prepayment and increase access for the excluded**
- **Decrease direct payments**



# LIMITS

- **Lack of funding: low contribution**
- **Limited insurance package**
- **No national solidarity: problem of equity**
- **Exclusion of the poorest**
- **Voluntary joining**
- **Low penetration rate: 10 to 20%**
- **Marketing complexity**
- **Importance of non renewal**
- **Insufficient risk pulling**
- **Financial weakness**
- **Insufficient managerial capacities**
- **Lack of bargaining power**
- **Insufficient size**

**But it is not inevitable...**





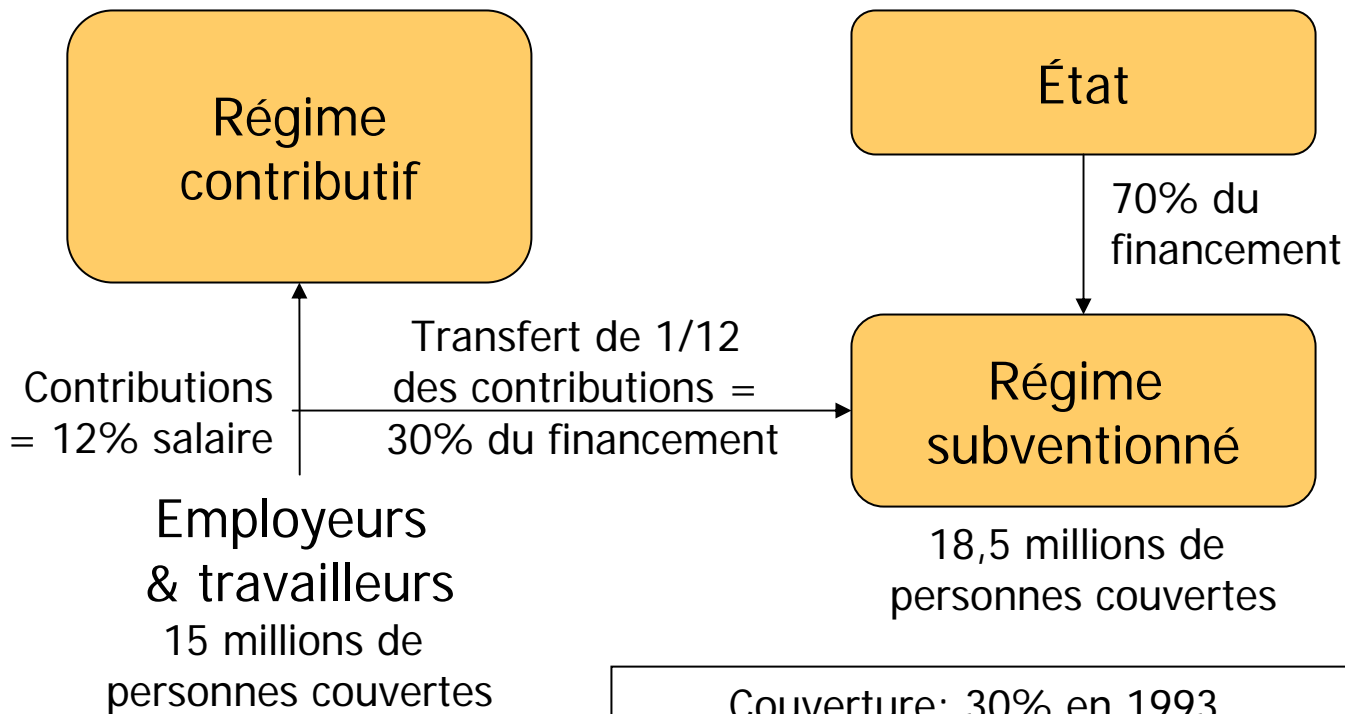
# LINKED SYSTEMS

- **Plurality of stakeholders and mechanisms :**
  - **State, local governments, service providers, SS institution, micro-assurances/mutual, civil society, donors, social partners, TPA, private sector,...**
- **Potential Complementarities and synergies**
- **Subsidiarity concept**
- **New concept: “linked systems”**
- **India, China, Philippines, Laos, Rwanda, Senegal, Ghana, Colombia, Uruguay...**
- **Study of the international Alliance (ILO/STEP, ISSA , AIM)**
- **First Social Security World Forum Moscow (Sept 2007)**
- **Field experimentation**

