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Social protection assessment based national dialogue:

HEALTH EDUCATION WATER SOCIAL TRANSFERS
SANITATION CHILDREN FAMILY PARTICIPATE
OLD-AGE FOOD CO-OPERATING PROTECTION SECURITY
INFORMING ACTIVE-AGE COUNTRY OWNERSHIP HOUSING

A good practices guide

Approaches and tools developed in East and South-East Asia from 2011 to 2013

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Social protection assessment based national dialogue: A good practices guide

Approaches and tools developed
in East and South-East Asia from 2011 to 2013

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Social protection assessment based national dialogue: A good practices guide

Approaches and tools developed in East and South-East Asia from 2011 to 2013

Valerie Schmitt and Loveleen De

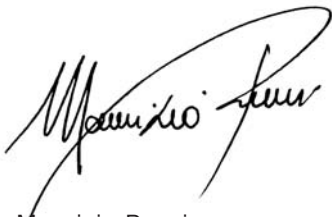
Foreword

The social protection floor (SPF) is a basic set of social security guarantees that should be extended to all. Following the adoption of the Social Protection Floors Recommendation, 2012 (No. 202), by the International Labour Conference (ILC) at its 101st Session in June 2012, "creating and extending social protection floors" became an Area of Critical Importance (ACI) for the International Labour Organization (ILO).

In the East and South-East Asia and the Pacific, the establishment of social protection floors has increasingly been recognized by ILO member States as an efficient approach to combating poverty, inequality, and exclusion and as a key element of national development strategies. The level of engagement on social protection among ILO member States has increased significantly as evidenced by the number of Decent Work Country Programmes (DWCPs) and United Nations (UN)/government development frameworks that prioritize the development of social protection and the provision of basic social security guarantees. The ILO has taken a leading role in promoting social protection floors and supporting member States in designing and implementing their national social protection strategies.

The design and establishment of social protection floors is a new area of work for the Organization, requiring the development and testing of new methodologies and tools to aid in the assessment of social protection situations, provide compelling and evidence-based recommendations to governments, ensure the sustainability of financing, and support the development of innovative implementation strategies and mechanisms in accordance with national circumstances.

This guide is a unique resource package that aims to provide the necessary knowledge and expertise for conducting assessment based national dialogue (ABND) exercises, which are the first steps towards the implementation of nationally defined social protection floors. Designed by practitioners for practitioners, it is based on real country cases and experiences. Its standardized and systematic approach can serve several purposes, including self-learning, delivering trainings or conducting full-fledged ABND exercises at the national level. It aims at being enriched in the future with new experiences. It is structured along the lines of the ABND approach and includes many hands-on exercises that facilitate acquisition and exchange of knowledge and skills.



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The authors also value the support of the Faculty of Economics, Chulalongkorn University, for organizing the training course on *Social Protection: Assessment, Costing and Beyond* from 15 to 19 October 2012 where a preliminary version of this guide was tested. The feedback received from the participants of this training course contributed to enrich this guide. Special thanks also to all the experts and consultants that have contributed to this course or to the dissemination of the assessment based national dialogue methodology in Asia and the Pacific (in alphabetical order): Rachael Chadwick, Charles Crevier, Sophy Fisher, Jean-Claude Hennicot, Michael Glowacki, Marion Maurice, Tauvik Muhamad, Malika Ok, Celine Peyron-Bista, Piyamal Pichaiwongse, Orawan Prasitsiriphol, Dr Thaworn Sakunphanit, Sinta Satriana, and Jessica Vechbanyongratana.

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The authors, however, are solely responsible for the contents of and especially for any opinions expressed in this document.

Bangkok, November 2013

Abbreviations and acronyms

ABND	assessment based national dialogue
ACI	Area of Critical Importance
AIDS	acquired immunodeficiency syndrome
APRM	Asia and the Pacific Regional Meeting
AR	activity rate worksheet (RAP model)
ARV	anti-retroviral
ASEAN	Association of Southeast Asian Nations
Bappenas	Ministry of Planning and Development (Indonesia)
B.E.	Buddhist Era
CCT	conditional cash transfer
CD4	cluster of differentiation 4
CPI	consumer price index
CSMBS	Civil Servants Medical Benefit Scheme (Thailand)
DWCP	Decent Work Country Programme
DWT	Decent Work Technical Support Team
EAP	economically active population
ECO	macroeconomic framework worksheet (RAP model)
ESS	Extension of Social Security
EU	European Union
F	female
G-20	Group of 20 Finance Ministers and Central Bank Governors
GDP	gross domestic product
GESS	Global Extension of Social Security
GGO	general government operations worksheet (RAP model)
HEF	health equity fund
HISRO	Health Insurance System Research Office (Thailand)
HIV	human immunodeficiency virus
ILC	International Labour Conference
ILO	International Labour Organization
ILO/FACTS	ILO's International Financial and Actuarial Service
IMF	International Monetary Fund
ISSR	International Social Security Review
IT	information technology
LPR	labour participation rate worksheet (RAP model)
M	male
MIS	management information system
MIT	middle income trap
MoF	Ministry of Finance (Thailand)
MTCT	mother-to-child-transmission
NESDB	National Economic and Social Development Board (Thailand)
NHSO	National Health Security Office (Thailand)

NSO	National Statistical Office (Thailand)
NSPS-PV	National Social Protection Strategy for the Poor and Vulnerable (Cambodia)
PHCP	Public Health Care Plan (Coresia's case study)
POP	population worksheet (RAP model)
PSA	public service announcement
PWP	public works programme
Q&A	questions & answers
RAP	Rapid Assessment Protocol
RTG	Royal Thai Government
SJSN	Sistem Jaminan Sosial Nasional (national social security system) (Indonesia)
SNA	system of national accounts
SPER	Social Protection Expenditure and Performance Review
SPF	social protection floor
SPF-I	social protection floor initiative
SQ	status quo
SSA	Social Security Act (Thailand)
SSDM	Social Service Delivery Mechanism (Cambodia)
SSO	Social Security Office (Thailand)
SSS	Social Security Scheme (Thailand)
SWS	Single Window Service
TDRI	Thailand Development Research Institute
THB	baht
UCS	Universal Coverage Scheme (Thailand)
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDG A-P	United Nations Development Group Asia-Pacific
UN ESCAP	UN Economic and Social Commission for Asia and the Pacific
UNICEF	United Nations Children's Fund
UNPDF	United Nations Partnership for Development Framework (Indonesia)
US$	United States Dollar
VAT	value added tax
VCT	voluntary counselling and testing
WEO	World Economic Outlook
WHO	World Health Organization

Introduction to the SPF and ABND

Social protection floors (SPFs) are nationally defined sets of basic social security guarantees that aim to prevent or alleviate poverty, vulnerability, and social exclusion. By calling for both demand-side (transfers) and supply-side (services) measures, the SPF adopts a holistic approach to social protection. Countries are encouraged to prioritize the implementation of SPFs both as a fundamental element of their national social security systems and as a starting point for the provision of higher levels of protection to as many people as possible, and as soon as possible, in line with growing economic and fiscal capacities.

SPFs should comprise at a minimum the following nationally defined sets of goods and services or basic social security guarantees:

a) Access to essential health care, including maternity care, at a nationally defined minimum level that meets the criteria of availability, accessibility, acceptability, and quality;

b) Basic income security for children at a nationally defined minimum level, including access to nutrition, education, care, and any other necessary goods and services;

c) Basic income security at a nationally defined minimum level for persons of active age who are unable to earn sufficient income, in particular in the case of sickness, unemployment, maternity, and disability; and

d) Basic income security at a nationally defined minimum level for older persons.

Defining the components of SPFs as "guarantees" establishes a flexibility that makes the achievement of the floor compatible with all possible national social protection systems. The four guarantees set minimum performance or outcome standards with respect to the access, scope, and level of income security and health care, rather than prescribing a specific architecture of social protection systems, programmes, and benefits. While not all countries will be able to put all the components in place for their whole populations immediately, the SPF provides a framework for planning progressive implementation of holistic social protection systems that emphasize linkages and symbiotic relationships between the different SPF guarantees.

The utility of the SPF approach in combating poverty has been increasingly recognized at the international level since the onset of the global financial crisis of 2007-2008. In 2009, the High Level Committee on Programmes of the UN Chief Executives Board adopted the Social Protection Floor Initiative (SPF-I) as one of several joint initiatives to combat and accelerate recovery from the global economic crisis. The SPF has also been highlighted by the Group of 20 Finance Ministers and Central Bank Governors (G-20), and incorporated as a central pillar of the post-2015 UN development agenda for inclusive development.

Building on this foundation, the International Labour Conference adopted the Recommendation concerning national floors of social protection (Social Protection Floors Recommendation, 2012 (No. 202)) at its 101st Session in 2012. Recommendation No. 202 reaffirms the role of social security as a human right and as a social and economic necessity, and provides guidance to countries in building SPFs within progressively comprehensive social security systems.

While the Asia and the Pacific region has made considerable economic progress in the last two decades and has lifted millions out of poverty, not all have benefitted from these gains. Millions of people are still poor, deprived of basic rights, and vulnerable to increased risks stemming from global

economic crises and climate change. The threat that human development gains made in the past decade may fail to "stick" and begin to reverse has helped to place social protection high on the policy agenda in the region. At their 67th Session in May 2011, Member States of the UN Economic and Social Commission for Asia and the Pacific (UN ESCAP) passed a resolution on strengthening social protection systems in Asia and the Pacific. At the 15th Asia and the Pacific Regional Meeting (APRM) held from 4 to 7 December 2011 in Kyoto, Japan, governments, employers, and workers from the Asia and Pacific Region determined that "building effective social protection floors, in line with national circumstances" was one of the key national policy priorities for the Asia and the Pacific Decent Work Decade. The recent adoption of the Declaration on strengthening social protection by the Association of Southeast Asian Nations (ASEAN) Member States confirms the growing regional importance of social protection.

In recognition of the need to take stock of existing social protection realities in order to understand what elements of national SPFs are in place and where "holes" in the SPFs exist, the ILO collaborated with governments, social partners, civil society, academicians, and several UN agencies in the South-East Asian region in 2011–2013 to conduct social protection assessment based national dialogue exercises in Cambodia, Indonesia, Thailand, and Viet Nam.

The ABND exercise assesses whether the SPF is a reality for the whole population in the respective countries and how it could be extended to all members of society. Policy gaps and implementation issues were identified and recommendations made for further design and implementation of social protection provisions that would guarantee an SPF for all residents and all children. The studies also sought to estimate the projected financial commitment needed in each country to implement proposed policies for closing the SPF gaps. As part of the social protection assessments, the ILO Rapid Assessment Protocol (RAP) costing tool was used to estimate the cost and affordability of implementing social protection recommendations in each country.

This process takes over one year and entails bilateral consultations, tripartite workshops, and technical seminars to progressively devise a shared vision of the social security situation, the identification of policy gaps and implementation issues, and to draw appropriate policy recommendations for the achievement of a comprehensive social protection floor in line with international labour standards. The participatory approach adopted throughout the ABND exercise raises awareness among line ministries, workers' and employers' representatives, civil society organizations, and UN agencies regarding the social protection floor concept, its relevance for each country, and the importance of a coordinated, holistic approach to social protection development.

The methodology for conducting ABND exercises was developed by the ILO in East, South-East Asia and the Pacific and tested in Cambodia, Indonesia, Thailand, and Viet Nam. It was then standardized through the development of the *Social protection assessment based national dialogue: A good practices guide.* A preliminary version of the guide has been tested through trainings at the national and regional levels and used for the start-up or planning of new assessments in Lao People's Democratic Republic, Mongolia, Myanmar, Philippines, the Solomon Islands, and Vanuatu.

Getting started

This guide offers a standardized approach for conducting ABND exercises. The contents of the guide draw from the resources and experiences of the ILO and its constituents in East and South-East Asia and the Pacific. The guide can be used as a self-learning tool, as a resource package for delivering training, as well as a guide for conducting full-fledged ABND exercises in respective countries.

The intended audience of the guide includes all practitioners involved in conducting the social protection ABND exercise:

- decision-makers and staff from various ministries in charge of social protection policies, planning agencies, social security institutions, and national statistical offices;
- staff from research institutes, universities, and training institutes;
- workers' and employers' representatives and civil society organizations; and
- colleagues from UN agencies involved in the SPF Initiative.

The guide is organized in five main parts and comprises 16 modules and four annexes.

Introduction

Module 1: General overview
Module 2: Introduction to social protection
Module 3: Introduction to the concepts of risk and insurance
Module 4: Introduction to the assessment based national dialogue exercise
Module 5: "Jeopardy" game on social protection systems in Asia

Introduction

Step 1: Building the assessment matrix

Module 6: Building the assessment matrix
Module 7: World Café to identify policy gaps and implementation issues
Module 8: Case study on filling the assessment matrix
Module 9: "Who wants to be a protectionaire?" game on the assessment matrices of participating countries

Step 1

Step 2: Costing policy options using the RAP model

Module 10: Converting recommendations into policy options
Module 11: Calculating the cost of benefits using the RAP model
Module 12: Understanding how to input data into the RAP worksheets (advanced session)
Module 13: Assessing affordability and impact on fiscal space

Step 2

Step 3: Finalization and endorsement

Module 14: "Role play" to advocate for the endorsement of the policy options identified through the case study
Module 15: Building of a social contract
Module 16: Developing a communication strategy
Conclusion and way forward

Step 3

Annexes

Annex 1: Case studies
Annex 2: Glossary
Annex 3: Additional reading
Annex 4: Media gallery

Annexes

The guide is available in two formats:

- textbook (published);
- e-box (online and CD-ROM).

		 *textbook*	 *e-box*
Core content of the 16 modules		✓	✓
Annexes:	Case studies	✓	✓
	Glossary	✓	✓
	Additional reading	✓	✓
	Media gallery	✓	✓
PowerPoint presentations			✓
Videos of the sessions and self-learning tutorials			✓
Instruction sheets for group activities and exercises			✓
The RAP model (blank model and sample solution)			✓
Additional handouts, exercises and sample solutions			✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

Introduction

MODULE 1
General overview

Duration: 2 hours

Prerequisites: None

Key questions:

1. What are the objectives and scope of the guide?
2. How is the guide structured?
3. To whom is the guide addressed and how should it be used?
4. What are the learning tools used in the guide?
5. To what extent is this guide relevant?
6. Has the guide been used and tested already?
7. What are the limitations of the guide?
8. Ice-breaking session

Objectives:

This module provides a general overview of the guide, its objectives and scope, its structure, the circumstances in which the guide can be used, as well as its relevance and limitations. The content of the subsequent modules is briefly explained.

Overview:

What are the objectives and scope of the guide?

The SPF Good Practices Guide's objectives are to:

- explain the concepts of social protection, risk, and insurance;
- teach the main steps of the social protection assessment based national dialogue exercise and share concrete experiences from countries;
- share technical expertise and tools on mapping social security situations, identifying gaps, designing and costing policy options, as well as advocating for policy recommendations; and
- encourage countries to conduct the ABND exercise through a national dialogue involving all relevant stakeholders.

How is the guide structured?

The guide includes 16 modules organized along the steps of the ABND exercise:

- Introduction (modules 1 to 5);
- Step 1: Building the assessment matrix (modules 6 to 9);
- Step 2: Costing policy options using the RAP model (modules 10 to 13);
- Step 3: Finalization and endorsement (modules 14 to 16);
- Conclusion and annexes.

To whom is the guide addressed and how should it be used?

The guide is targeted at representatives and working teams involved in the planning, financing, and management of social security systems in a country; ministry of labour, social security institutions, ministry of health, ministry of social development, ministry of women's affairs, ministry of finance, ministry of rural development, ministry of interior, ministry of planning, and other ministries; representatives of workers' and employers' organizations, as well as civil society; academicians; and social protection experts from UN agencies and other development partners.

The guide can be used:

- as a self-learning tool;
- as a resource package for delivering training; and
- as a guide for conducting full-fledged ABND exercises in the respective countries.

The users of the guide can be trainers, resource persons or participants in training, or persons conducting an assessment. They are referred to as "participants" or in some cases as "users of the guide" or "users of the model".

Although the guide was developed by the ILO Decent Work Technical Support Team (DWT) Bangkok based on its work in East and South-East Asia and the Pacific, the guide can be used in other parts of the world.

What are the learning tools used in the guide?

The learning tools used in the guide include:

- master modules that describe the ABND methodology and tools;
- PowerPoint presentations that can be used in training courses;
- videos and tutorials that facilitate easy understanding of each module and can be used for self-learning;
- case studies used in several modules and exercises that simulates an ABND exercise;
- instruction sheets for group activities that will generate ideas and encourage exchange of knowledge among participants of training courses;
- quizzes, tests, and matrices to be filled out individually or in groups;
- a glossary and additional reading material.

