

Social protection coverage gaps in the informal economy and practical experience in extending coverage

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Social protection is a human right

Article 22: "Everyone, as a member of society, has the right to social security".

Article 25: "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, (...) and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."

Universal Declaration of Human Rights, 1948, articles 22 and 25



Social protection is a set of policies and programmes aimed at promoting social inclusion, human dignity and poverty reduction by addressing needs and vulnerabilities through a life-cycle approach



Right-based approach across life-cycle contingencies: Embedded in ILO international social security standards

Social protection floor:
Guaranteed basic level of social security, including income security and access to health care

















R202



C128



Pre-birth

Birth

Childhood

Youth

Working age

Old age

Nine social security branches of ILO Convention No. 102

Maternity benefits

C130

Sickness benefits including for family members

Old age

C183

Family and child benefits

C121

Employment injury protection

C168

Unemployment protection

Survivor benefits (orphans, widow/ers)

C128

Invalidity /Disability benefits

C128

General social assistance

Maternity care

Medical care

C130&R69

Long-term care

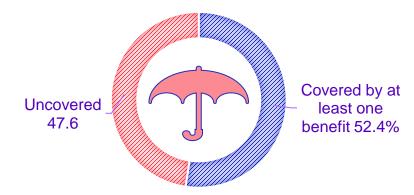


World Social Protection Report 2024–26 Universal social protection for climate action and a just transition

Global state of social protection coverage

- ► Important milestone: Over half of the world's population (52.4 %) are currently covered by at least one social protection benefit, a 9.6% rise since 2015.
- ► 47.6% (3.8 billion people) are left unprotected, without access to any social protection

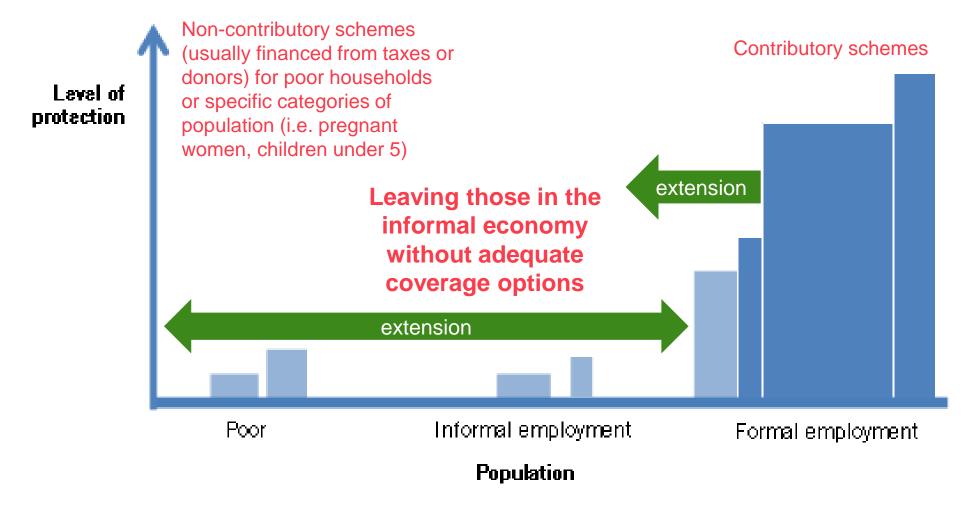
GLOBAL COVERAGE OF SOCIAL PROTECTION





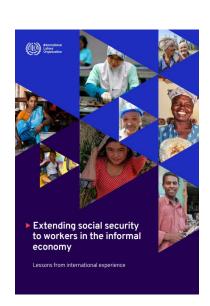


Workers in informal economy: The «missing middle»





Lifting barriers to coverage through adapted solutions



Partnering with workers' and employers' organisations to facilitate access to social protection

Strengthening incentives for compliance (e.g. tax incentives, public procurement)

Incorporation information and awareness-raising in school

curricula and vocational training

and entrepreneurship

programmes

More
effective
enforcement
and
compliance

Facilitating

organisation

of workers

Raising awareness and sharing information

Streamlining administrative procedures and good governance Offering attractive benefit packages and quality services

Aligning benefit package with people's needs

Extending legal coverage, taking

into account

situation of different

types of workers

Adapted financing mechanisms in line with contributory capacities

Simplifying and adapting tax and contribution payment mechanisms (monotax, rural economy), subsidizing lowincome groups through progressive taxes

Stream administ proce and

Adapted legal

frameworks

Extending

coverage

and promoting

transitions to

the formal

economy

Facilitate access and simplify procedures, ensure portability and transparency



Special considerations on the extension of coverage to workers in informal economy

Intersectoral cooperation at the crossroad of health and the world of work to address social protection gaps and health needs for workers and their families

- ► Making sure that there is an entry point in the system for everyone, including workers in all types of employment
- Coverage on a family or household basis
- Universal access to preventive occupational health services and rehabilitation
- Coverage for cash sickness, injury, disability and maternity benefits needed as a complement for non-medical costs.
- Avoiding disincentives to formalization

ILO Recommendation
No. 69 stipulates that
entitlements to health
care should be made
available to all,
regardless of
employment status



Practical approaches through inter-sectoral cooperation efforts





National Social Protection Strategies Platforms for inter-sectoral collaboration towards coverage extension

Lao PDR



NSPS adopted in April 2020



National Health Insurance under the Ministry of Health as the first pillar of the strategy, covering over 90% of the population as a contribution to the broader objectives of UHC and USP

Lebanon



NSPS adopted in February 2024



National Disability Allowance administered by the Ministry of Social Affairs started with the ambition to progressively extend to disability card holders

Kenya



NSPS adopted in October 2023



Specific strategy for the extension of social protection to the informal and rural economy adopted in 2023, implementation plans discussed across sectors at county levels in 2 counties in 2024



Collaborations with Ministries of Agriculture to extend coverage to rural economy workers

Adapted mechanisms for the registration of agricultural workers and their families in Ivory Coast

- Collaboration between the national health insurance fund (joint oversight of Ministries of Finance, Health, Social Protection and Planning) and the Ministry of Agriculture to expand registration for workers with a contributory capacity in the rural economy
- Identification of mechanisms to register and collect contributions at the time of purchase of agricultural workers' production and group registration from cooperatives
- Negotiations for the payment of farmers' contributions by the Coffee - Cocoa Council

Group registration of agricultural workers and their families in Costa Rica

- Collaboration between the national social security fund and the Ministry of Agriculture to expand registration for workers with a contributory capacity in the rural economy
- Identification of mechanisms to register and collect contributions at the time of purchase of agricultural workers' production and group registration from cooperatives
- Well-integrated within a universal health insurance system at the national level, ensuring all those without contributory capacities are covered.





Resources

- ► ILO policy resource package: informaleconomy.social-protection.org, including
 - ► Good practices guidebook (English, French, Portuguese, Russian)
 - ► <u>Issue briefs on selected sectors and categories of workers</u>
 - Modules summarizing key points and providing links to lots of additional material
 - ► Thematic page with links to ILO projects
- ILO portal on COVID-19 and the world of work
- Social Protection & Public Finance Management project
 (Examples of interventions & associated resources in 24 countries)
- World Social Protection Report 2024-26: Universal Social Protection for Climate Action and a Just Transition
- Social protection systems and the future of work: Ensuring social security for digital platform workers
- ILO Social Protection Platform
- Joint UN Social Protection and Human Rights web platform
- Global Partnership for Universal Social Protection (USP2030)
- ▶ 100 years of social protection: The road to universal social protection systems and floors



Thank you for your attention

www.social-protection.org