Spread significantly social protection through micro-insurance

# Articulated System in Colombia

## FINANCEMENT MULTIPLE & REDISTRIBUTION



**Régime subventionné en Colombie** mis en place en 1993

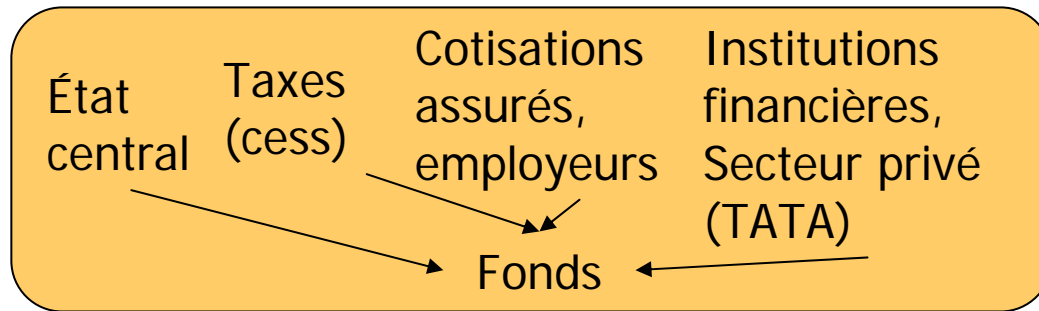
**Paquet unique** défini par l'État (les acteurs n'ont pas la liberté de proposer n'importe quel paquet)

Financé et régulé par l'État, gestion confiée à un ensemble d'acteurs de diverses natures (les mutuelles ont 60% du marché)

Couverture: 30% en 1993, 80% en 2005, objectif 100% en 2009

Spread significantly social protection through micro-insurance

# Articulated systems in India



Système national de sécurité sociale

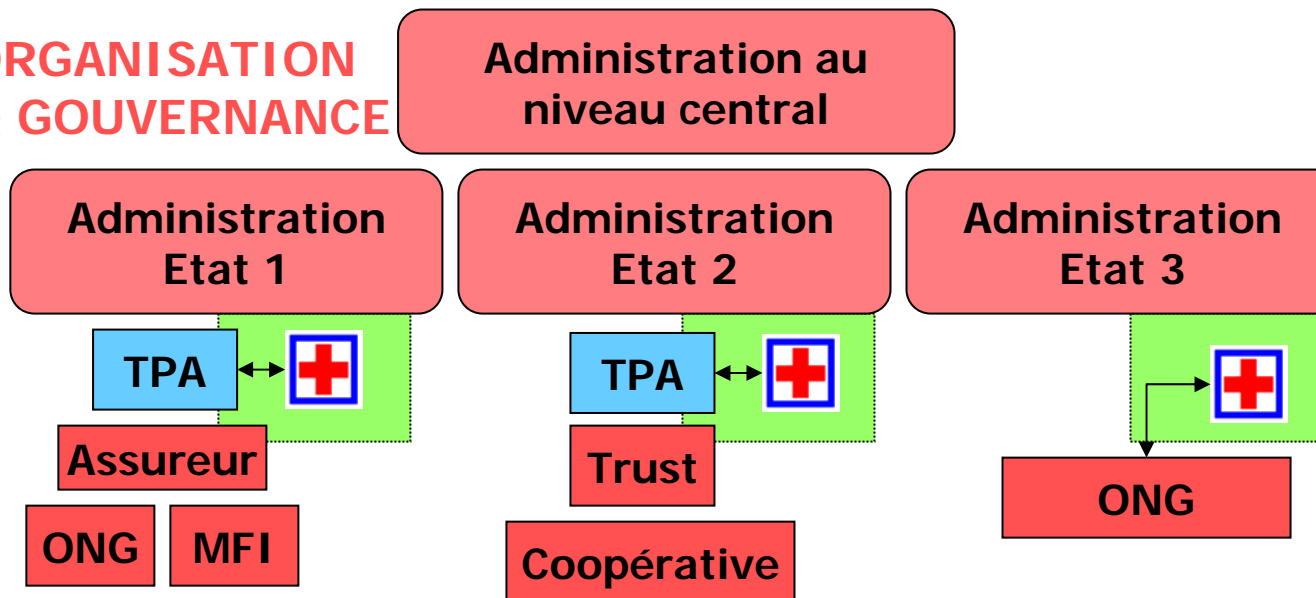
**Cible** : 300 millions BPL

**Paquet garanti**: vieillesse, santé, maternité, décès, invalidité

Proposition de **modèles possibles** d'organisation à partir de l'analyse de la diversité des expériences en Inde