The combination of several learning tools facilitates easy understanding, opportunities for knowledge sharing, and provides participants with hands-on experience of conducting the ABND exercise.

To what extent is this guide relevant?

The guide is a unique resource package offering the necessary knowledge and skills to conduct an ABND exercise and move towards the design and implementation of nationally defined social protection floors.

The ABND is an exercise to compare the social security situation in a country with the four basic social security guarantees and provide recommendations on how to complete the social protection floor. The exercise also converts the recommendations into policy options and projects the cost of the policy options over several years. It assesses the capacity of the country as a whole to provide the necessary financing to increase the level of social protection. The ABND is a powerful tool to engage in social dialogue for the extension of social protection for all.

Has the guide been used and tested already?

The guide was developed by practitioners based on real experiences of conducting ABND exercises in Indonesia, Thailand, Viet Nam, and Cambodia.

A preliminary version of the guide was tested at an ASEAN workshop organized by the ILO and Chulalongkorn University, Thailand, from 15 to 19 October 2012. The guide was also used for starting or planning new assessments in Lao People's Democratic Republic, Mongolia, Myanmar, Philippines, the Solomon Islands, and Vanuatu.

The guide is in the form of a light publication (textbook) and a more comprehensive resource package (e-box) available online and on CD-ROM, allowing for future input from practitioners and experts who are conducting similar exercises.

What are the limitations of the guide?

The guide provides a method to conduct an assessment based national dialogue exercise leading to policy recommendations for extending nationally defined social protection floors. However, the design of policy options is simplistic. For those policy options that are selected by the government and social partners, a more comprehensive design study shall be conducted afterwards, including an analysis of stakeholders' views and perceptions, a more comprehensive design of the benefit package(s), proper actuarial assessments, a legal review and legal recommendations, as well as the design of institutional arrangements.

The guide does not offer a magic formula for successfully conducting a training course or an assessment based national dialogue exercise, but is intended to provide an approach and a toolbox to be tailored to each country's unique situation.

Ice-breaking session

To facilitate interaction among participants and better capture their expectations, ice-breaking exercises can be organized during this module.

Takeaway message:

The guide is a unique resource package that aims at providing the necessary knowledge and expertise for conducting ABND exercises, which are the first step towards the implementation of nationally defined social protection floors. The guide can serve several purposes, including self-learning, training, or practical implementation of the ABND exercise. It was designed by practitioners for practitioners and will be enriched in the future with new experiences. It is structured along the lines of the ABND process and includes many hands-on exercises that facilitate acquisition and sharing of knowledge and skills.

Resources:

		textbook	*e-box*
	Master module 1 – General overview	✓	✓
	Presentation – Introduction to the course and understanding the course objectives		✓
	Proposed agenda of the course		✓
	Instruction sheet for conducting two alternative ice-breaking sessions		✓
	Instruction sheet for conducting a session to understand participants' expectations and list of common expectations		✓
	Video of the session on understanding expectations		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 2
Introduction to social protection

Duration: 2 hours

Prerequisites: None

Key questions:

1. What is social security?
2. What is social protection?
3. What are the different types of social transfers?
4. What are ILO's standards to realize the right to social security?
5. What are the two dimensions of social security extension?
6. What are nationally defined social protection floors?
7. To what extent is social protection linked with employment and economic growth?
8. What are the ILO's main technical support activities to support social security extension in East and South-East Asia and the Pacific?

Objectives:

This module is an introduction to social protection. It covers the concept of social security and the two dimensions of social security extension: horizontally, to expand social security coverage to as many people as possible, and vertically, to progressively increase the levels of benefits. The module also explains the concept of the social protection floor. It provides an overview of the ILO's Conventions and Recommendations that prescribe standards for the development of national social security systems. It also gives a general idea of the ILO's technical support activities in East and South-East Asia and the Pacific to assist in social security extension.

Overview:

What is social security?

People face contingencies throughout the life-cycle, such as maternity, ill health, sickness, unemployment, work injury, invalidity, old age, and death of the breadwinner, which can put an end to or cause substantial reductions in income. Families may also require medical care and need support for their children's care and education. To meet all these financial needs at different points in people's lives, social security is important.

The ILO defines social security as the protection that society provides for its members: (1) to compensate for the loss of income caused by one of these contingencies (for instance financial support when you are unemployed); (2) to facilitate access to social services (such as health services, education and others) and fulfil basic needs.

What is social protection?

The concept of social protection has been often used to convey a broader institutional notion of risk management than that offered by social security systems. For some, social protection describes measures addressing only the needs of the most vulnerable and excluded populations. Social security is often seen as a select—and thus a non-universal—component of social protection reserved only for those in a formal employment relationship. The concepts of social protection and social security might then be perceived as mutually exclusive, with the suggestion that the former offers the potential to reach out to those who are not covered, or thought to be incapable of being covered easily by the latter. As highlighted by Hagemejer and McKinnon (2013) in their introduction to the International Social Security Review (ISSR) special double edition on extending social security coverage, the wording of the Social Protection Floors Recommendation, 2012 (No. 202) finally puts to rest perceptions of 'social protection' and 'social security', establishing that they "are actually part of the same social policy concept".[1]

What are the different types of social transfers?

The benefits provided by social security are called "social transfers". Social transfers can be contributory (financed by the contributions of workers, their employers, and in some cases the State) or non-contributory (financed by taxes). Contributory schemes include mandatory social insurance (e.g. compulsory membership for all private sector workers) and voluntary insurance (e.g. some microinsurance schemes, social insurance schemes for informal sector workers, among others). Non-contributory schemes can be targeted to the poor, categorical (e.g. targeted to the elderly over a certain age, to children of 0–3 years of age, and so on), or universal. These categories are a simplification of reality in which partial contributory schemes also exist. A large share of the contributions is paid by the government in a partial contributory scheme. This is the model for the social security scheme targeting workers in the informal economy in Thailand. Private insurance schemes that do not rely on the principles of solidarity are not part of social transfers.

Thailand's Social Security Act, B.E. 2533 (1990) (SSA), established a scheme to cover workers in the informal economy under Section 40. The scheme is partially subsidized by the Government, although this subsidy is not embedded in the Law and is subject to change with government policy. The scheme offers two benefit packages:

- Package 1 – For a contribution of 100 baht (THB) per month (THB70 paid by the worker and THB30 paid by the Government), package 1 covers against sickness, invalidity, and death.[2] The sickness benefit provides THB200 per day limited to 20 days per year and only for in-patient care lasting at least two nights. If the hospital stay is one night, members are not entitled to receive any benefit. Members receive THB400 if they stay in hospital for two nights, THB600 if they stay in hospital for three nights, and so on. Invalidity benefits include income replacement of THB500–1,000 per month for 15 years. The death benefit is a lump-sum of THB20,000.
- Package 2 – For a contribution of THB150 (THB100 paid by the worker and THB50 by the government), package 2 offers a lump-sum payment for old age in addition to the benefits in package 1.

[1] K. Hagemejer and R. McKinnon: "The role of national social protection floors in extending social security to all", in *International Social Security Review*, (Geneva, International Social Security Association, 2013), Vol. 66, pp. 3-4.
[2] THB30 = 1 United States Dollar (US$).

What are ILO's standards to realize the right to social security?

Social security is a human right as stated in the Universal Declaration of Human Rights (1948), Article 22. To guarantee this fundamental human right, the ILO sets standards that lay down obligations and guidelines for ILO member States to design, draft laws and regulations, and implement their social security systems. Standards are of two types: Conventions and Recommendations.

The Social Security (Minimum Standards) Convention, 1952 (No. 102),[3] is considered the ILO's flagship convention and sets fundamental principles applying to all the nine branches of social security. These principles have been recently recalled by the Recommendation on nationally defined social protection floors, 2012 (No. 202).[4]

These principles are reiterated by other instruments which provide more detailed guidelines for the design and establishment of specific social security branches: Employment Injury Benefits Convention, 1964 (No. 121) and Employment Injury Benefits Recommendation, 1964 (No. 121), Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128) and Invalidity, Old-Age and Survivors' Benefits Recommendation, 1967 (No. 131), Medical Care and Sickness Benefits Convention, 1969 (No. 130) and Medical Care and Sickness Benefits Recommendation, 1969 (No. 134), Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) and Employment Promotion and Protection against Unemployment Recommendation, 1988 (No. 176), and Maternity Protection Convention, 2000 (No. 183) and Maternity Protection Recommendation, 2000 (No. 191).

The ILO's social security standards build on the idea that there is no unique model for social security regimes but rather common fundamental principles. The Social Security (Minimum Standards) Convention, 1952 (No. 102) prescribes that social security systems should reflect national cultural and historical values, be built in a progressive manner in a way consistent with national economic and social development plans, and be coherent with national institutional capacities. Convention No. 102 can be applied through the establishment of contributory (e.g. social insurance) or non-contributory (e.g. tax funded), mandatory or voluntary, universal or targeted schemes. Convention No. 102 also discloses that the State shall be responsible for the provision of the benefits stated by law and for the proper administration of social security institutions and services through appropriate implementation and enforcement mechanisms and regular actuarial reviews. In addition, it advocates for a tripartite administration relying on the participation of employers and beneficiaries in the decision-making, supervision and administration of the social security schemes. An important feature of Convention No. 102 is the right to appeal in cases of refusal of benefits or complaints as to its quality or quantity. Equality of treatment between nationals and non-nationals under existing schemes is also a fundamental principle.

Furthermore, the Social Security (Minimum Standards) Convention, 1952 (No. 102) recommends that the costs are borne collectively by way of employers' contributions, employees' contributions, and/or tax resources. Level of benefits should be guaranteed and pre-determined, adjusted in the case of pensions, and payments should be made in a periodical manner. Suspension of entitlements should be restricted to only certain cases clearly stated by law.

[3] See Annex 3: Additional reading.

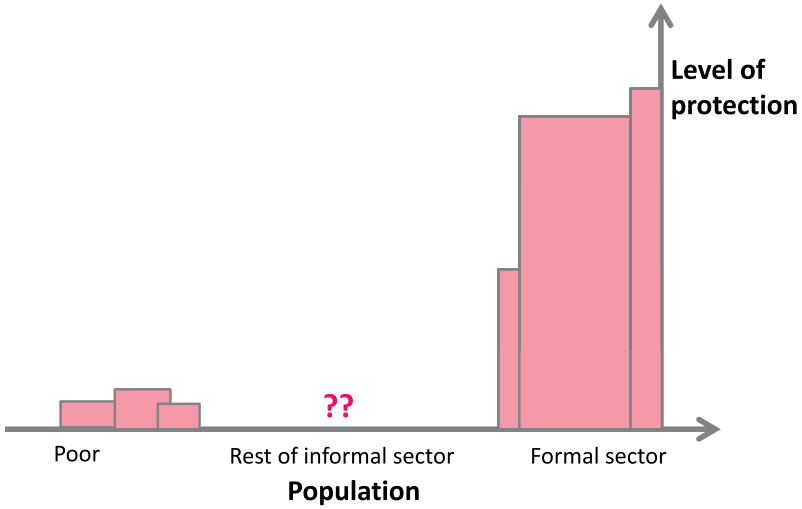
[4] See Annex 3: Additional reading.

In addition to reinforcing and specifying the rules stated in the Social Security (Minimum Standards) Convention, 1952 (No. 102), the Social Protection Floors Recommendation, 2012 (No. 202) introduces new principles and, more importantly, the universality of social security coverage. Social security guarantees should be comprehensive and cover all residents. Additionally, the fundamental principle of non-discrimination is enriched and extended to gender equality in Recommendation No. 202. The implementation of social security programmes should respond to special needs and promote social inclusion of persons in the informal economy. Recommendation No. 202 promotes financial, fiscal, and economic sustainability with due regard to social justice and equity, respect for the rights and dignity of people, and full respect for collective bargaining and freedom of association for all workers. It also calls for high-quality public services in order to enhance the delivery of social security systems.

What are the two dimensions of social security extension?

The social security staircase describes the social security situation in a given country. The horizontal axis represents the population of the country, which includes three categories: the "poor", the "rest of the informal sector", and the "formal sector". The vertical axis represents the level of protection. For most countries in Asia, formal sector workers (civil servants and private sector employees) already have access to certain levels of social protection. This is symbolized by a bar which is relatively high for this category of the population. The rest of the population – composed of informal economy workers which include the poorest segments of society – usually does not have much social protection. Non-existent and low levels of social protection are represented by no or short vertical bars.

Figure 1. The social security staircase



The extension of social security to those who are not covered is called the horizontal extension of coverage. At the same time, increasing the level of protection for those who already have access to such protection is referred to as the vertical extension of coverage.

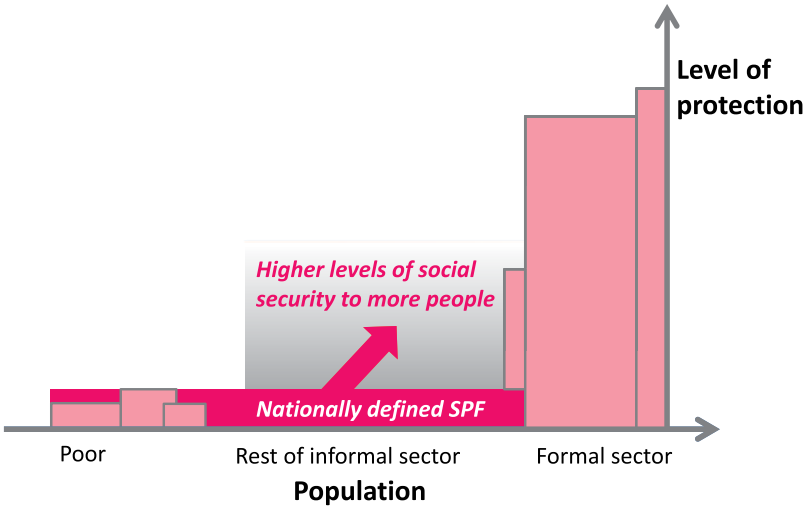
What are nationally defined social protection floors?

For a long time, social security was mainly available to formal sector workers through contributory and mandatory schemes. The ILO and others assumed that the informal sector would shrink and that more and more people would access formal jobs, and thereby mandatory social security coverage. However, this did not happen. Instead of shrinking, the informal sector continued to grow. A new strategy was deemed necessary to expand social security coverage to all who lacked coverage.

A discussion on social security took place at the International Labour Conference (ILC) in 2001, which culminated in a report entitled "Social security: A new consensus".[5] The report recommends exploring new paths to expand social security coverage, such as through microinsurance schemes, social assistance, social insurance adapted to informal sector workers, and so on. Over the past ten years, a number of countries have developed various approaches and implemented a number of scattered programmes that cover some informal sector workers, but still leave the great majority without any protection. The horizontal coverage is far from being complete and significant coverage gaps remain. Only a few Asian countries, such as Thailand, have established universal schemes that cover the whole population for certain contingencies.

According to the social protection floor concept, countries should guarantee a minimum set of social security benefits to all their populations (this is the horizontal dimension). The SPF is not a ceiling, which means that once the SPF has been established, countries should also work towards the provision of higher levels of benefits to more and more people (this is the vertical dimension).

Figure 2. The social protection floor is not a ceiling



National floors of social protection should comprise at least the following basic social security guarantees:

- access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability, and quality;
- basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care, and any other necessary goods and services;

[5] See Annex 3: Additional reading.

- basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability; and
- basic income security, at least at a nationally defined minimum level, for older persons.

There is "no one size fits all" approach in designing and operating national floors of social protection. Each country should decide how to make it happen through targeted or universal schemes, contributory or non-contributory approaches, and so on.

The SPF concept is elaborated in Recommendation No. 202 that was adopted nearly unanimously by 185 Member States during the 101st Session of the ILC. Recommendation No. 202 reaffirms the role of social security as a human right and as a social and economic necessity, and provides guidance to countries in building SPFs within progressively comprehensive social security systems.

Following the adoption of Recommendation No. 202, "creating and extending social protection floors" became an area of critical importance for the ILO.

In the Asia and the Pacific region, the establishment of social protection floors has increasingly been recognized by all ILO Member States as an efficient approach to combating poverty, inequality, and exclusion, and as a key element of national development strategies. The new regional importance of social protection is confirmed by the Conclusions of the 15th APRM in December 2011, which prioritizes "Reducing poverty and wide inequalities in income and wealth" and "Building effective social protection floors in line with national circumstances", and the recent adoption by ASEAN Member States of the Declaration on strengthening social protection.

