



## ► Project brief

September 2024

# Innovative approaches to private sector engagement in extending social protection at the enterprise level

## Lessons from the ILO-GIZ partnership in Rwanda.

### Key points

- The partnership between the ILO and the GIZ Special Initiative (SI) on “Decent Work for a Just Transition” brought together social partners in co-creation workshops, which were then leveraged as entry points to engage the private sector in formulating innovative solutions for extending social protection at the enterprise level. These solutions, known as “prototypes”, take the form of a set of measures and adjustments embedded in company practices and workers’ contractual provisions.
- Employers and business owners can assist efforts to extend social protection to their workforce, including temporary or sub-contracted workers, by complying with labour and social security legislation and leading by example in their sectors. Enterprises can ensure that the design and implementation of their schemes accounts for their reality and that of their workers through the sharing of experience, challenges and lessons learned, all in the framework of social dialogue. They can also involve, and thus empower, social economy units such as cooperatives in this process through capacity-building and knowledge sharing.
- In particular, workers in the informal economy or non-standard types of employment face significant obstacles in accessing social protection schemes, present at all levels, from the legal and policy framework to the enterprise level. The complex challenge of extending social protection to these workers requires all parties to engage in consultative processes and produce innovative solutions which target the incentives and disincentives experienced by private sector actors when affiliating to national social protection schemes.
- Throughout the project experience, several key recommendations for national and international development partners were developed. First, representatives of employers should be included, within the framework of social dialogue, in the processes to formulate and implement social protection policy. At the same time, social security institutions should be empowered to engage with private-sector partners, including with cooperatives and social and solidarity economy units, so as to learn from them and adapt schemes to their reality. Linkages and alignment between active labour market policies, market incentives, and social protection extension mechanisms should be maximized.

## The challenge of extending social protection

Universal, adequate and sustainable social protection is essential for promoting income security, reducing poverty and vulnerability, supporting inclusive economic growth and, ultimately, achieving the Sustainable Development Goals (SDGs) around the world. This is because social protection systems enable people to better prevent, manage and overcome risks and shocks throughout their lives, thanks to the provision of essential healthcare services and income support. The social protection policies, schemes and programmes outlined in the international social security standards, chiefly the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Social Protection Floors Recommendation, 2012 (No. 202), provide for family and child benefits to facilitate access to, for instance, nutrition, education and care; income and livelihood support for working-age individuals, particularly in cases of sickness, unemployment, maternity and disability; income security in old age; and effective access to healthcare services and medical benefits.

Investments in social protection not only produce positive outcomes for its direct beneficiaries in terms of income security and wellbeing. They also foster human capital development, support productive employment and entrepreneurship, promote economic productivity and growth and contribute to social peace and cohesion (OECD, 2019). However, around the world, 4 billion people live without access to social protection, which leaves them exposed to a wide range of risks and vulnerabilities (ILO 2021a; ILO forthcoming). A major obstacle to the inclusion of workers who are currently uncovered is the lack of recognition of some categories of workers, including many in temporary, seasonal part-time and self-employment and other non-standard forms. Another is the persistence of informality in the world of work, which is currently the condition of 60 per cent of the global workforce. Barriers to extending social protection to these workers are present at all levels, from the legal, policy, implementation and financing frameworks that govern social protection systems at the national level, to lack of information and trust at the level of employers and workers (ILO, 2021b).

The ILO Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) addresses the role that social protection plays not only in improving the

working and living conditions of workers in the informal economy, but ultimately as an enabler of a just and sustainable transition to formality. The Recommendation represents a crucial document to guiding the work of social partners to extend social protection to enterprises and workers in the informal economy.

## Obstacles to extending social protection to workers in all types of employment

Efforts to ensure that workers in all types of employment enjoy social protection coverage are often undermined by incongruencies between the design of schemes and the reality of the world of work. Workers' access to the national social protection system is often limited or negated by the legal framework, owing to restrictive eligibility requirements based on a definition of employment relationship which recognizes only that between a (formal) employer and a registered dependent worker. This issue has become more stark in recent years with the emergence of diverse forms of employment, including temporary employment, part-time and on-call work, work mediated by digital platforms, genuine self-employment, and also disguised employment relationships (ILO, 2017). At times, financing arrangements are not adapted to the circumstances of some types of workers, for example the self-employed or casual workers. For instance, a scheme might require a level of contributions not commensurate with actual earned income, or that is perceived as being too high for the benefit granted, or it might impose a contribution payment schedule that cannot be met because of the seasonal or irregular nature of the employment (e.g. in the agricultural sector). Additionally, when social protection systems are characterized by a high degree of fragmentation and/or a lack of intra- and inter-institutional coordination, efforts to extend social protection might be undermined by inconsistency among the policies relating to enterprise formalization, labour market and employment, business development and macro-economic matters, as well as health, education and care (ILO, 2021b).