**FINANCEMENT MULTIPLE**

**ORGANISATION & GOUVERNANCE**



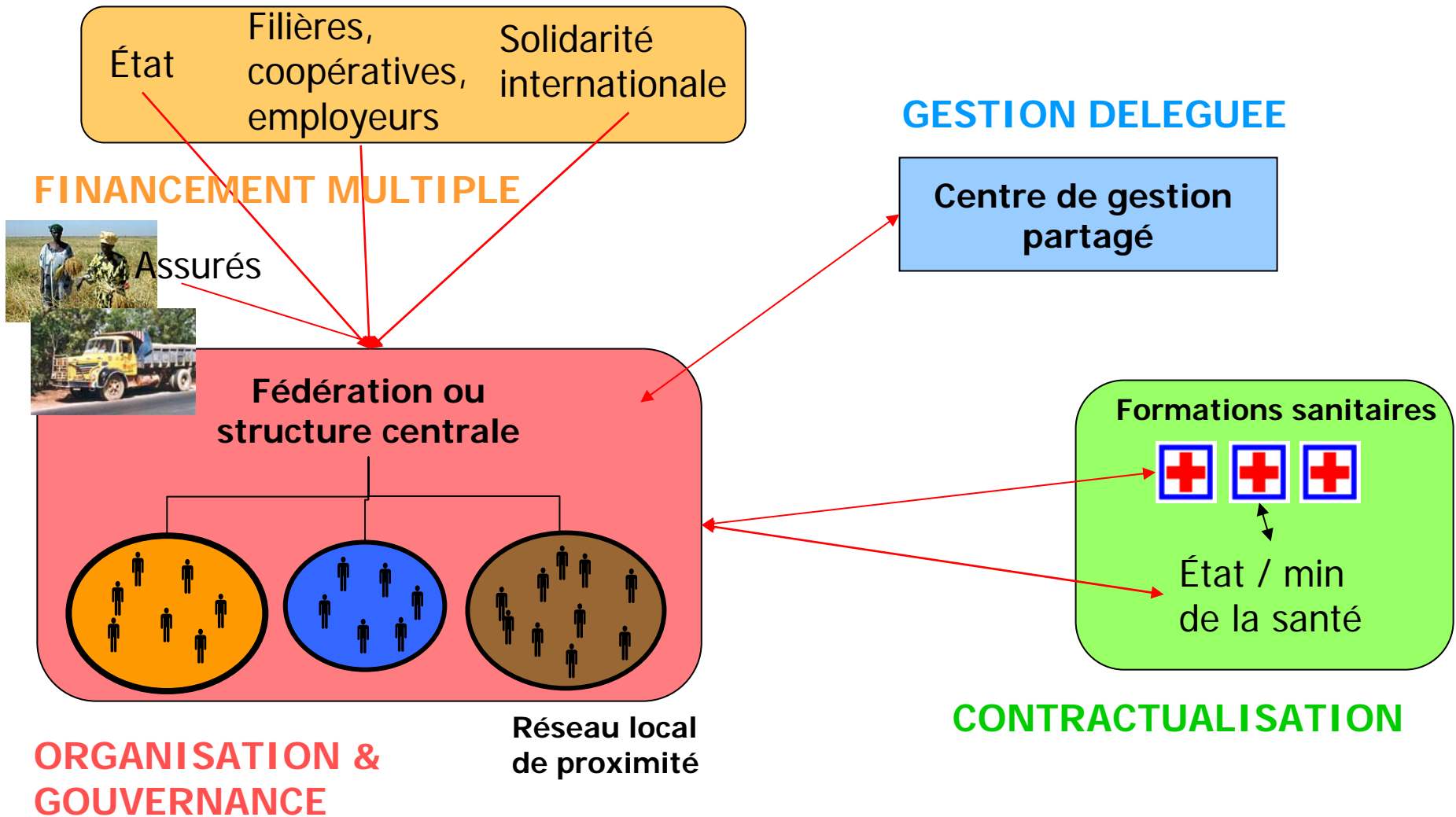
**Représentation / participation:** gouvernement, employeurs, travailleurs société civile

Modèles possibles d'organisation intégrant différents acteurs (ONGs, assureurs, partenaires sociaux, coopératives ...)

Délégation éventuelle de la gestion à des TPAs

Spread significantly social protection through micro-insurance

# Articulated Systems in Senegal





# AGENDA and international CONSENSUS

- **Social Protection on top of the international Agenda**
- **Human rights, public goods, poverty reduction, profitable investment**
- **SP Coverage extension as a top priority**
- **Principle of Solidarity at national and international levels**
- **Universal coverage**
- **Realism and relevance of the basic package**
- **Consistency of national systems**
- **Organizing and solvability of the demand**
- **Articulated systems**
- **Knowledge management**