Several countries have included the SPF concept as part of their national social protection strategies. The Royal Government of Cambodia, for instance, strives towards the extension of coverage and the establishment of at least a social protection floor for all. Its National Social Protection Strategy for the Poor and Vulnerable (NSPS-PV) was launched on 5 December 2011 by the Prime Minister. It provides a vision for the development of a coherent social protection system, in a phased approach, starting with the establishment of a social protection floor for all those in need of protection and ensuring that more and more people can enjoy progressively higher levels of benefits. This two-dimensional extension strategy has been implemented in several other countries (such as Thailand, Indonesia, and so on) that have established universal or targeted schemes to provide at least a minimum level of social protection to those who are uncovered, and higher levels of social protection to more and more people.

To what extent is social protection linked with employment and economic growth?

In the past, access to social security was the privilege of formal sector workers. Being a salaried worker protected by the labour law would guarantee access to existing mandatory social security coverage. It was assumed that by formalizing the economy, more and more people would have access to social security.

The SPF reaffirms the idea that all residents – regardless of their contract types or occupations – are entitled to social security. The SPF prescribes universal coverage and delinks access to social security from the condition of being formally employed. At the same time, the SPF creates linkages with employment by increasing beneficiaries' employability and capacities to access better jobs.

Social transfers – through their direct poverty reduction effect – contribute to increasing households' consumption, and therefore their demand for goods and services, which impacts the development of the domestic market. Access to social services such as health, education, skills, and nutrition contributes to an increase in individuals' employability and productivity. Social transfers may in some cases be used to buy productive assets that contribute to expand households' physical capital. All these effects positively impact the development of the economy which may translate into increased fiscal space for social protection. It is clear that investing in social protection today can be repaid in a few years, through the positive economic effects of this investment.

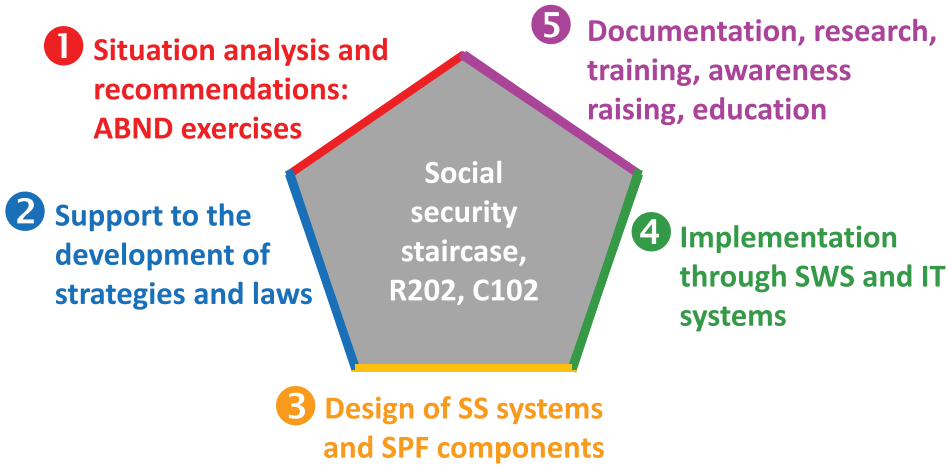
What are the ILO's main technical support activities to extend social security in East and South-East Asia and the Pacific?

In the East and South-East Asia and the Pacific, the ILO supports Member States on:

- establishing nationally defined social protection floors that provide, to all residents, access to health care and income security across the life-cycle (children, working age, and the elderly); and
- developing higher levels of social security benefits.

To achieve this, the ILO has devised a coherent and comprehensive programme of work in East and South-East Asia and the Pacific, which includes the following complementary dimensions:

Figure 3. The social security pentagon



The first point of the social security pentagon involves conducting evidence-based research, notably through the systematic analysis of the social protection situation at the country level, provision of policy recommendations to complete nationally defined social protection floors, and a preliminary costing and fiscal space analysis for the introduction of the proposed policy options. Social protection ABND exercises have been completed in Viet Nam, Indonesia, Thailand, and, to a certain extent, Cambodia. The next round of ABNDs (2014-15) will be conducted in Lao People's Democratic Republic, Mongolia, Myanmar, the Philippines, the Solomon Islands, and Vanuatu. All the ABND exercises are based on a similar methodology developed by the ILO DWT-Bangkok. The assessment is the starting point of the ILO's support to constituents because it provides an overview of the social security situation in the country and concrete recommendations for the extension of social security coverage, both horizontally and vertically.

The second point on the social security pentagon entails supporting the development of national social protection strategies and overarching laws in line with the ILO's two-dimensional strategy for social security extension[6] and international labour standards related to social security (notably Convention No. 102 and Recommendation No. 202). This has included the development of the NSPS-PV in Cambodia, which was launched by the Prime Minister in December 2011. Policy and technical advisory services are also provided to constituents for the development of comprehensive social security laws in Lao People's Democratic Republic, Myanmar, and Viet Nam. This support will shape the future social security systems in these countries.

Analysis of the social protection situation and the identification of policy gaps may lead to the design and implementation of social security schemes (the third point of the social security pentagon). This work is grounded in social dialogue and includes the provision of actuarial and institutional studies as well as the development of implementation decrees and regulations. Policy and technical advisory services have been provided to support the design and implementation of unemployment insurance schemes in Viet Nam and Malaysia, health insurance schemes in Cambodia and Lao People's Democratic Republic, employment injury schemes in Sri Lanka and Indonesia, old age pensions in Viet Nam, and a long-term care system in Thailand.

The implementation of social security schemes usually requires the design and establishment of management information systems and adapted mechanisms to reach target beneficiaries and ensure transparent and traceable processes. The ILO has contributed to the design of the management information system (MIS) for the social health insurance system in Cambodia and to the conceptualization of an innovative approach called the Social Service Delivery Mechanism (SSDM) in Cambodia and the Single Window Service (SWS) in Indonesia. The SSDM and SWS are "one-stop shops" for the delivery of social protection programmes and employment services. Embedded in government institutions and operated by sub-national administrations, the SSDM and SWS are linked to the central level via a formalized reporting system. This reporting mechanism should ensure the transparency and traceability of the social protection system. It also facilitates better coordination between the local level (responsible for service delivery) and the central/national level (responsible for policy development, planning, monitoring, and evaluation). The design of the SSDM in Cambodia was completed in November 2013, while the design of the SWS in Indonesia is expected to be finalized in 2014. As requested by the Cambodian and Indonesian Governments, the ILO will continue to support the implementations of the SSDM and SWS mechanisms in 2014-2015. The ILO will also support the further development of the existing single window service in Mongolia.

At national and regional levels, knowledge is developed and shared through regional research, publications and technical guides, training programmes, national and regional workshops, web content on the Global Extension of Social Security (GESS) platform, facilitation of UN technical working groups at national and regional levels, and participation in international, regional, and national conferences. The "persons of concern" (policy-makers, final beneficiaries, children, and students) are also educated about social protection through adapted communication tools such as tutorials, games, videos, public service announcements (PSAs), and so on.

The ILO's work is based on the "core of the pentagon" and aims at implementing the guiding principles of the ILO's social security Conventions and Recommendations, notably Convention No. 102 and Recommendation No. 202 in all interventions. The ILO's work is also based on tripartite dialogue.

[6] See ILO: *Social security for all – Building social protection floors and comprehensive social security systems* (Geneva, 2012).

Takeaway message:

Social security is a fundamental human right. To guarantee this right, the ILO has devised a two-dimensional extension strategy: social security systems shall rely on a nationally defined social protection floor, which would be guaranteed to all residents, based on which higher levels of protection could be made accessible progressively, to more and more people. In East and South-East Asia and the Pacific, the ILO supports the development of social security through a systematic strategy – the social security pentagon – which relies on five complementary dimensions.

Resources:

		textbook	*e-box*
	Master module 2 – Introduction to social protection	✓	✓
	Presentation – Introduction to social protection		✓
	Introduction to social protection		
	Part 1 – Terminologies and international labour standards		✓
	Part 2 – Social security strategies and the social protection floor		✓
	Part 3 – Quiz game, ILO's activities in Asia, and brief questions and answers (Q&A)		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 3

Introduction to the concepts of risk and insurance

Duration: 1 hour

Prerequisites: None

Key questions:

1. What is risk?
2. What are the different types of risk?
3. What are the sources and consequences of risk?
4. How is risk managed?
5. Why do we need insurance?
6. How does insurance work?
7. What are the law of large numbers and the J curve in insurance?
8. How is probability used in calculating health insurance premiums?
9. What is asymmetric information?

Objectives:

This module is designed to introduce participants to the concepts of probability, microeconomics of insurance, risk aversion, asymmetric information (adverse selection and moral hazard), and the J curve. The module presents the basic theory of risk and the elements of social risk management. It explains why insurance is required when traditional risk management mechanisms fail and briefly describes how insurance works. It also explains the role of probability in the calculation of insurance premiums. Finally, the module elucidates the challenges faced by insurance providers, such as adverse selection and moral hazard.

Overview:

What is risk?

Risk may be defined as an uncertain event which leads to some monetary loss. However, it is not the same as uncertainty. We know the various possible outcomes of the uncertain event, but we do not know which one of the outcomes will actually take place. This may be explained further with the help of an example about two brothers, Max and Chris. The brothers may either fall sick or remain healthy with equal probability. This leads to four possible outcomes:

- Max is sick, Chris is sick
- Max is sick, Chris is healthy
- Max is healthy, Chris is sick
- Max is healthy, Chris is healthy

Thus, we know what the four possible outcomes are, but we do not know which one will actually take place. In this way, it is equivalent to the rolling of a die. Any of these four outcomes has a 25 per cent probability of occurrence.

Further, in the case of social risks such as sickness, death, or maternity, we may or may not know whether they would take place, when they would take place if at all, and how much it would cost should the risk occur. In the case of sickness, we do not know if we will fall sick, when we will fall sick, and what would be the medical and other costs if we fall sick. In the case of maternity, we do know if the event will take place and when, but we do not know the exact cost for medical and other expenses. For the event of death, we know with certainty that we will die someday and how much the funeral cost would be, but we do not know when it will happen.

Although it is uncertain whether or not an individual will be sick, we can estimate the probability of sickness for a group of people using actuarial techniques. Similarly, we can also estimate the probability of other risks.

What are the different types of risk?

Risks can be classified in many ways. Some classifications include:

- Covariant and idiosyncratic – Covariant risks affect large numbers of people at the same time, such as an epidemic. Idiosyncratic risks affect only a small group of people.
- Minor and major – Minor risks have a high probability of occurrence and entail small costs. For instance, the common cold and fever are considered minor risks. Major risks have a low probability of occurrence and entail higher costs. For instance, hospitalization and surgery are considered major risks.
- Catastrophic – Catastrophic risks are low probability, high-cost risks that affect large numbers of people at the same time. They are sometimes uncovered by insurance policies as they would lead to many people claiming benefits at the same time, making it difficult to manage the risk.

What are the sources and consequences of risk?

There are many sources of risk, including:

- natural disasters;
- environment risks;
- health and life-cycle risks such as birth, old age, and death;
- social and political risks such as war and riots;
- economic risks and others.

Note that social security only aims at covering health and life-cycle risks as well as some economic risks (such as unemployment). These contingencies are defined in ILO's Convention No. 102.

Risks, when they occur, can have various consequences, such as financial loss, temporary or permanent disability, and so on. The consequences could be diverse, affecting not just the person but also the family members. This makes it important to have risk management to deal with the unpleasant effects of risks.

How is risk managed?

There are four main types of responses to risks or risk management strategies: prevention, precaution, mitigation, and coping:[7]

Strategies for protection (*ex ante*) involve:

- mechanisms aiming at reducing the risk, i.e. its chances of occurrence and its seriousness (preventive actions);
- mechanisms aiming at reducing exposure to risk, i.e. avoiding risky situations (precautionary measures);
- mechanisms aiming at mitigating the risk, i.e. reducing, in advance, the potential impact of the adverse event.

Strategies of repairing (*ex post*) involve:

- mechanisms aiming at relieving the impact of the adverse event.

Generally, one single arrangement is not sufficient to protect oneself against risk. It is necessary to combine several mechanisms corresponding with different strategies complementing each other.

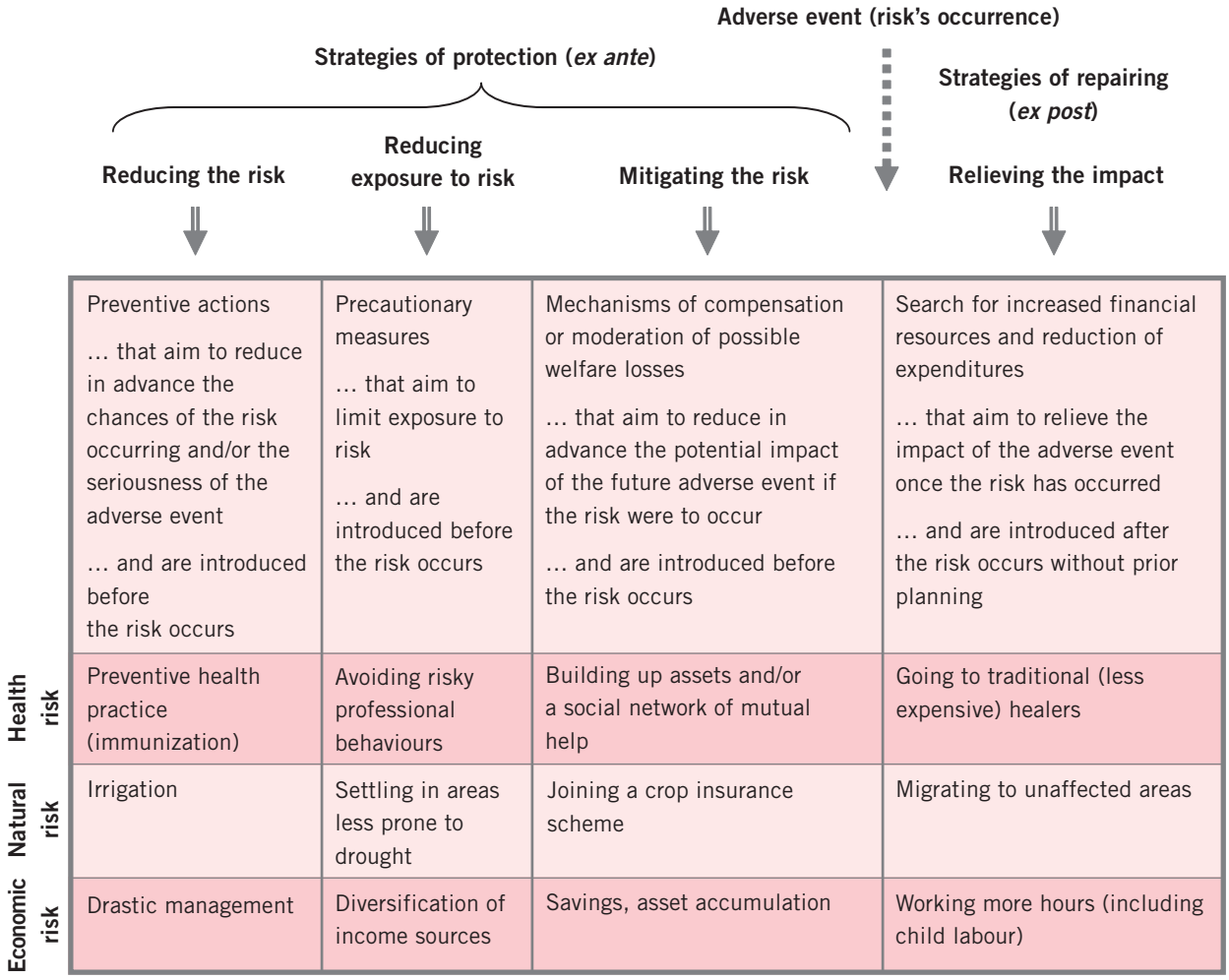
Some of these strategies and arrangements may be implemented at the household's instigation; some others call for the intervention of public, private, or a combination of public and private actors: central and local governments, employers, private firms, local organizations, among others.

The choice of the most appropriate strategies and related mechanisms depends on past exposure to risks, actors' capacity for action in terms of resources and knowledge, and existing financial incentives. Other factors may also play an important role in the choice of strategies and related mechanisms of protection such as:

- the cost-effectiveness of the mechanism, which means that mechanisms with the lowest cost and highest impact should be favoured;
- the characteristics of the risk (some risks may be prevented such as communicable diseases through immunization; others may be mitigated through mutual help networks; major covariant risks may require social insurance); and
- the context and the characteristics of the target population (economic status, size, geographic distribution, among others).

[7] Adapted from R. Holzmann and S. Jørgensen: "Social risk management: A new conceptual framework for social protection and beyond", in *International Tax and Public Finance* (2001, Vol. 8, No. 4, Aug.), pp. 529–556.