Some workers and employers might not see social protection extension as an achievable or even beneficial outcome. They may not perceive the schemes as responding to their needs and priorities, and some may be reluctant to pay contributions for benefits that do not comprehensively and specifically address their needs and those of their families. Their hesitation might be related to

the comprehensiveness and level of benefits or to the accessibility of services; in certain cases, it is the consequence of a lack of awareness of social protection rights and obligations, misinformation and misperception concerning contribution requirements, of lack of social trust in the institutions guaranteeing and delivering benefits (ILO, 2021b). Furthermore, complex and burdensome administrative procedures constitute an additional layer of disincentives, discouraging employers and workers from even attempting to embark on the process of registration and affiliation. This is particularly true for SMEs that may not have the staff to complete the procedures, especially when not available online. It is also relevant in rural and remote areas where low density of administrative structures and services is a contributing factor to persistent gaps in social protection coverage (ILO, 2021b).

At the same time, especially since the COVID-19 pandemic, enterprises including SMEs are more aware of the benefits of adequate social protection coverage, and are increasingly calling for the extension of protection as part of policies that are conducive to sustainable enterprises and higher productivity.

### The ILO-GIZ partnership in Rwanda and the co-creation methodology

Given the complex, multi-layered challenge of extending social protection to workers in diverse employment situations, the ILO has teamed up with GIZ,

under the Global Programme on “Decent Work for a Just Transition” that GIZ implements as part of its Special Initiative (SI), with the aim of finding creative solutions that could bridge the gap between social protection systems, enterprises and workers who lack social

#### ► Box 1. Social protection in Rwanda.

Rwanda has made progress in establishing social protection schemes and programmes and expanding coverage in recent years as part of its efforts to promote economic and social transformation. Its effective coverage is only 8.9 per cent of the population– the reflection of a highly informal economy (nearly 90 per cent of employment). Additionally, Rwanda suffers from underinvestment in social protection, amounting to only 1.8 per cent of GDP.

The social protection system in Rwanda comprises a combination of contributory schemes under the management of the Rwanda Social Security Board (RSSB) and non-contributory schemes. The country has achieved almost universal health coverage thanks to a combination of community-based health insurance covering over 80 per cent of the population, the RSSB medical scheme covering part of those in the formal sector, and private health insurance.

Coverage of other risks is, however, lagging behind. While the labour laws clearly state the obligation of employers to register all employees regardless of status, level of salary or length of the contract, only less than 10 per cent of the working-age population are covered by the mandatory employment-based pension, employment- injury and maternity-leave benefit schemes. In addition, workers currently in the informal economy are encouraged to participate in a voluntary long-term individual savings scheme, known as Ejo Heza, introduced in 2018. Since the launch, its membership has increased to over 3 million (RSSB Action Plan 2021 – 2022). However, because the scheme relies on individual savings rather than risk pooling and collective financing, the resulting irregularity of contributions and total amounts saved limit the level of protection provided. Several non-contributory programmes exist which target the most vulnerable. Of these, the most significant is the Vision 2020 Umurenge Programme (VUP), the flagship social assistance programme in Rwanda. It offers unconditional cash transfers, expanded public works, as well as additional social services, to hundreds of thousands of households in need.

In spite of this significant progress, many workers in the informal sector and those in diverse types of employment, who constitute a large majority of Rwanda's workforce, often remain excluded from the existing social protection schemes. Extending coverage to these workers is critical for promoting decent work and supporting Rwanda's continued socioeconomic development and poverty reduction efforts in line with its Vision 2050 and National Strategy for Transformation. Ensuring that workers currently in the informal economy and those in unrecognized and underrecognized employment relationships can access income security will reduce their vulnerability, enhance their productivity and income-generating prospects and enable them to better contribute to and benefit from Rwanda's development, including by facilitating their transition to the formal economy.

protection coverage. The SI collaborates directly with private-sector partners in Morocco, Tunisia, Egypt, Ethiopia, Senegal, Côte d'Ivoire, Ghana and Rwanda to promote decent work outcomes. Its overall objective is to create decent formal jobs in the target countries, as well as improve and formalize existing jobs. Social protection coverage is a fundamental SI component. The project resulting from this partnership, running from February 2023 to June 2024, is entitled “From jobs to decent work: integrating job creation and social protection, a partner approach by the Special Initiative Decent Work for a Just Transition and ILO”. In Rwanda, it has sought to develop and implement targeted solutions and interventions at the enterprise level which take closest possible account of employers’ and workers’ real drivers and constraints in relation to social protection extension and decent work.