Figure 4. Examples of mechanisms to manage risks



	Reducing the risk	Reducing exposure to risk	Mitigating the risk	Relieving the impact
	Preventive actions … that aim to reduce in advance the chances of the risk occurring and/or the seriousness of the adverse event … and are introduced before the risk occurs	Precautionary measures … that aim to limit exposure to risk … and are introduced before the risk occurs	Mechanisms of compensation or moderation of possible welfare losses … that aim to reduce in advance the potential impact of the future adverse event if the risk were to occur … and are introduced before the risk occurs	Search for increased financial resources and reduction of expenditures … that aim to relieve the impact of the adverse event once the risk has occurred … and are introduced after the risk occurs without prior planning
Health risk	Preventive health practice (immunization)	Avoiding risky professional behaviours	Building up assets and/or a social network of mutual help	Going to traditional (less expensive) healers
Natural risk	Irrigation	Settling in areas less prone to drought	Joining a crop insurance scheme	Migrating to unaffected areas
Economic risk	Drastic management	Diversification of income sources	Savings, asset accumulation	Working more hours (including child labour)

When choosing strategies and mechanisms of protection, it is important to favour *ex ante* arrangements since they are more cost-effective and, unlike *ex post* arrangements, they reduce households' insecurity and vulnerability. *Ex post* strategies and mechanisms are often less efficient in terms of resource allocation. Moreover, when households rely mainly on *ex post* strategies, they incur greater stress when a risk occurs and their coping strategy often contributes to increasing their vulnerability towards future adverse events.

If households do not benefit from sufficient or adequate protection against risks (*ex ante* mechanisms), they may try to offset the consequences of an adverse event once the risk has occurred by searching for additional financial resources or by cutting spending. They may borrow money from extended family, friends, neighbours, a financial institution, or even moneylenders often at usurious rates of interest. They may take money out of the family business. They may use credit not for its original purpose. They may increase their labour supply, working more hours or involving more household members, including children. They may migrate to unaffected areas, especially when the shock is covariant and the local labour market has collapsed. They may also cut spending, withdraw children from school, and reduce food intake. They may enrol in public emergency programmes (e.g. free distribution of food and clothing), particularly in cases of covariant shocks.

The search for additional financial resources will certainly raise ready cash in the short-term, although it might take some time to find one or more lenders. However, this borrowing may result in heavy indebtedness which may jeopardize a family's financial position, ultimately leading to poverty. In cutting spending, households incur high long-term costs by jeopardizing their economic and human development prospects. *Ex post* arrangements often lead to child labour and malnourishment, with lasting damage to children. Also, such arrangements often impose an inordinate burden on women whose workload increases with stress, yet their duties at home are not lessened.

Why do we need insurance?

Idiosyncratic and minor risks which affect a small number of people at a time or entail small costs can be handled by approaching friends and family and falling back on informal risk management methods. However, when major, covariant, or catastrophic risks occur affecting a large number of people at the same time or entailing high costs, it is not possible to approach social networks or relatives for help as many would be facing the impacts of the risk. At such times, insurance becomes important.

For the poor or people living just above the poverty line, even minor risks can have catastrophic consequences. They may need protection for all types of risks.

How does insurance work?

In return for a regular payment called a premium, the insurance provider takes on the financial risk of the insured person. In case the insured person faces a risk such as hospitalization, theft, and so on, the insurance provider pays for the financial losses.

By compiling historical information on the occurrence of the risks among a large pool of insured people, insurance providers are able to predict the probability of a risk and thereby estimate the average cost of the risk. This average cost serves as the basis for the calculation of the premium.

Insurance is based on the assumption that not all insured will claim for benefits at the same time. The contributions paid by all insured members are used to compensate for the financial consequences of those few who are experiencing the risk.

What is the law of large numbers?

As they work with a large database of insured people, the insurance providers can sum up all individual risks into an insurance pool. Through this risk pooling, each insured person can share the financial burden of the risks. This is based on the law of large numbers.

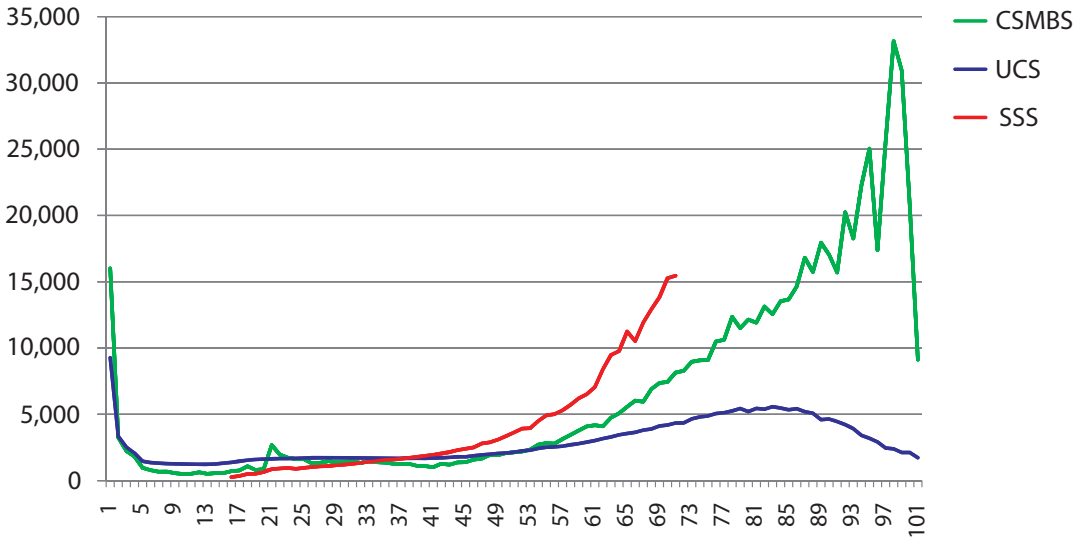
In probability theory, the law of large numbers is a theorem that describes the result of performing the same experiment a large number of times. According to the law, the average of the results obtained from a large number of trials should be close to the expected value, and will tend to become closer to the expected value as more trials are performed.

The law of large numbers is important because it "guarantees" stable long-term results for the averages of random events. While individuals may experience different exposure to risks, the law of large numbers states that for a very large group of people (theoretically infinite), the expected risk faced by each person is almost the same as the average of all the risks faced by the group.

What is the J curve in insurance?

The expected financial losses for health risks or health care expenditures of each age group are different. It is high in newborns and elderly people, which can be depicted as a J-shaped curve. One example of a J curve for the per capita health care expenditure in Thailand is given below.

Figure 5. Per capita health expenditure among the three social health insurance schemes in Thailand, 2010: Civil Servants Medical Benefit Scheme (CSMBS), Universal Coverage Scheme (UCS), and Social Security Scheme (SSS)



Source: Estimates based on the database of the CSMBS, the SSS, and the UCS (Bangkok, Health Insurance System Research Office (HISRO), 2011).

How is probability used in calculating insurance premiums?

The calculation of insurance premiums is based on the probability of a risk taking place. At a very simplistic level, it is based on probability of the risk multiplied by the financial consequence of the risk.

Therefore, the premium for health insurance is calculated as follows:

Premium = (probability of illness in a year) × (average number of utilizations of health care services per year) × (unit cost of each utilization)

For example, suppose a person has a 40 per cent chance (probability equal to 0.4) of falling ill in a year. In the case the person falls ill at least once per year, suppose they will visit the health care facility four times during the course of the year. Finally, assume the cost of consultation and medicines is US$30 per visit. In this case, the premium is calculated as:

Premium = 0.4 × 4 × 30 = US$48

Similarly, the premium for unemployment insurance is calculated as follows:

Premium = (unemployment rate) × (proportion of insured unemployed persons who meet the eligibility criteria) x (average duration of claims in a year expressed in weeks) × (average weekly benefits)

What is asymmetric information?

A challenge faced by insurance providers includes asymmetric information, i.e. when all people do not have the same information. It may be in the interest of the insured person to conceal information that would place the person in a higher risk bracket. For instance, a person may become a member of an insurance scheme just before they are scheduled to undergo a surgery or due to unhealthy habits. If they conceal this information, the average risk of the insured group is raised. In such cases, the premium would not be enough for the insurance scheme to pay for the actual risks. If more and more people conceal such information and become members of the insurance scheme, the insurance premium would go higher and higher. This would lead to a situation where the low-risk people would be willing to leave the risk pool. The group would be left with mostly high-risk people, causing an undesirable situation for the insurance provider. This is called adverse selection.

Another problem arising from asymmetric information is moral hazard. Moral hazard occurs when the insured person is more likely to take risks and is careless about safeguarding oneself from risky situations. This is because the person knows that they will be covered from financial losses by the insurance provider.

To minimize the occurrence of adverse selection, the most effective method is to establish mandatory insurance where all members of a group (for instance all car drivers or all workers under the labour law) have the obligation to join the scheme. In the case of a voluntary scheme, some private insurers may be inclined to select risks by recruiting only insured people with "good" health records, for instance, which is contrary to the principles of solidarity and social inclusion promoted by the ILO. Another method is to exclude predictable events from the benefit package such as planned surgeries.

To minimize the impacts of adverse selection and moral hazard, the careful design of the benefit package is required with the implementation of:

- co-payments and limitations, such as a maximum number of days of hospitalization and reimbursing surgical operations or specialist consultations subject to a maximum benefit level;
- long waiting periods before insured members can be entitled to certain benefits, such as a waiting period of nine months for deliveries;
- control mechanisms such as pre-authorization of high-cost planned surgeries.

To enable participants to understand the theoretical concepts better, the presentation is made in an interactive manner with questions and practical examples. Participants are encouraged to draw from their own experiences on when these challenges are encountered and ways to deal with them. For instance, a discussion may be initiated on the effectiveness of a co-payment mechanism as one way to reduce moral hazard.

Takeaway message:

Risk is not the same as uncertainty, yet it is important to insure a person from different kinds of risks. We may or may not know whether a particular risk will take place, when it will take place, and how much it will cost. Management of risk can be done by taking steps for its prevention, mitigating the effects of risk, and coping with the risk after it has occurred. People may fall back on family and social networks to deal with the financial consequences of risk or they may approach formal risk management methods such as public authorities and membership institutions. It is difficult for informal channels to assist in cases of covariant risk. Insurance providers have a large pool of insured people, thereby reducing individual risks to an average of all risks. Thus, the financial consequence of the expected risk for each person can be predicted. Insurance mechanisms include several challenges due to asymmetric information between the insurance provider and the insured. To minimize the occurrence of adverse selection, the most effective method is to establish mandatory insurance where all members of a group have the obligation to join the scheme.

Resources:

		textbook	*e-box*
	Master module 3 – Introduction to the concepts of risk and insurance	✓	✓
	Presentation – Introduction to the concepts of risk and insurance		✓
	Risk and Insurance		
	Part 1 – An overview and risk management		✓
	Part 2 – Insurance and its challenges		✓
	Part 3 – Thoughts from participants		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 4

Introduction to the assessment based national dialogue exercise

Duration: 2 hours

Prerequisites: Module 2

Key questions:

1. What are the objectives of the ABND exercise?
2 What are the main steps of the ABND process?
3. How do we ensure that all stakeholders are involved from the outset?
4. How do we overcome the challenges of data limitations in some countries?
5. How do we move from a technical validation of the report to a political endorsement?

Objectives:

This module explains the objectives and process of the assessment based national dialogue exercise. The importance of the ABND as a participatory approach is highlighted. This session covers the three steps of the ABND, i.e. building the assessment matrix, costing recommendations and having the finalized report endorsed technically and politically. Some of the limitations and challenges of conducting the ABND exercise are shared with the participants. The ABND process is illustrated through examples on how the exercise was carried out in Indonesia and Thailand.

Overview:

What are the objectives of the ABND exercise?

The ABND is a way to take stock of existing social protection realities in order to understand what elements of national SPFs are in place, where "holes" in floors exist, and to move towards the achievement of a nationally defined social protection floor. The ABND exercise is the first step towards the implementation of a nationally defined social protection floor.

The social protection floor targets a situation where:

- all residents have access to affordable essential health care, including maternity care;
- all children receive basic income security and have access to nutrition, education, care, and any other necessary goods and services;
- all persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability, receive basic income security; and
- all residents in old age receive basic income security either through pensions or transfers in kind.

Different countries have different social security situations. Even countries that have completed the SPF for health care – such as Thailand – may need to extend social protection coverage for the other guarantees.

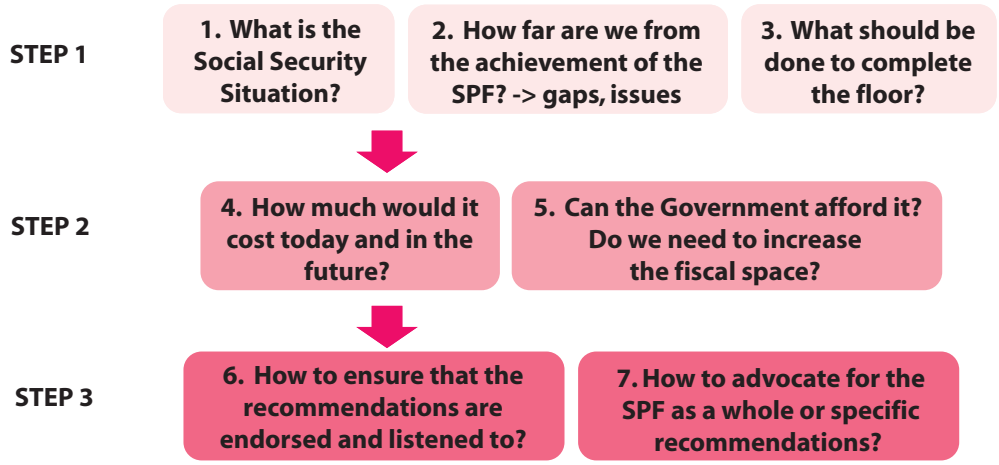
What are the main steps of the ABND process?

The ABND exercise assesses whether the SPF is a reality for the whole population in the respective countries and how it could be extended to all members of society. Policy gaps and implementation issues are identified and recommendations made for further design and implementation of social protection provisions that would guarantee an SPF for all residents and all children. The studies also seek to estimate the projected financial commitment needed in each country to implement proposed policies for closing "holes" in the SPF. As part of the social protection assessments, the ILO RAP model is used in each country to estimate the cost and affordability of implementing social protection recommendations.

To conduct the assessment based national dialogue, there are three steps involved:

- Step 1: Building the assessment matrix;
- Step 2: Costing policy options using the RAP model; and
- Step 3: Finalization and endorsement.

Figure 6. Steps of the assessment based national dialogue exercise



In Thailand the exercise was carried out from June 2011 to March 2013. In Indonesia it was carried out from April 2011 to November 2012.

How do we ensure that all stakeholders are involved from the outset?

The assessment based national dialogue is a participatory approach to identifying priority policy options for the successful and coordinated development of nationally defined social protection floors. Therefore, all relevant stakeholders, including line ministries, local government bodies, workers' and employers' organizations, civil society organizations, academicians, and development partners, should be involved from the outset.

This process takes over one year and entails bilateral consultations, tripartite workshops, and technical seminars to progressively devise a shared vision for the social security situation, the identification of policy gaps and implementation issues, and to draw appropriate policy recommendations for the achievement of a comprehensive social protection floor in line with international labour standards. The participatory approach adopted throughout the ABND exercise raises awareness among line ministries, workers' and employers' representatives, civil society organizations, and UN agencies regarding the social protection floor concept, its relevance for the country, and the importance of a coordinated, holistic approach to social protection development.

In Thailand, the assessment was conducted jointly by the Royal Thai Government (RTG)/UN team on social protection under the shared leadership of the Ministry of Social Development and Human Security and the ILO. The process also involved civil society organizations, workers' and employers' representatives, and academicians. The report was launched on 10 May 2013 at the Government House in the presence of the Minister attached to the Prime Minister's Office, the Minister of Labour, and the Minister of Social Development and Human Security.

In Indonesia, the assessment was conducted by the United Nations Partnership for Development Framework (UNPDF) sub-working group on the social protection floor under the leadership of the ILO. Several UN agencies contributed to all the steps of the process. Consultations with relevant ministries, government agencies, workers' and employers' organizations, and civil society where conducted at the national and provincial levels (in three provinces to reflect decentralized viewpoints). The Ministry of Planning and Development, Bappenas, progressively took over the coordination of the process on the government side. The Vice Minister of Bappenas and the ILO country Director jointly launched the report on 6 December 2012.

Working with stakeholders who have sufficient political power and technical expertise is critical to avoid future blockages in the process.

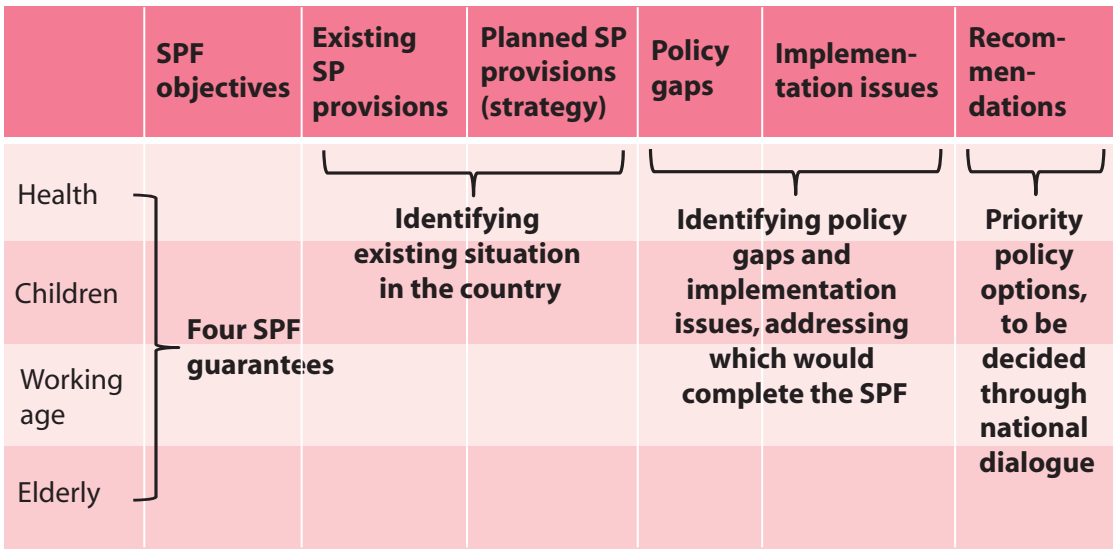
STEP 1 – Building the assessment matrix

The assessment matrix lists and describes the existing social security schemes for each of the four SPF guarantees, identifies policy gaps and implementation issues, and provides policy recommendations to further design and implement social protection provisions with the aim of guaranteeing, at a minimum, the SPF to all residents and children.

STEP 1 answers the following questions:

- What is the social security situation in the country for each of the four SPF guarantees (access to health care, income security for children, income security for the working age, and income security for the elderly)?
- For each guarantee, what are the different schemes? What are the planned schemes?
- For each scheme, what is the population covered? What are the types of transfers (in cash, in kind, access to services)? What are the levels of benefits?
- Are some parts of the population excluded by law (policy gaps)?
- Are some parts of the population excluded in practice (implementation issues related to inclusion and exclusion errors, budgetary constraints, or mismanagement)?
- What could be recommended to close the policy gaps and solve implementation issues?

Figure 7. The assessment matrix



Building the assessment matrix cannot be done through bilateral consultations only. Rather, it requires the organization of workshops involving all relevant stakeholders.

From STEP 1 to STEP 2

Recommendations may be of two types:

First type – recommendations related to the expansion of the social protection floor:

- cover more people;
- increase levels of benefits of existing non-contributory schemes;
- introduce new non-contributory benefits or programmes.

The cost of implementing such recommendations can be assessed using the ILO RAP model

Second type – other recommendations:

- new or expanded mandatory or voluntary social insurance (e.g. establish an unemployment insurance system);
- recommendations related to the operations and coordination between schemes (e.g. improve targeting mechanisms);
- qualitative recommendations (e.g. improve the education system).

The cost of implementing such recommendations requires in-depth studies (beyond the ABND exercise)

The ILO RAP model is only suitable to assess the cost of introducing the recommendations of the first type.

To facilitate the cost calculation process, it is important to translate the broad policy recommendations into specific policy options or scenarios. For instance, to calculate the cost of establishing a child allowance, we need to choose a number of parameters:

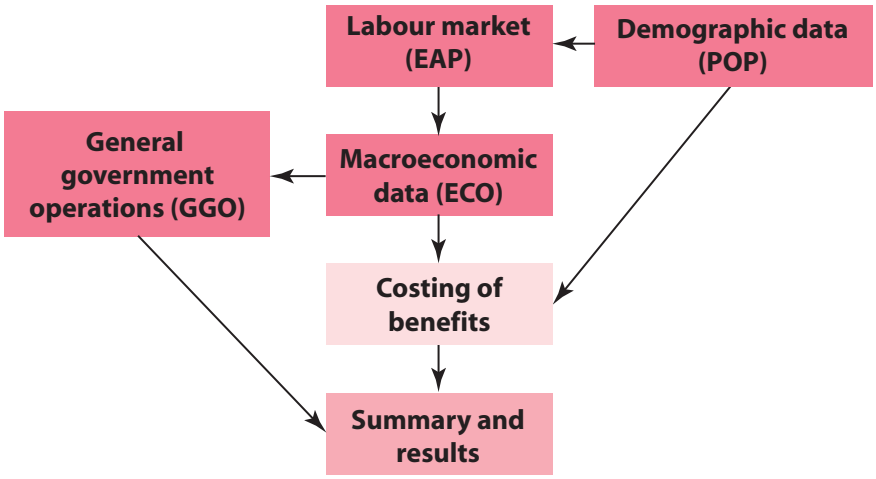
- Is it a universal or targeted child allowance?
- If targeted, will it cover poor children, very poor children, or other specific groups?
- Which age groups are eligible (for example, 0 to 3 years of age, 0 to 6, 6 to 11, and so on)?
- What is the monthly amount of the grant (total amount in the case of introducing a new benefit or additional amount in the case of increasing an existing benefit)?
- Is the allowance limited to a number of children per household?
- What is the indexation method applied to determine the level of benefits in future years?
- Other considerations.

STEP 2 – Costing policy options using the RAP model

Once the recommendations have been transformed into scenarios, the costs of the proposed social protection provisions are then estimated and projected over a ten-year period using the ILO RAP model. This costing exercise can serve as a basis for discussions on the fiscal space and government budget reallocations. In turn, the results of the costing exercise can help prioritize between possible social protection policy options.

The ILO RAP model is an Excel tool including three types of worksheets.

Figure 8. The ILO RAP model



The first type of worksheet (blue sheets) contains the following input data:

1. Demographic framework (POP worksheet) – Population data per single age and sex are inputted together with population projections.
2. Labour participation rates (LPR worksheet) or activity rates (AR worksheet) – Male and female labour participation rates are entered per age group together with projections.

3. Economically active population (EAP worksheet) – The worksheet contains the result of data from the POP worksheet multiplied with data from LPR/AR worksheet.
4. Macroeconomic framework (ECO worksheet) – Various economic indicators are recorded and projected, including the inflation rate, average monthly wage, minimum wage, poverty line(s), poverty rate(s), gross domestic product (GDP) growth rate, GDP at constant price, GDP at current price, GDP deflator, labour productivity, unemployment rate, and so on. These indicators will be used to calculate and project the cost of social protection provisions and to express these cost estimates as a percentage of GDP.
5. General government operations (GGO worksheet) – The worksheet provides information on the government's revenues (tax and non-tax) and expenditures. This information will be used to express the cost estimates of proposed policy options as a percentage of the government's expenditures.

The second type of worksheet (green sheets) requires participants to describe each policy option, choose detailed parameters, and use the blue sheets to calculate the cost of introducing the policy options. Participants shall create at least one sheet per SPF guarantee.

The case study attached to this guide includes six sheets corresponding to:

- health care guarantee;
- children guarantee;
- working age guarantee;
- old age guarantee;
- maternity guarantee;
- human immunodeficiency virus (HIV) guarantee.

In most countries, trying to find reliable data is a challenge. It is important to partner with institutions such as the Institute of Statistics in Indonesia, or research institutes such as Health Insurance System Research Office (HISRO) and Thailand Development Research Institute (TDRI) in Thailand that can provide comprehensive and coherent datasets together with sound macroeconomic projections. Data from national sources should be given priority, including household surveys for age distribution, determination of specific parameters, quantification of beneficiaries, and persons covered by existing schemes. Existing international data sources may also be used, notably for projections. These include the UN Population Prospects, the ILO's labour force estimates and projections, the IMF's government finance statistics and projections, among others. Additionally, technical experts may have to be consulted to decide on the parameters for calculating the cost of the scenarios. In Indonesia, for instance, the Joint United Nations Programme on HIV/AIDS (UNAIDs) supported the development of the scenarios related to HIV/AIDs.

The third type of worksheet (red sheet) presents the final results of the RAP model. Participants can propose several combined benefit packages and present for each the results of the cost calculations and projections. The results are expressed in national currency, as a percentage of GDP, and as a percentage of government expenditures. Low and high combined benefit packages can be proposed in order to give several options to the government. Graphs depicting the cost calculations and projections can be generated in Excel.

The cost of introducing the combined benefit package is then added to government expenditures, resulting in most cases in an unbalanced budget. This means that additional fiscal space needs to be created by increasing revenues or reallocating expenditures.

STEP 3 – Finalization and endorsement

The recommendations are shared with government representatives, workers and employers, and civil society organizations with a view to validate the report technically and have it endorsed politically.

The technical validation includes the confirmation of the description of the social security situation, the endorsement of the proposed scenarios, and the validation of the parameters and assumptions used in the cost calculations. The technical validation process can be quite lengthy and time consuming given the number of relevant actors (and particularly the number of relevant ministries: health, education, labour, social affairs, planning, finance, and so on). Using a national coordination mechanism helps to accelerate and ease the process. In Thailand, for instance, the Subcommittee on Policy and Planning of the National Commission on Social Welfare – which includes all relevant line ministries – coordinated and compiled all technical comments on the draft ABND report.

In addition to the technical validation, a political endorsement of at least some of the policy recommendations proposed in the report needs to be reached. This can only be achieved by communicating and advocating for the recommendations at the ministerial level. Finding a champion that will advocate for these recommendations at the highest level may be an efficient strategy. In Indonesia, the Ministry of Planning (Bappenas) has taken over the role of advocating for the recommendations of the assessment report. In Thailand, the National Economic and Social Development Board (NESDB) is supporting some of the recommendations of the report, such as the development of a comprehensive long-term care system and a child support grant.

To advocate for and promote some specific policy options from the ABND exercise, one can bring evidence from other countries, develop models that demonstrate the impact of those policy options on the sustainable reduction of poverty, increase in employment, economic growth and other indicators, develop rate of return models, and use marketing and communications to inform the general public, civil society networks, workers' and employers' representatives, the parliament, and the government.

Takeaway message:

The assessment based national dialogue exercise is a methodology developed by the ILO to support ILO Member States in further developing nationally defined social protection floors. The joint development of an assessment matrix aims to diagnose the social security situation in a country, identify policy gaps and implementation issues, and propose new or expanded SPF provisions. Based on the ILO RAP model's calculations, the cost of introducing these provisions is assessed and projected over a number of years. The shared diagnosis of the social security situation and results of the RAP model feed a national dialogue on future national social protection priorities for action.

Resources:

		textbook	*e-box*
	Master module 4 – Introduction to the assessment based national dialogue exercise	✓	✓
	Presentation – Introduction to the assessment based national dialogue exercise		✓
	Presentation – The experience of conducting the ABND exercise in Indonesia		✓
	Introduction to the assessment based national dialogue exercise		
	Part 1 – ABND process towards achieving the SPF		✓
	Part 2 – Conducting the ABND exercise in Indonesia		✓
	Part 3 – Questions and opinions		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 5

"Jeopardy" game on social protection systems in Asia

Duration: 1.5 hours

Prerequisites: Modules 2, 4

Key questions:

1. What is the social protection situation in countries of Asia and the Pacific region?
2. What are existing social protection policies, programmes, schemes, gaps, and issues?

Objectives:

This module is designed to test participants' knowledge of social protection systems in Asia and the Pacific countries. It also allows them to earn budget money in order to design a social protection system in Coresia during the case study sessions.

Overview:

A game named *Jeopardy* is organized. The participants are divided into six groups, with each group containing a mix of participants from different countries and organizations. Each group represents one of six social security guarantees, namely health care, children, working age, elderly, maternity, and HIV. It is desirable to have not more than eight people per group. Depending to the number of participants, additional groups may be created for guarantees such as disability and migrants. If there are fewer participants, maternity and HIV may be included under "health care". For six groups, a total of 24 questions are asked during the game with four questions directed to each group.

The questions are designed around the social protection systems in the participating countries. This enables people to gain a better understanding of social protection development in the region. The questions deal with health and social protection systems, benefits and transfers, status of achieving the SPF in a country, national strategies and objectives, social and health expenditures of governments, stakeholder involvement, design and implementation gaps, policy recommendations, cross-cutting issues, monitoring and evaluation frameworks and indicators, coverage figures, portability of benefits, notable achievements and initiatives in countries, and so on.

Each group starts playing the game with no points. Points are added or deducted for each correct answer and wrong answer, respectively. At the end of the game, the points for each group are calculated. This is converted to budget money. The money is allotted to groups for designing and implementing social protection scenarios in later modules. The budget for all the teams is recorded in the Budget table and pinned up on a board for future reference. The teams are given an opportunity to win more budget money in Module 9 when they play a game called "*Who wants to be a Protectionaire?*"

The questions are recorded in the presentation on *Jeopardy*. The game has four rounds and a time limit of 45 seconds for each question. Special questions such as Joker (full points but no question) and Jackpot (bonus points for answering the question correctly) are also present. The game's instruction sheet gives further game details.

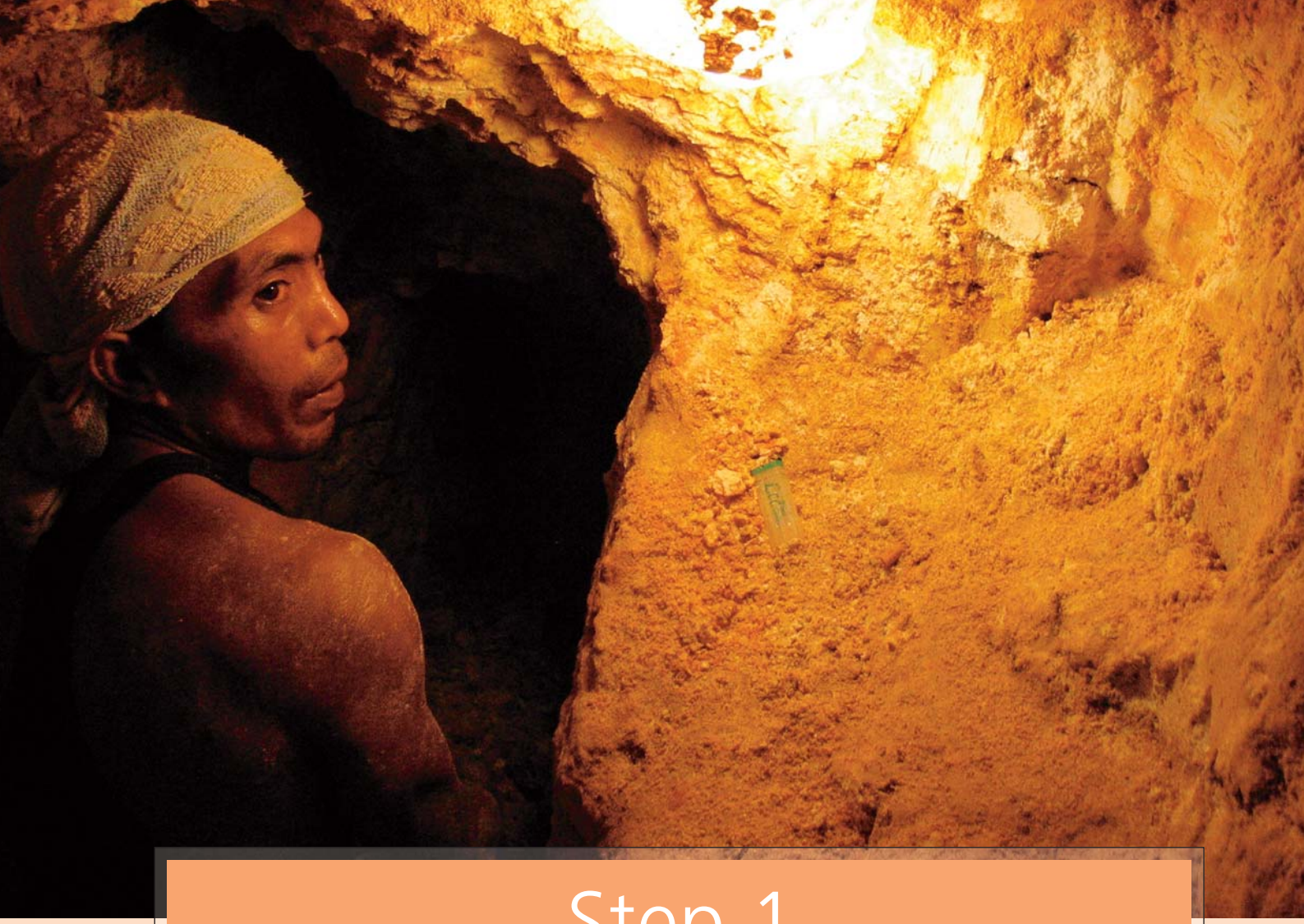
Takeaway message:

Jeopardy helps participants to start thinking about social protection policies, programmes, challenges as well as the situation in various countries of Asia and the Pacific region. Groups are encouraged to play with a healthy competitive spirit in order to win budget for designing their social protection systems.