The main outcome of the ILO-GIZ SI collaboration has been the development and implementation of bottom-up “prototypes” for social protection extension, guided by the international social security standards and applied in the context of Rwanda. The prototypes are enterprise-level set of measures and adjustments embedded in company practices and workers’ contractual provisions.

Importantly, the prototypes are the result of a co-creation process in which employers engaged in a series of workshops and consultations alongside workers and national social security organizations. The process first consolidated a shared understanding, among all participants, of the obstacles and opportunities involved in extending social protection to uncovered workers. This knowledge was then leveraged to design targeted solutions, embodied in the resulting prototypes.

## Entry points for private-sector and enterprise collaboration

At the core of the project’s intervention is the recognition that employers and business owners have a crucial role to play in the ongoing efforts to extend social protection (Tessier et al., 2013), particularly to the uncovered SMEs and/or workers in the informal economy that have proven hard to reach for social security institutions. Enterprises enjoy the comparative advantage of having a direct relationship with their workers, suppliers and sub-contractors. Moreover, they high visibility on the needs and challenges of their workers, including their contributory capacity and (in)ability to access social protection schemes, which makes them indispensable

partners. However, in order for these opportunities for collaboration to be realized, employers need to be informed, included, enabled and empowered alongside their workers, so that the whole enterprise can be an active contributor to social protection coverage extension and fully gain from having a safer, healthier, more productive and more resilient workforce. Business owners and employers can benefit from improved worker health, lower absentee rates, higher employee retention and motivation, and from being able to pool the financial risks associated with work injury, sickness, maternity or dismissal through social insurance (ILO, 2021).

## Roles and responsibilities of enterprises in social protection extension

Enterprises should, first and foremost, comply with national labour and social security legislation by registering their workers and enrolling them into national social protection schemes, according to the procedures set out in the relevant regulatory framework. As highlighted in the ILO Declaration on Social Justice for a Fair Globalization, the promotion of social protection and its extension to workers should be an important goal for the private sector (ILO 2008). This calls for enterprises to advocate within their sectors and business networks for social protection, not only as a human right but also as a tool for enterprise development and for improving the working conditions of all their employees by correctly recognizing employment relationships, including those in diverse working arrangements. By ensuring compliance with social security legislation, engaging with employers’ organizations and collaborating with trade unions, enterprises can lead by example, develop best practices and set a standard for others in their industry to follow (ILO 2023).

In practice, significant gaps exist between the rights and responsibilities defined in law and the ability of different parties to turn standards into reality. It is therefore essential that employers, through their organizations, participate in national consultative processes, most importantly in tripartite social dialogue, through employers’ organisations, with government and worker representatives, in order to ensure that the design of social protection schemes reflects the reality at individual enterprise level, while aligning with international social security standards. By communicating the particular needs, priorities, and constraints that characterize their sector, enterprises can ensure that systems account for





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specificities in contractual relationships, seasonality of work, managerial and administrative procedures, regional/local labour market conditions and other factors. The participation of employers, including SMEs through knowledge-sharing and awareness-raising among social partners, is a prerequisite for identifying and implementing effective ways to extend social protection coverage to workers, including those in the informal economy, and thereby facilitating transition to the formal economy (ILO, 2018, 2021).

A further function of employers is that of identifying and leveraging synergies between active labour market policies and national social protection systems. Enterprises are best positioned to identify and match their own market-driven needs, such as the need for a productive workforce, skill development programmes and a reliable supplier base, to mutually beneficial solutions for extending social protection to their workers (ILO, ISSA and OECD, 2021). By working with employers' organizations, the national social security institutions and other partners can create positive incentives for compliance with social security legislation. This is an

especially powerful tool in situations where punitive compliance mechanisms are not backed up by adequate administrative capacity, or in the context of the informal economy, which is outside the reach of labour and social security inspectors. This area of private-sector engagement is particularly important for establishing a long-term and sustainable extension of the social protection system. There is added value for enterprises in having their workforce covered by schemes and in having these reinforced through linkages with productive employment and business development efforts (ILO, 2018, 2021b).