Resources:

		textbook	*e-box*
	Master module 5 – Jeopardy	✓	✓
	Presentation – Jeopardy		✓
	Instruction sheet – How to play "Jeopardy" and the points conversion table		✓
	Budget table		
	Video of the game		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/



Step 1

Building the assessment matrix

MODULE 6
Building the assessment matrix

Duration: 2 hours

Prerequisites: Modules 2, 4

Key questions:

1. What is the structure of the assessment matrix?
2. What are the benchmarks to assess the social protection situation?
3. What are the main parameters to describe existing schemes?
4. What are the policy gaps and implementation issues?
5. How to qualify and quantify policy gaps and implementation issues?
6 What methods can be used to progressively develop a shared diagnosis of the social security situation and recommendations for new or expended SPF provisions?

Objectives:

This module explains in detail the process of building the assessment matrix. It aims to create a shared diagnosis of the social security situation, identify policy gaps and implementation issues, and propose new or expanded SPF provisions. The module provides a methodology to be used to complete the matrix and to come up with shared recommendations to complete the social protection floor.

Overview:

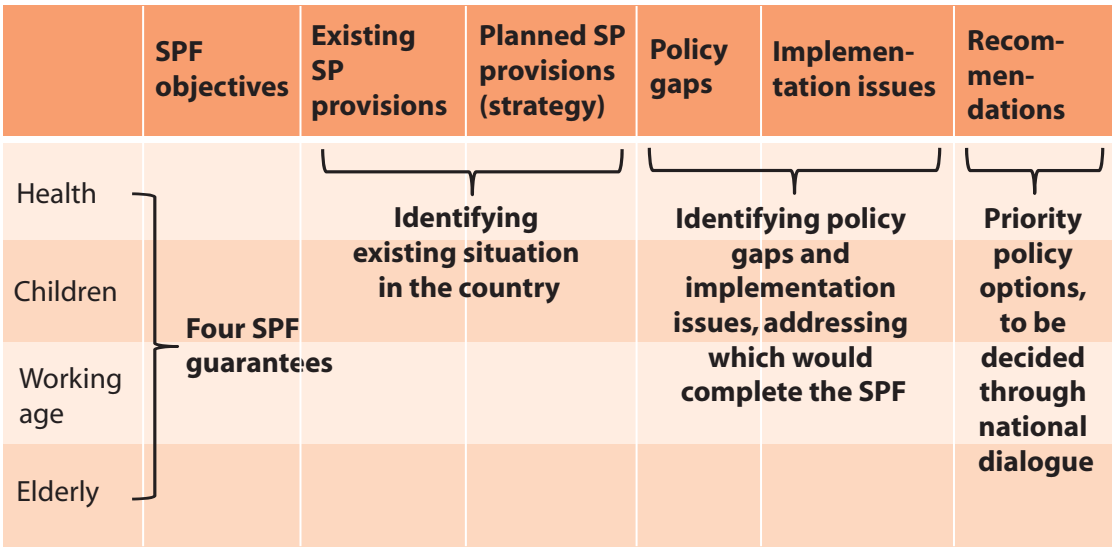
What is the structure of the assessment matrix?

The assessment matrix includes one row for each guarantee of the social protection floor and one column for each of the following: SPF objectives, existing social protection provisions in the country, planned social protection provisions, policy gaps, implementation issues, and recommendations.

For each guarantee, participants complete the assessment matrix by:

- recalling the SPF objectives;
- describing existing and planned social protection provisions in the country;
- comparing the country's social protection situation with SPF objectives and identifying possible policy gaps and implementation issues; and
- agreeing through discussions with all stakeholders on priority recommendations to achieve SPF objectives.

Figure 9. The assessment matrix



What are the benchmarks to assess the social protection situation?

For each guarantee (access to health care, income security for children, income security for the working age group, income security for the elderly), participants recall the SPF objectives related to these guarantees. The SPF objectives can serve as benchmarks against which all social protection provisions can be assessed.

The first guarantee, namely access to health care, aims at a situation where all residents have access to a nationally defined set of goods and services that constitutes essential health care, including maternity care, which meets the criteria of availability, accessibility, acceptability, and quality.

The second guarantee, namely income security for children, aims at a situation where all children enjoy basic income security, at least at a nationally defined minimum level, providing access to nutrition, education, care, and any other necessary goods and services.

The third guarantee, namely income security for the working age group, aims at a situation where all residents in active age who are unable to earn sufficient income enjoy basic income security, in particular, in cases of sickness, unemployment, maternity and disability.

The fourth guarantee, namely income security for the elderly, aims at a situation where all residents in old age enjoy basic income security at least at a nationally defined minimum level.

According to the Social Protection Floors Recommendation, 2012 (No. 202), Member States should give consideration to the following (paragraph 8):

(a) persons in need of health care should not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care. Free prenatal and postnatal medical care for the most vulnerable should also be considered;

(b) basic income security should allow life in dignity. Nationally defined minimum levels of income may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice, and may take into account regional differences.

The national dialogue which takes place while building the assessment matrix also contributes to the progressive definition of a shared social protection vision for the country which constitutes the nationally defined social protection floor.

What are the main parameters to describe existing schemes?

In the subsequent column, participants list existing social protection schemes for each guarantee. These schemes may be contributory or non-contributory, targeted or universal, mandatory or voluntary.

To describe each scheme, a number of parameters are necessary as indicated in the example of the "500 baht scheme" in Thailand: name of scheme, name and references to the laws and regulations, responsible body (name of ministry or institution), target group and eligibility criteria, number of persons actually covered (and as a percentage of the target group), types and levels of benefits provided (cash or in-kind benefits, periodic or lump-sum payments, means-tested or universal, and so on), and financing sources (general tax revenues, workers' contributions, employers' contributions, and external funding).

Figure 10. Parameters to describe a social security scheme

Name of the scheme	Legal framework	Responsible body	Target group	Eligibility criteria	Population covered	Benefits	Financing
"THB500 scheme"	Old Age Act B.E. 2546 (2003) Specific regulations in 2009 (on disbursement criteria and methods)	Local Administration under the responsibility of the MSDHS	Thai elderly who do not receive any other public pension	• Thai nationals • Age 60+ • Register at local admin. • Domicile in district of local govt. • Not receiving other old age pension	In 2011, 72.4 per cent of the elderly over 60 years of age	THB600 60–69 years of age, THB700 70–79 years of age, THB800 80–89 years of age, THB1,000 90 and +	General tax revenues

In addition to the description of existing schemes, it is also interesting to learn about the government's vision and its social security strategy. This information will be particularly useful when providing recommendations to the government so as to ensure that the recommendations are in line with the government's strategy.

What are the policy gaps and implementation issues?

Participants then compare the inventory of existing and planned schemes with the SPF guarantees. In some cases the social protection floor can be considered as achieved for certain guarantees. This is the conclusion that was reached in Thailand for health care. In most cases, however, the social protection floors' objectives are clearly not achieved. This may be due to a policy gap or an implementation issue. In conducting such an analysis, particular attention should be given to the level of coverage and access to benefits among women and men, and conclusions made on whether equal protection is guaranteed.

Policy gaps

- Policy gaps occur when a share of the population is not covered by the social security law. In most cases, uncovered populations include informal sector workers, dependants of formal sector workers, migrant workers, people with disabilities, domestic workers, and other specific vulnerable groups.

- Policy gaps may also come about in situations of ad-hoc policies and absence of legal frameworks. This is the case for many anti-poverty, donor-driven programmes that provide scholarships, cash transfers, school feeding, and take-home rations to poor and vulnerable households. These programmes often are not embedded in national legislations.

- Policy gaps also arise in the absence of schemes for some of the SPF guarantees. In Cambodia, for instance, there is no existing old-age pension scheme in place.

- Policy gaps also happen when the levels of benefits are insufficient to guarantee income security. For instance, lump-sum payments upon retirement and non-indexed pensions do not provide sufficient protection in old age. Existing social transfers may not be set at an adequate level to have a significant impact on poverty reduction.

- In some cases the benefit packages are not adapted to the needs of the people or to changing environments. Transportation costs in case of emergencies are not covered in many health care packages. This exclusion may have dramatic consequences in countries like Indonesia where the population is scattered across 17,000 islands.

- In ageing societies, new needs may arise for people with dependencies that are not yet taken into account by existing policies (e.g. the need for long-term care).

- Benefit packages that are not portable or the absence of provisions in cases of unforeseen events – such as major economic recessions or natural disasters – entail a lack of responsiveness which can be considered as a policy gap.

- A lack of clarity of what is included in a benefit package may lead to difficult situations where beneficiaries cannot claim benefits for which they are entitled. This is the case when a health care package is assumed to cover "everything" when in practice it only covers what is available at the point of delivery, i.e. in the public health care facilities.

- In some cases the law cannot be implemented because the law has no decrees for implementation or rules and regulations. This is also considered a policy gap.

- Lack of portability of social security benefits can be also considered as a policy gap because it leads to situations where workers who have worked for multiple employers or have moved from one scheme to another may never be entitled to receiving an old-age pension.

Implementation issues

- Implementation issues occur when, despite existing policies or legislation, beneficiaries do not have effective access to their entitlements.

- Implementation issues can come about as a result of weak enforcement of existing social security laws. This can happen, for instance, when formal sector employers fail to register all their employees and when the social security office does not have the inspection services in place to ensure full registration and regular payments of contributions. Evasion of social security contributions may happen as well when employers outsource a share of their activities to self-employed workers and small- and medium-sized enterprises.

- Implementation issues may take place in cases of supply-side shortages. For example, despite universal access to social health protection in Thailand, some people in rural and remote areas have limited access to health services due to unequal distribution of facilities and skilled personnel (professional doctors and civil servants may be reluctant to relocate to remote or rural areas).

- Lack of communication with and awareness among final beneficiaries may also lead to low utilization rates of social protection services. People may not have complete information about the schemes they are eligible for and the benefits available to them. In addition, they may not understand programme registration processes. For non-nationals, information on social protection programmes may not be available in their own language.

- The proliferation of anti-poverty programmes in some countries may lead to inefficiencies and administrative burdens. This can stem from each programme establishing its own registration procedures and targeting methods instead of building synergies between programmes by sharing common administrative functions.

- Fragmentation of programmes may lead to duplication where beneficiaries are covered by more than one scheme for the same contingency. This is especially an issue in the absence of a common identification and management information system.

- Many schemes have ambitious policies or mandates but inadequate resources or capacities to reach out to new members and beneficiaries. This is often the case with social security institutions that are attempting to expand voluntary insurance schemes to self-employed workers. This is the case in Thailand where the social security office aims to expand social security coverage to informal economy workers under the provisions of the Social Security Act, article 40.

- Ineffective monitoring and evaluation systems make it difficult to track whether or not the policy is effectively implemented.

When you do this exercise it is important to keep in mind that in most countries specific vulnerable groups may be excluded from the law or may be excluded in practice. These groups include people living with HIV or with other chronic diseases, migrant workers, refugees, domestic workers, people with disabilities, indigenous people, stateless people, and, in some cases, women and children.

How to qualify and quantify policy gaps and implementation issues?[8]

Policy gaps can be qualified and quantified by answering the following questions:

- What is the scope of existing social security provisions? The social risks and contingencies against which some groups of the population are covered need to be listed by looking at the existing legal framework.

- How many persons are legally covered? For each branch of social security (health care, maternity, old-age pensions, and so on), the groups in the population that are legally covered should be identified (e.g. only salaried workers employed in enterprises of ten or more salaried workers). Then their number needs to be assessed (by using available statistical information quantifying the number of persons concerned at the national level). Then this number needs to be divided by the appropriate reference group, such as the total number of employed persons (including employees and the self-employed), the total number of economically active persons, the working age, or the total population.

- Is the statutory level of benefits adequate? To answer this question, the statutory level of benefits can be compared with benchmarks such as the poverty line, minimum wage, or any other level of reference of what could represent basic income security.

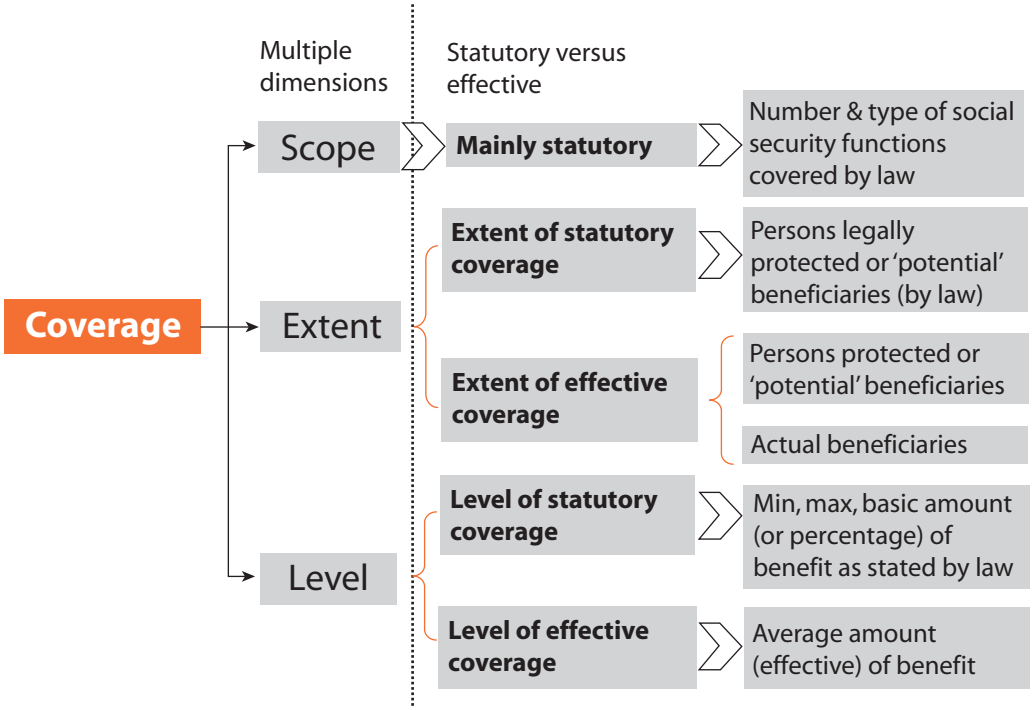
Implementation issues can be qualified and quantified by answering the following questions:

- How many persons are effectively covered? This should include the number of persons effectively covered by statutory schemes, as well as the number of persons effectively covered by programmes without a statutory basis (e.g. pilot programmes). Note that effective coverage can be measured by two complementary though separate concepts: (a) persons effectively protected in case a risk or contingency occurs (for instance all members of social health insurance schemes or all contributors to pension schemes); and (b) beneficiaries who actually receive benefits or utilize services (for instance all those who have claimed at least one health insurance benefit during the year or all elderly persons receiving a pension).

- Is the actual level of benefits adequate? To answer this question the benefits actually received by beneficiaries (e.g. unemployment benefits or pensions paid) can be compared with benchmarks such as average earnings, minimum wage, or the poverty line. In the case of contributory pension schemes, the effective level of coverage may also relate to future benefit levels.

[8] Source: adapted from International Labour Office: *World Social Security Report 2010/11: Providing coverage in times of crisis and beyond* (Geneva, 2010).

Figure 11. The multiple dimensions of coverage



Source: F. Bonnet, PowerPoint presentation "*Diagnostic and analytical tools to support the extension of social security*" (Geneva, ILO, 2013).

Agreeing through discussions with all stakeholders on priority recommendations to achieve SPF objectives

The proposed recommendations shall aim to close policy gaps, solve implementation issues, and complete the SPF.

Formulating recommendations shall be done through discussions with line ministries, local government representatives, workers' and employers' organizations, civil society, and other stakeholders.