Collaborating with and supporting social and solidarity economy units, especially cooperatives, is another avenue through which the private sector can contribute to extend social protection to all workers. Cooperatives are particularly beneficial for workers and small employers that face significant hurdles in organizing themselves and leveraging collective action. Social and solidarity economy units can support social protection institutions by raising their members' awareness of the benefits associated with social protection coverage, providing them with guidance

on registration processes and contribution payments, and coordinating collective registration campaigns. Support to cooperatives can include training and capacity-building opportunities, sharing of best practices, and collaboration on initiatives that address the specific needs of cooperative members. By working closely with cooperatives, private companies can contribute to the formalization of the informal economy and the extension of social protection to a broader segment of the workforce (ILO, 2022a; ILO 2022b).

The ILO-GIZ SI partnership in Rwanda leveraged these entry points for collaboration, by ensuring that enterprises engaged in the tripartite co-creation workshop and thus that the prototypes reflected the reality of the private sector, maximized existing synergies and tailored interventions to the needs and wants of enterprises and their workforce. The following section details three case studies, based on the project experience in different sectors of Rwanda's economy. They show how the involvement of employers' and workers' representatives led to the design and implementation of innovative solutions for extending social protection to all enterprises and workers, including those in the informal economy and in unrecognized or under-recognized employment relationships. They also highlight how working directly with enterprises and their workforce can help overcome sector-specific obstacles and bridge the gap between national social protection systems and the world of work.

## Case studies from the project experience in Rwanda

### Linking skills development, social protection coverage and formalization: the mining and construction sectors in Rwanda

The mining and construction sectors in Rwanda face important challenges in extending social protection measures to their workers, including those in the informal economy. The working conditions of informal mine and construction workers are characterized by irregular payments, seasonal employment, poor occupational safety and health standards, limited skills development opportunities, and low awareness of social security schemes (GIZ, 2023). Addressing these issues requires a



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collaborative effort from private companies, trade unions and the Government.

Investment in skills development, promotion of formalization and the extension of social protection coverage to more workers in these sectors are all contributing to increased productivity, improved working conditions, decent work outcomes and, ultimately, to bringing the country closer to achieving the SDGs.

During the ILO-GIZ co-creation workshop, social partner representatives developed a prototype that incentivized the extension of social protection to informal workers in the mining and construction sector, by providing access to an upskilling and training programme made conditional on their formalization. The prototype leveraged the demand for skilled workers in sectors such as mining, agriculture and construction, by linking social protection with skills development and certification, thus contributing to a sustainable formalization process with potential to extend beyond the confines of the participating enterprise.

Possible mechanisms for implementing the prototype were discussed with actors from the mining sector. The example of Trinity Metals, a medium-sized mining company operating in Rwanda's Rulindo district, demonstrates the potential for enterprises to help extend social protection coverage and support formalization efforts in the sector. Trinity Metals has taken steps to improve working conditions and well-being of its employees by providing for additional benefits such as disability and complementary life insurance and by recognizing prior learning. Trinity Metals had already deployed a methodology similar to that of the above-mentioned prototype to achieve higher rates of formalization, increased remuneration, and improved

career advancement for its workers. The company also ensures that subcontracted workers can access social security benefits by requiring proof of registration to social security schemes from subcontracting enterprises. When asked about the benefits extended to subcontracted workers, company officials emphasized that it was in their interest to ensure compliance so that they could maintain their international certifications and stay in line with the relevant codes of conduct.

The high rate of unionization at Trinity Metals, ranging from 35 to 95 per cent across different mines, highlights the importance of active union representation in improving working conditions and social protection coverage. The company's collective bargaining agreement serves as a good example of how mining companies can collaborate with trade unions to protect workers' rights and ensure access to social protection.<sup>1</sup> Medium-sized companies like Trinity Metals can play a crucial role in implementing social protection measures and supporting formalization efforts in Rwanda's mining sector. By leading by example and engaging with trade unions and government agencies, these companies can help raise awareness about workers' rights, advocate for better working conditions and help identify sector-specific adjustments so that national schemes can be aligned with needs and extended to workers in the sector.