Heated debates may arise over most relevant recommendations and broad policy design options. In Thailand, for instance, stakeholders disagreed on the type of child allowance to be proposed to the government with some advocating for a universal allowance and others pushing for a targeted programme. Other discussions may arise regarding necessary trade-offs between long-term investments in social protection (building a comprehensive social health protection or education system) versus short-term interventions (distributing tablet computers for children in primary schools or staple food to vulnerable households).

What methods can be used to progressively develop a shared diagnosis of the social security situation and recommendations for new or expanded SPF provisions?

Initially, information on social protection schemes may be collected by:

- conducting a literature review;
- reading monitoring reports;

- referring to relevant laws and regulations;
- reading annual and statistical reports of the schemes and programmes;
- directly contacting the institutions responsible for operating the main social protection schemes; and
- analysing household survey data, such as surveys on household incomes and expenditures (particularly when the main social protection programmes are identified in the survey questionnaires), demographic and labour force surveys, health surveys, and assessments of the health and education systems.

The information collected should provide an overview of existing social protection provisions and data on the target group not actually covered or insufficiently covered. It is useful to know what parts of the target group are not adequately covered, what their needs are, what their capacities for making social contributions are, their skills and ability to work, and their situation in the labour market. This information can help us define adequate and different options to cover major parts of the population in need of protection.

Following this, the participants can acquire further detailed knowledge of each scheme and learn about possible implementation issues, through bilateral consultations with relevant institutions, ministries, workers' and employers' organizations, as well as civil society. Talking to relevant stakeholders may be the only way to capture information that is not available in writing.

Once a first draft of the assessment matrix is ready, a national workshop can be organized to share the preliminary findings with stakeholders, confront the stakeholders with different views and positions, update the available information, and come up with shared recommendations on ways to complete the SPF for each of the four guarantees.

Takeaway message:

The assessment matrix is used to understand the social protection situation of the country. This situation is usually linked with the country's sense of social justice, culture, and history. The social protection situation can be described by reviewing existing laws and regulations and by gathering information on the effective implementation of social protection schemes. By comparing the social protection situation with the social protection floor's objectives, a number of policy gaps and implementation issues may be identified and discussed among stakeholders. Finally, recommendations shall be formulated to close the gaps, overcome implementation issues, and achieve a nationally defined social protection floor.

Resources:

		textbook	*e-box*
	Master module 6 – Building the assessment matrix	✓	✓
	Presentation – Building the assessment matrix		✓
	Presentation – Qualifying and quantifying policy gaps and implementation issues		✓
	Self-learning tutorial – Building the assessment matrix		✓
	Building the assessment matrix Part 1 – Developing the assessment matrix for a country Part 2 – Experience of constructing the matrix for Thailand Part 3 – Questions and opinions		✓ ✓ ✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 7

World Café to identify policy gaps and implementation issues

Duration: 1.5 hours

Prerequisites: Modules 2, 3, 4, 6

Key questions:

1. What is the objective of World Café?
2. What is World Café?
3. What is the methodology for the activity?
4. What is the role of café managers?
5. What is the outcome of the activity?

Objectives:

World Café is a group activity that aims to identify policy gaps and implementation issues that commonly occur in participating countries. It is a way to facilitate the sharing of experiences.

Overview:

World Café is a group activity in which participants identify policy gaps and implementation issues that are commonly found in various countries. Participants are encouraged to draw from the experiences in their own countries during this activity.

In this session, four cafés are formed, each representing the following guarantees:

- health and HIV;
- working age and maternity;
- children;
- elderly and disabled.

Each café is headed by a café manager who stays in their own café. Participants may volunteer to become café managers or the managers may be selected by the organizers. Participants are organized into four groups. Each of the four groups visits one of the four cafés and spends 15 minutes sharing their experiences and brainstorming to identify possible policy gaps and implementation issues for the guarantee represented at that café. After 15 minutes, all four groups visit the next café to discuss possible policy gaps and implementation issues for that guarantee. This is repeated four times, giving the groups a chance to visit all four cafés.

Once the four groups have finished their discussions at each of the cafés, the café managers make a consolidated list of the policy gaps and implementation issues identified by each of the groups. This is called a World Café report. Each manager then summarizes and presents the issues brought out at their café to the entire classroom. The World Café reports made by the café managers are pinned up on a board so that participants may refer to them during their case study discussions.

Takeaway message:

This session enables participants to share experiences from their own countries on common issues and problems faced while developing a comprehensive social protection system. Many common issues may come to light. This group activity makes it easier to identify policy gaps and implementation issues in the case study discussions for Coresia.

Resources:

	textbook	*e-box*
Master module 7 – World Café	✓	✓
Presentation – World Café		✓
Instruction sheet – How to conduct "World Café"? and commonly identified policy gaps and implementation issues		✓
Video of the group activity		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 8

Case study on filling the assessment matrix

Duration: 3 hours

Prerequisites: Modules 4, 6, 7

Key questions:

1. How is the module organized?
2. Which tools can be used?
3. Is there a unique solution to the exercise?
4. Why is this exercise important?

Objectives:

The objective of this module is to have participants carry out the first step of the ABND process, namely to complete the assessment matrix. This module is designed to give participants practical experience in the process of conducting the ABND exercise through reading and analysing case studies based on a fictitious country, Coresia. By working in groups, participants are encouraged to exchange ideas and solutions.

Overview:

How is this module organized?

Six case studies have been developed. They describe the social protection situation in Coresia related to access to health care, income security for children, income security for the working age group, and income security for the elderly. Two additional case studies have been designed covering maternity care and HIV.

Participants are divided in six groups (one for each case study). Distribution of the participants into groups may be decided beforehand to ensure that each group has a mix of participants from different countries and backgrounds and people with experience in that guarantee field.

Group No. 1	Case study No. 1: The challenge of improving health of the people in Coresia
Group No. 2	Case study No. 2: The challenge of providing adequate education, childcare, and nutrition in Coresia
Group No. 3	Case study No. 3: The challenge of providing income security to the working age population in Coresia
Group No. 4	Case study No. 4: The challenge of providing income security to the elderly people in Coresia
Group No. 5	Case study No. 5: The challenge of providing universal maternity care in Coresia
Group No. 6	Case study No. 6: The challenge of combating HIV and syphilis in Coresia

The activities and tentative durations are described in the table below:

Table 1. Timetable for the case study exercise on filling the assessment matrix

Tentative duration	Activity	Who does what
30 minutes	Study the case individually	Individually
2 hours	Discuss the case within the group	Group discussion
	Compile research conducted individually	Facilitator
	Discuss and draft possible recommendations	Facilitator
	Complete the matrix	Note-taker
5 minutes per group	Present the matrix to all the participants	Presenter

Each group has a facilitator to ensure that the discussion stays focused and a note-taker in charge of filling in the matrix.

During the discussion, participants may share their analysis of the situation and compile all the research conducted individually. Participants may then collectively create a list of possible recommendations.

After completing the matrices, each group nominates one member to summarize their given case to the rest of the participants and explain the completed assessment matrix.

Questionnaire (to study the case individually)

Participants can fill in the inventory table of existing social protection schemes and answer the questions related to the social protection strategy, policy gaps and implementation issues.

a) Inventory table on existing social protection schemes:

Table 2. Blank inventory table on existing social protection schemes

Blank inventory table							
Scheme name	**Legal framework**	**Responsible body**	**Target group**	**Eligibility criteria**	**Actual population covered**	**Benefits**	**Financing**

b) What is foreseen in the government's strategy?

.....

.....

.....

.....

c) What are the main policy gaps?

No. 1 Is the social protection floor achieved? (Does the entire population have access to the guarantee?)

No. 2 Has the country developed a legal framework to guarantee access to social protection benefits?

No. 3 Has the country developed rules and regulations to ensure that the law can be implemented?

No. 4 Are all the people covered by the social security law? If not, who is not covered?

No. 5 Are some of the schemes established on a pilot or ad-hoc basis without any legal base?

No. 6 For those covered by the social security law, is the level of protection sufficient and adapted to the peoples' needs?

No. 7 Are the benefit packages clearly defined?

d) What are the main implementation issues?

No. 1 What proportion of the population is entitled to social security but has no access to social protection benefits?

No. 2 Is the supply of social services adequate in all parts of Coresia?

No. 3 Is the population aware of existing social protection schemes and of their entitlements?

No. 4 Are all programmes efficiently managed and properly staffed? Do they rely on a proper management information system?

Completing the assessment matrix

Based on individual research and the discussion within the group, each group shall collectively build the following assessment matrix (see table 3).

Is there a unique solution to the exercise?

A sample solution with completed matrix is provided in the e-box. However, this solution should not be considered as the only solution to the exercise. New ideas and recommendations may emerge through discussions that are not mentioned in the sample solution. This solution may be used by trainers as a reference to understand the purpose of the case study exercise. It is encouraged to allow the discussion to flow naturally while conducting this session rather than guiding participants to the sample solution.

Table 3. Blank assessment matrix

ASSESSMENT MATRIX Group: "....."					
Government strategy	Existing provisions		Differences from SPF		Recommen-dations
	Scheme	Overview of scheme	Policy gaps	Implementation issues	

Why is this exercise important?

This simulation prepares participants for real-life experiences. Participants are trained to do a literature review (by reading all the cases), to describe the schemes and their key parameters, to identify policy gaps and implementation issues (and quantify the gaps and issues, if possible), to discuss possible solutions to complete the social protection floor, and to set priorities among possible recommendations.

Although the cases represent a fictitious country, they are based on actual situations and recommendations formulated during ABND exercises in various ASEAN countries. For instance:

- The case on health is loosely based on the social protection situation and recommendations to extend coverage in Indonesia.
- The case on children aims at introducing a child support grant such as in Thailand or Cambodia.
- The case on income security for the working age group was built on the recommendations to develop a skills development programme in Thailand and to establish a public works programme in Viet Nam.
- The case on income security for older people is based on the recommendations to expand the minimum pension system in Viet Nam and to index the old-age minimum allowance in Thailand.
- The case on maternity is inspired by the recommendation to establish a maternity benefit in Thailand.
- The case on HIV/AIDs relates to the recommendation to introduce anti-retroviral treatment for people living with HIV and interventions to reduce mother-to-child-transmission of HIV and syphilis in Indonesia.

Takeaway message:

Completing the assessment matrix is composed of two main steps:

- understanding the social protection situation and comparing it with the SPF benchmarks; and
- coming up with a shared diagnosis of the social security situation and jointly proposing relevant solutions.

The first step is mainly conducted through a literature review and bilateral consultations. The second step requires broader consultations and the confrontation of different opinions, which cannot be achieved without a proper national dialogue.

Through this module, participants will familiarize themselves with existing tools (e.g. the inventory table on existing social protection schemes and the assessment matrix), conduct a literature review by reviewing the "case" individually, exercise their judgement by identifying policy gaps and implementation issues, and simulate a national dialogue to come up with a shared diagnosis of the social security situation and prioritize among several recommendations.

Resources:

	textbook	e-box
Master module 8 – Case study on filling the assessment matrix	✓	✓
Case study and assessment matrix		✓
Introductory part for all case studies	✓	✓
Case study No. 1: The challenge of improving health of the people in Coresia and sample solution	✓	✓
Case study No. 2: The challenge of providing adequate education, childcare, and nutrition in Coresia and sample solution	✓	✓
Case study No. 3: The challenge of providing income security to the working age population in Coresia and sample solution	✓	✓
Case study No. 4: The challenge of providing income security to the elderly people in Coresia and sample solution	✓	✓
Case study No. 5: The challenge of providing universal maternity care in Coresia and sample solution	✓	✓
Case study No. 6: The challenge of combating HIV and syphilis in Coresia and sample solution	✓	✓
Blank assessment matrix (to be filled in)		✓
Questionnaire (to study the case individually)		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 9

"Who wants to be a protectionaire?" game on the assessment matrices of participating countries

Duration: 1.5 hours

Prerequisites: Modules 2, 4, 6

Key questions:

1. What is the social protection situation in participating countries at this course?
2. What are the main existing policies, programmes and schemes, gaps and issues, and recommendations for improvement?

Objectives:

This module is designed to test participants' knowledge of social protection systems in participating countries. It also allows them to earn additional budget money which they can use to design and advocate social protection provisions in Coresia during the case study sessions.

Overview:

All participants are provided with blank assessment matrices along with the invitation to the training course. The participants from a particular country are asked to fill the matrix according to their understanding of the social security system in the country. Each country has to submit one completed matrix to the organizers before the start of the training course. Organizers can check the information and complete the matrices if needed.

At the end of module 8, the country assessment matrices are distributed among participants so that they may learn about the social security systems in another country. Participants are divided into the same six groups as during "Jeopardy" and the case study session. Each group is given 1-2 country matrices to read and prepare a game scheduled for the next morning. The organizers should ensure that the groups are formed in such a way that no one receives the matrix of their own country. The participants are asked to study the country matrices in the evening.

During the game, participants are asked questions designed to test their knowledge of the assessment matrices filled by the participating countries, i.e. the existing policies and programmes, policy and implementation gaps identified in the countries, and suitable recommendations. Ideally this session should be organized on the next day to give participants a chance to study the country matrices carefully.

The organizers may design the questions around existing policies and schemes, regulatory frameworks, government objectives, status of achieving the SPF in the country, or financing of schemes. The questions may also deal with population groups targeted by the schemes, benefit levels and criteria for availing them, actual coverage of target groups, policy and implementation gaps, recommendations to complete the SPF, and so on.

Each of the six groups is asked four questions. The group members discuss among themselves and give an answer within 45 seconds. In case a group requires help with a question, they can avail one of two lifelines: "50-50" or "ask the country". Further details are in the instruction sheet.

Each group starts playing the game with no points. Points are added or deducted for correct and wrong answers, respectively. At the end of the game, the points for each group are calculated. This is converted to budget money. The money is allotted to groups for designing and implementing social protection scenarios in later modules. The budget for all the teams is recorded in the Budget table and pinned up on a board for future reference.

Takeaway message:

Similar to *Jeopardy*, this session helps participants gain an understanding of where neighbouring countries stand with regards to implementing a comprehensive social protection system. The groups may be further encouraged to win more money to add to their budget.

Resources:

		textbook	*e-box*
	Master module 9 – Who wants to be a protectionaire?	✓	✓
	Blank assessment matrix to be filled by countries		✓
	Assessment matrices filled by participating countries		✓
	Presentation – Who wants to be a protectionaire?		✓
	Instruction sheet – How to play "Who wants to be a protectionaire?" and the points conversion table		✓
	Budget table		✓
	Video of the game		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

Step 2

Costing policy options using the RAP model

MODULE 10
Converting recommendations into policy options

Duration: 1.5 hours

Prerequisites: Modules 2, 3, 4, 6, 7, 8

Key questions:

1. How do we select recommendations that can be translated into scenarios?
2. How do we design scenarios?
3. What are low and high scenarios?
4. What assumptions can be made and when do we need to make them?

Objectives:

The recommendations identified in the assessment matrix have to be converted into specific policy options – known as scenarios – so that the cost of implementing each option can be estimated and stakeholders can subsequently decide whether to move ahead with the implementation. The objective of this module is to design practical scenarios.

Overview:

This module includes a presentation on converting recommendations into policy options and designing scenarios, as well as a practice session where participants are asked to develop scenarios based on the case study.

How do we select recommendations that can be translated into scenarios?

The second step of the ABND process involves converting recommendations into policy options or scenarios and estimating the cost of implementing the scenarios using the costing tool called the Rapid Assessment Protocol. Recommendations may be of two types:

First type – recommendations related to the expansion of the social protection floor:

- cover more people;
- increase levels of benefits of existing non-contributory schemes;
- introduce new non-contributory benefits or programmes.

The cost of implementing such recommendations can be assessed using the ILO RAP model

Second type – other recommendations:

- new or expanded mandatory or voluntary social insurance (e.g. establish an unemployment insurance system);
- recommendations related to the operations and coordination between schemes (e.g. improve targeting mechanisms);
- qualitative recommendations (e.g. improve the education system).

The cost of implementing such recommendations requires in-depth studies (beyond the ABND exercise)

The ILO RAP model is only suitable to assess the cost of introducing the recommendations of the first type. This module therefore focuses on the first type of recommendations.

Recommendations may be selected for converting into scenarios based on several conditions. Some recommendations may be selected because they are in line with the government's current priorities for the country or because they are strongly advocated by representatives of the persons concerned. Some recommendations may be chosen based on whether data is available for the cost estimation exercise. When data is not available, the people conducting the ABND process need to formulate reasonable assumptions to make up for the unavailable data. Common sources of data are line ministries, national statistics offices, and research institutes.

How do we design scenarios?