### **Inclusive social protection for workers in non-standard types of employment: sales agents and moto drivers in Rwanda**

Sales agents, who often work on a commission basis for multiple companies, face unique challenges in accessing social protection. As they are not typically considered employees, they are often relegated to a state of informality and excluded from mandatory social insurance schemes. Engaging in the co-creation workshops enabled employers, government representatives, and workers to identify this gap in social protection coverage, and to develop a prototype aimed enrolling sales agents in the mandatory RSSB schemes, through an adapted contribution payment mechanism. In particular, this exercise was an important avenue for understanding how diverse labour relations can be included in social protection systems, and for designing mechanisms that

respond precisely to the reality of workers in these contractual arrangements.

The basic mechanism of the prototype for registration in the mandatory schemes of the Rwanda Social Security Board (RSSB), namely those for pensions, maternity and employment injury, provides for contributions to be paid on a monthly base salary by both the enterprise and the sales agent, with the former paying a higher rate to cover employment injury insurance, in line with Convention No. 102.

This prototype was subsequently adopted for implementation at Kosmotive, a Kigali-based company that produces menstrual and sanitary pads and relies on sales agents for product distribution. Through a series of consultations with Kosmotive representatives, facilitated by the ILO and GIZ, a letter of understanding was developed outlining the practical specifications for extending social protection coverage. The letter, signed by all parties, detailed contribution rates, transfer amounts, roles and responsibilities and other key aspects of implementation. Awareness-raising interventions are essential to successful uptake of the prototype among sales agents, focusing on the new rights and obligations and the costs and benefits of being enrolled in social protection schemes.

The example of the Kosmotive sales agents illustrates how the co-creation methodology can lead to practical solutions for extending social protection to those in diverse forms of employment. By engaging all stakeholders in constructive dialogue, the workshop participants were able to design a prototype addressing the specific needs of sales agents while ensuring alignment with Rwanda's existing social protection framework. This collaborative approach, anchored in the ILO-GIZ partnership, was instrumental in securing buy-in from Kosmotive's management and sustaining momentum throughout the implementation process. While the prototype operates within the existing bounds of the national social protection system, it nevertheless also represents a significant step towards closing the gap between the social security rights and obligations enshrined in legislation and the reality of enterprises. It has even arguably expanded on the social and labour rights of sales agents, since the national labour legislation would not strictly require them to be covered by social

<sup>1</sup> Key informant interviews at Trinity Metals, Rulindo, Rwanda, March 2024

protection schemes owing to the lack of a standard employer-employee relationship, which is normally the basis for mandatory legal coverage in Rwanda.

By contrast, another prototype developed during the workshop aimed to extend social protection to Moto [motorbike] drivers using the ride-hailing platform YEGOMOTO. The aim of the prototype was to integrate contribution payment mechanisms within the digital platform that drivers use to interface with their customers, so as to minimize administrative and logistical frictions.

However, as representatives from YEGOMOTO were not present at the workshop and subsequent attempts to engage with the company did not lead to consensus on a way forward, it was not possible to create a prototype and extend protection to this group of workers. This highlights the importance of the co-creation methodology and the need for active participation by all essential partners throughout the process in order to maintain momentum and ensure successful implementation.

### Strengthening cooperation between enterprises, cooperatives and workers: the agricultural sector

Globally, agricultural workers are disproportionately affected by informality: more than 90 per cent of them operate in the informal economy (ILO 2021, 2023b). The barriers to social protection access by agricultural workers include geographical remoteness, low and fluctuating income and lack of inspection and enforcement, as well as the difficulty of organizing and raising awareness among a scattered workforce. In this context, the ILO-GIZ SI cooperation has been exploring innovative ways to extend social protection to agricultural workers, in an ongoing effort to improve livelihoods and promote inclusive growth. One key aspect that the ILO-GIZ SI project has sought to leverage through the prototype approach is the involvement and empowerment of cooperatives as connectors and mobilizers of agricultural workers in the informal economy (ILO and FAO, 2021).

Some tea cooperatives in Rwanda have demonstrated their potential to promote social protection and job creation. The Pfunda Tea Cooperative, for example, acts as an employer for 3,000 tea sector workers, mainly pluckers,

in the Rubavu district, providing a structured employment arrangement for workers previously deemed casual. Starting in 2006, the Pfunda Cooperative has been registering its 90 permanent staff members (employees), as well as the 3,000 casual workers who regularly work for its members, for mandatory schemes with the help of the Rwanda Social Security Board (RSSB). To increase the attractiveness of plucking jobs, the cooperative has extended social security registration to pluckers in an effort to align with the higher working standards provided to workers directly employed by the Pfunda Tea Company. This example highlights how, by providing social protection affiliation and improving overall working conditions, companies and cooperatives alike can attract and retain a workforce and meet their demands for skilled workers. That said, ensuring that pluckers access social security benefits remains a challenge. The high turnover rates mean that the administrative burden is high. The Cooperative has to issue papers monthly, as it is only able to register workers if they have worked at least one day in the month. Providing maternity leave benefits for casual female pluckers is particularly onerous, due to the difficulty involved in tracking the progress of pregnancies. This is essential to providing maternity leave at the right time and organizing the provision of maternity leave and related benefits, which are partly paid by the cooperative and partly by the RSSB.<sup>2</sup>

The success of tea cooperatives in promoting social protection has been largely due to their collaboration with tea companies, as in the example of the Pfunda Tea Company, which is 10 per cent owned by the Pfunda Tea Cooperative. Tea companies are incentivized to work with cooperatives, and thus improve working conditions and extend social protection to workers, by their need to obtain export certifications. These certifications, under schemes such as Fairtrade or the Rainforest Alliance, are increasingly important for accessing international markets, particularly in the European Union. By leveraging these market incentives, cooperatives can encourage tea companies to invest in social protection measures, thus benefiting both workers and the companies themselves.<sup>3</sup>

Inspired by the success of cooperatives in the tea sector, a new prototype for extending social protection to dairy farmers is being explored in the Burera district of Rwanda. The prototype involves collaboration with Milk Collection

<sup>2</sup> Key informant interviews at Pfunda Tea Cooperative and Pfunda Tea Company, Rubavu, Rwanda, March 2024

<sup>3</sup> Key informant interviews at Pfunda Tea Company (with company officials and COTRAF union representatives), Rubavu, Rwanda, March 2024



Centres (MCCs), a membership-based cooperative whose dairy farmers receive payments based on their milk production every 15 days and can use a shared storage facility and cooling equipment. While affiliated farmers have access to Community-Based Health Insurance (CBHI) and a voluntary long-term saving scheme called Ejo Heza, they are not part of a mandatory social protection scheme. The prototype seeks to achieve coverage by integrating and accounting for contribution payments within farmers' commercial contracts, the costs being shared by the enterprise, the cooperative and the farmers. Burera Dairy, a key stakeholder in the prototype development, has shown willingness to contribute 50 per cent of the employer share and is proposing that MCCs contribute the other half.<sup>4</sup>

This prototype was also presented to the Sina Gerard enterprise, a major player in the Rwandan agricultural sector. However, while the management of the enterprise is very open to the idea of extending social protection to its workers, external factors have made prototype implementation unfeasible for the time being, despite an initial positive assessment. First, Sina Gerard sources a wide variety of agricultural products, including fruits and vegetables, whose supply is much more sensitive to seasonality. This makes a farmer's income less stable and reliable when it comes to social security contribution payments. A degree of flexibility that does not currently exist within the RSSB scheme would therefore be needed. Market structure is also an important factor. While Burera Dairy was virtually the only buyer of milk in the regional market, thus providing it with the leverage vis-à-vis farmers to redirect some upfront revenues from commercial contracts into contribution payments, Sina Gerard operates in a much more competitive local dairy market, and introducing additional costs for farmers might drive them to sell to other firms. An important factor here is farmers' low levels of information and awareness regarding the benefits of social protection coverage. The absence of a network for farmers, because of the lack of cooperatives or other entities that might mediate between them and enterprises, was a third important reason for the difficulty in adapting the prototype to Sina Gerard.<sup>5</sup>

While cooperatives have played a significant role in promoting social protection and job creation in Rwanda, it is important to note that not all workers are organized into cooperatives, which presents a challenge to the process of extending social protection to all workers in the sector. To address this issue in the tea sector, national unions such as STEYVAR and COTRAF have suggested the development of a sector-wide collective bargaining agreement (CBA). This would ensure that all tea workers, regardless of their affiliation with cooperatives, were covered by mandatory and uniform social protection measures and enjoyed decent working conditions.<sup>6</sup> This approach could help bridge the gap between organized and unorganized workers in the tea sector, promote inclusive growth and protect the rights of all workers.

Addressing the unique needs and characteristics of agricultural cooperatives is essential for effectively extending social protection to workers in the sector. This includes taking account of the seasonality of agricultural work and the challenges faced by casual and seasonal workers. The involvement of key stakeholders, such as social enterprises, employers' organizations, trade unions and government agencies, is essential to the formulation of innovative solutions that help identify creative ways to overcome existing obstacles and advocate for necessary changes in social protection schemes.

## Recommendations

Extending social protection to workers in all types of employment is crucial for promoting inclusive economic growth, reducing poverty and vulnerability and supporting decent work. Enterprises and cooperatives play a vital role in this process, as highlighted in the ILO Social Protection Floors Recommendation, 2012 (No. 202) and the Social Security (Minimum Standards) Convention, 1952 (No. 102).

The following recommendations, rooted in the lessons learned from the co-creation methodology developed and applied by the partnership approach between the ILO and the Global Programme, "Decent Work for a Just Transition", implemented by GIZ as part of the Special Initiative (SI) and piloted in Rwanda, are directed at policymakers and national and international development

<sup>4</sup> Stakeholder consultation with Burera Dairy Company, Burera, Rwanda, March 2024

<sup>5</sup> Key informant interviews at Sina Gerard, Rwanda, March 2024

<sup>6</sup> Key informant interviews at STEYVAR and CESTRAR, March 2024

partners. They are intended to provide guidance on how to work with enterprises, social partners, cooperatives and other relevant stakeholders in seeking to extend social protection coverage:

- ▶ **Ensure the involvement of all stakeholders**, including employers' and workers' representatives, in the formulation and implementation of innovative solutions which address gaps in social protection coverage. This means fostering social dialogue and participatory processes so that the practical experience of enterprises, alongside that of workers and social security institutions, can be reflected in the design of mechanisms for social protection coverage extension, thus enhancing their accuracy, effectiveness, and sustainability.
- ▶ **Involve and empower national social security institutions**, not only to take part in consultations and discussions with employers and workers' representatives, but also to lead on enterprise engagement. This is instrumental for strengthening crucial relations between the Government and the private sector for building understanding and trust between the two, and for ensuring that solutions at the enterprise level are aligned with national policy frameworks and objectives. At the same time, social security institutions can learn from the experience of private-sector partners, and that knowledge can eventually trickle up to reform efforts that better reflect the reality of the world of work.
- ▶ **Incentivize the extension of social protection and formalization by improving linkages with active labour market policies and, where appropriate, business development opportunities**. This includes making access to training, upskilling and certifications conditional on correct recognition of employment relationships, the formalization of employment and the extension of social protection to those workers not yet adequately covered.
- ▶ **Through social partners, foster collaboration between enterprises, cooperatives and government agencies so as to extend social protection to all workers**. This can be achieved by addressing specific sectoral circumstances and needs while aligning with and supporting the overall objectives of the national social protection system. The relevant factors here include the specific features of contractual relationships, seasonality of work, managerial and

administrative procedures and regional/local labour market conditions.

- ▶ **Promote adequate social protection for workers in all types of employment and the formalization of informal enterprises and employment through awareness campaigns**, so as to close information gaps among workers and employers concerning their rights and responsibilities, the requirements and procedures for social protection enrolment and the benefits for both the enterprise and the workers and their families. Communication should be tailored to, and inclusive of, employers and workers in the private sector, using a language and outreach channels with which they are familiar so that messages are clear and accessible to their intended recipients.
- ▶ **Encourage enterprises to lead by example** in improving working conditions and extending social protection coverage to their employees and subcontracted workers. This can be done by ensuring compliance with social security legislation, encouraging their participation in voluntary supplementary benefits, to complement mandatory social protection, and by collaborating with trade unions.
- ▶ **Leverage market incentives**, such as export certifications, to encourage companies to invest in the extension of social protection. Trade unions and cooperatives can play a key role in facilitating this process, as demonstrated by the success of tea cooperatives in Rwanda.

The experience of the ILO-GIZ SI partnership in Rwanda demonstrates how the private sector can play a crucial role in extending social protection to workers in all types of employment, including subcontracted workers and those currently in the informal economy. By fostering collaboration, promoting formalization and identifying innovative solutions, enterprises can contribute to the strengthening of national social protection systems and the promotion of decent work in a way that is consistent with the local labour market, the structure of the economy and national development priorities. As a result, impact can be achieved at scale and change can be sustained in the long term.

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