The designing of scenarios is best explained through practical examples. For instance, in Indonesia, the following recommendations were made for the "children" guarantee:

1. expand the Conditional Cash Transfer (CCT) programme to more areas and more households;
2. explore merging the CCT and scholarship programmes;
3. explore and calculate the cost of a universal child allowance programme; and
4. improve management and efficiency of the Raskin Food Programme.

Out of these, the costs of the first and third recommendations can be estimated using the RAP model. The second and fourth recommendations are qualitative in nature and would need further studies. They would possibly incorporate changing administrative structures and processes, modifying regulatory frameworks, and arranging training programmes for staff.

Broad policy recommendations are then translated into specific policy options or scenarios. For instance, to calculate the cost of establishing a child support grant in Thailand, it was necessary to choose a number of parameters, such as:

- Is it a universal or targeted child support grant?
- Will it target poor children, very poor children, or other specific groups?
- Which age groups are eligible (0–3 years of age, 0–6, or 6–11)?
- What is the monthly amount of the grant (total amount in the case of introducing a new benefit or additional amount in the case of increasing an existing benefit)?
- Is the grant limited to a number of children per household?

- What is the indexation method applied to determine the level of benefits in future years?
- Other considerations.

Further, one recommendation may be converted into more than one scenario with different target groups and different benefit levels. This can be done to check the cost of each scenario and better help the government decide on which scenario they want to focus or implement.

In Thailand, the recommendation to introduce a child support grant was translated into several scenarios and the cost of each calculated for consideration by the government:

- Scenario 1: THB400 per month to all children aged 0–3 years;
- Scenario 2: THB400 per month to all children aged 0–6 years;
- Scenario 3: THB400 per month to all children aged 0–12 years;
- Scenario 4: THB500 per month to all children aged 0–6 years;
- Scenario 5: THB500 per month to all children aged 0–12 years; and
- Scenario 6: THB400 per month targeted at poor children aged 0–14 years.

What are low and high scenarios?

Low and high scenarios may be defined as a combination of scenarios which provide a minimum and maximum amount of benefits, respectively. To consider an example, a recommendation might be "to extend HIV testing and treatment to all". This may be converted into the following scenarios:

1. HIV testing for the high-risk population, regular check-ups for people with HIV, and treatment for those who require it. As this is the minimum package that can be extended to the people, this scenario may be termed as a low scenario.
2. HIV testing for the reproductive age group (15–49 years), regular check-ups for people with HIV, and treatment for those who require it. Since this package covers most of the tests and treatments for HIV, this scenario may be termed as a high scenario. This scenario will have higher cost implications.

Participants may also design additional scenarios that fall between the low and high scenarios.

At the end of the costing exercise two or more scenarios may have to be combined to form a comprehensive package providing access to health care, income security for children, income security for the working age, and income security for the elderly. Low and high combined scenarios may be proposed providing an idea of the minimum and maximum financial requirements for completing the national floor of social protection in the respective country. Proposing low and high cost options also allows flexibility for schemes to be progressively scaled up as greater fiscal space becomes available.

What assumptions can be made and when do we need to make them?

In the process of designing scenarios, collecting information and making assumptions for cost calculation is done in consultation with specialists of the technical area and actuaries. For instance, the HIV scenarios in Indonesia were developed in close consultation with UNAIDs and the Ministry of Health. The scenarios on the child support grant in Thailand were developed in close consultation with the United Nations Children's Fund (UNICEF).

While making assumptions, benefits levels may be reasonably linked to the poverty line, national average wage, and other factors. For instance, the cost of the health care packages in Indonesia was indexed on the average wage increase instead of consumer price index (CPI). The reason was that the share of wages in the structure of health care costs is predominant.

Coverage and take-up rates may be rationally decided based on existing provisions and administrative structures. Other costs, such as administrative costs, may be assumed to be in proportion to the costs for similar existing schemes.

For instance, if the number of pregnant women in an age group is unknown, it may be assumed at a reasonable fixed percentage. To determine the amount of transportation allowances to be included in health care packages, it may be assumed that people make a fixed number of visits every year to the hospital (such as two visits on average). The transportation expenditure for each visit may be assumed according to average transport prices and distances in the country.

Designing scenarios in groups

The presentation is followed by a practice session. The groups use the recommendations in their assessment matrices which they have identified based on the case study session. Each group is asked to convert these recommendations into three scenarios. In this process, the group is assisted by a facilitator. Participants are provided with A3-sized chart paper to write the scenarios. The groups are also advised to identify the low and high scenarios for their respective guarantees. Discussions may be based on why certain recommendations are selected or prioritized for the cost estimation exercise.

Takeaway message:

Some recommendations are related to the expansion of the SPF and are quantitative in nature, such as introducing new benefits, increasing benefit levels, and expanding coverage. These are converted into scenarios for the cost estimation using the RAP model. A recommendation may be converted into more than one scenario in order to help policy-makers choose among different options. Low and high scenarios define the minimum and maximum level of benefits which can be extended. The process of designing scenarios and making assumptions is done through consultations with technical specialists and actuaries and by making reasonable and logical assumptions.

Resources:

		textbook	*e-box*
	Master module 10 – Converting recommendations into policy options	✓	✓
	Presentation – Converting recommendations into policy options		✓
	Self-learning tutorial – Converting recommendations into scenarios		✓
	Video of the presentation Part 1 – Selecting recommendations to cost Part 2 – Translating recommendations into scenarios Part 3 – Questions and opinions		 ✓ ✓ ✓
	Instruction sheet for the group activity – Converting social protection recommendations into scenarios		✓
	Video of the group activity		✓
	Sample solution scenarios		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 11

Calculating the cost of benefits using the RAP model

Duration: 5 hours

Prerequisites: Modules 2, 3, 4, 6, 7, 8, 10

Key questions:

1. What are the different cost projection tools used by the ILO?
2. What is the role of the RAP model?
3. What is the structure of the RAP model?
4. What are the different steps in using the RAP model?
5. What are the possible sources of data?
6. What are the advantages and limitations of the RAP model?

Objectives:

This module aims to give policy-makers, practitioners, and stakeholders working on social security in a country a basic understanding of costing social protection policy options. When all stakeholders have a broad understanding of the costing process, it can facilitate policy discussions on designing and implementing various programmes and schemes. The module explains the RAP model used in the ABND exercise with practical examples and includes a group activity where participants can use the RAP. The module also introduces the data required to use the RAP, possible sources of data, and the limitations of the RAP model.

Overview:

This module includes a presentation on calculating the cost of benefits using the RAP model. In addition, the module includes two practice sessions where participants are asked to use the RAP model and to present the assumptions and results of their calculations to other groups.

What are the different cost projection tools used by the ILO?

The ILO has used a range of financial models and costing tools over the years. The ILO's International Financial and Actuarial Service (ILO/FACTS) works on financial planning and financial management of social protection schemes. ILO/FACTS services include exchange of statistical information on social security, building of national statistical reporting systems, actuarial reviews of schemes, economic and budgetary analysis, development of social budget models, and conducting research on social protection concepts, methodology, and policy issues. ILO/FACTS also provides capacity

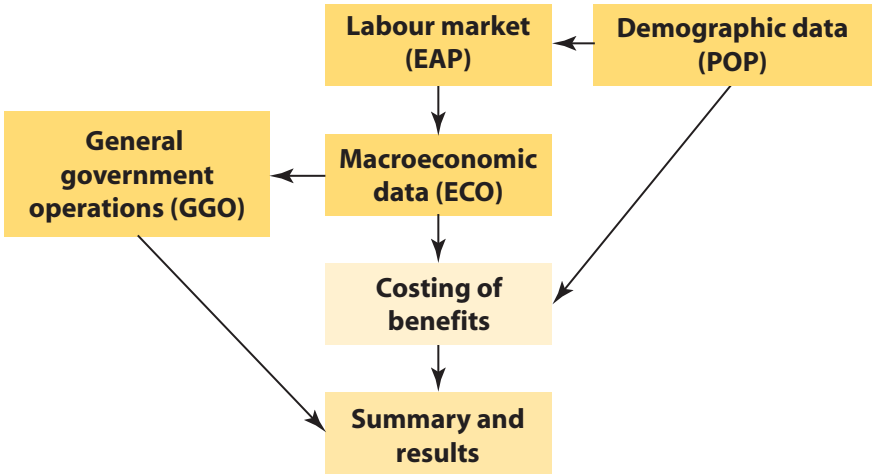
building for national social protection agencies, governments, and workers' and employers' organizations.

Although the ILO's Social Budget Model performs a comprehensive modelling of social expenditures, it requires in-depth training and experience to use. This gave rise to the RAP model. This compact and flexible tool can be used by everyone. It provides a quick and simplistic cost estimate for various social protection policy options.

What is the role of the RAP model?

The RAP forms part of the second step of the ABND exercise. After transforming broad policy recommendations into policy options or scenarios, the costs of proposed social protection provisions are estimated and forecast over a ten-year period using the ILO RAP model. This costing exercise aims to provide realistic cost estimates to be used for discussions on available fiscal space and government budget reallocations, in turn helping with the prioritization of possible social protection policy options.

Figure 12. The ILO RAP model



What is the structure of the RAP model?

The ILO RAP model is an Excel tool that comprises three steps. In the first step the user inputs data; the second step calculates the cost of several social protection benefits; and the third step calculates the cost of combined benefit packages and presents the results of the RAP model. Additionally, a preliminary analysis of the affordability of the proposed recommendations is conducted.

First step: Inputting data into the blue sheets

The first type of worksheets (blue sheets) is used to input data.

Statistical data about the population of the country, its labour market, economic situation and forecasts, and government operations need to be collected by the participant and entered into the RAP model. Five worksheets need to be completed:

1. Demographic framework (POP worksheet) – Population data per single age and sex are inputted together with population projections.
2. Labour participation rates (LPR worksheet) or activity rates (AR worksheet) – Male and female labour participation rates are entered per age group together with projections.
3. Economically active population (EAP worksheet) – The worksheet contains the result of data from the POP worksheet multiplied with data from LPR/AR worksheet. Note that the EAP or labour force is defined as all persons of both sexes above the legal working age who are willing and able to work. It includes the employed (including self-employed) and the unemployed.
4. Macroeconomic framework (ECO worksheet) –– Various economic indicators are recorded and projected, including the inflation rate, average monthly wage, minimum wage, poverty line, poverty rate, GDP growth rate, GDP at constant price, GDP at current price, GDP deflator, labour productivity, unemployment rate, and so on. These indicators will be used to calculate and project the cost of social protection provisions and to express these cost estimates as a percentage of GDP.
5. General government operations (GGO worksheet) – The worksheet provides information on the government's revenues (tax and non-tax) and expenditures. This information will be used to express the cost estimates of proposed policy options as a percentage of the government's expenditures. GGO status quo (SQ) gives the government revenues and expenditures assuming that no additional social protection benefits have been implemented. Another worksheet, GGO benefits, gives the government's revenues and expenditures assuming that additional provisions to complete the social protection floor in the country will be implemented in the near future.

Historical data and projections are required to calculate the cost of the social protection benefit packages and to project this cost over several years.

Second step: Calculating the cost of various scenarios

In the second step, the participant calculates the cost of various scenarios under the different SPF guarantees. Several worksheets can be generated (at least one per SPF guarantee). Some of the guarantees may be subdivided into several worksheets as indicated in the table below:

Table 4. Examples of worksheets created for each guarantee of the SPF

SPF guarantee	RAP model Indonesia	RAP model Thailand
Access to essential health care, including maternity care	Health HIV	Maternity
Basic income security for children	Child	Child
Basic income security for persons of active age	Working age Disability	Sickness Working age Disability
Basic income security at a nationally defined minimum level for older persons	Old-age pensions	Pension

The cost is calculated in absolute terms (in national currency), as a percentage of GDP, and as a percentage of government expenditures. The costs are then projected until 2020.

The cost of implementing a scenario is calculated as:

$$Cost = \textit{Number of people in the target group} \times \left(\textit{Cost of benefits per head} + \textit{Administrative cost per head} \right)$$

The number of people in the target group is calculated from the POP, EAP, and ECO worksheets. The number of people equals the target population multiplied by the coverage (percentage of target population covered).

$$\textit{Number of people in the target group} = \textit{Target population x Coverage}$$

Examples of target populations are given below:

- all poor and near poor population;
- children of poor households and of a certain age group;
- all children of a certain age group;
- all informal economy workers;
- all pregnant female workers in the informal economy;
- all residents living with disabilities;
- all residents above 60 years of age; and so on.

The target population is projected to increase or decrease in line with a number of factors, such as:

- growth patterns of the overall population or for specific age groups;
- evolution of fertility rates (for the maternity package);
- evolution of school attendance (for scholarship programmes).

Coverage depends on the current coverage of the target group and increases according to a reasonable take-up rate which may be decided in consultation with stakeholders. In countries such as Thailand, for instance, where all citizens have a 13-digit identification number, the take-up rate of a universal scheme was assumed to be very high (50 per cent coverage in the first year, 80 per cent in the second year, and full coverage by the third year). The take-up rate of targeted programmes was lower since targeted schemes are more complex to administer and establish than universal schemes. In countries that have not yet established national registry databases and identification of the poor systems, take-up rates will be assumed to be much lower for both universal and targeted programmes.

The cost of benefits per head may be decided based on discussions with stakeholders. For instance, the level of income transfers may be designed as a percentage of the poverty line, of the minimum wage, or based on the levels of transfers provided to other groups in the population. The per capita cost of the health care package may be based on an improved benefit package compared to an existing one. In all cases, the level of benefits should be increased every year in proportion to inflation, wage increases, changes in minimum wages, or other factors.

Administrative costs per head should be based on administrative costs of similar programmes, bearing in mind that the administration of targeted programmes is usually more costly than that of universal schemes.

Third step: Presenting the final results

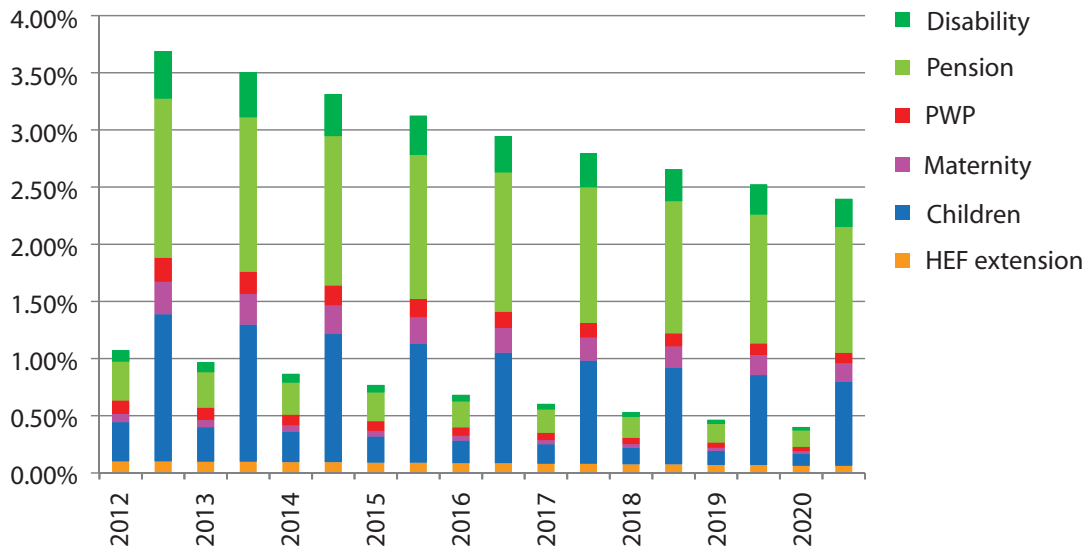
The third step is to organize and consolidate the final results of the RAP model in a specific worksheet named "Summary". Several combined SPF benefit packages are developed, including a choice between low and high cost packages, thus providing governments with several options. The results of the cost calculations and projections are expressed in national currency, as a percentage of GDP, and as a percentage of government expenditures. Results of the costing exercise for consolidated packages in Cambodia, Indonesia, Thailand, and Viet Nam are presented below.

In Cambodia, individual policy proposals were calculated, on the basis of which the following combined low and high benefit packages were proposed:[9]

- The low combined benefit package includes a maternity benefit targeting poor pregnant women (option 3); a cash transfer for poor children aged 0-2 (option 4); a Public Works Programme (PWP) targeting ten per cent of extremely poor households (option 6); the extension of HEFs to all poor households (option 8); an old-age pension for elderly poor aged 65 and above (option 10); and a disability pension for the poor (option 12).
- The high combined benefit package includes a universal maternity benefit (option 3u); a universal child allowance for children aged 0-2 (option 4u); a PWP targeting ten per cent of poor households (option 7); the extension of HEFs to all poor households (option 8); a universal old-age pension for elderly aged 65 and above (option 10u); and a universal disability pension (option 12u).

Based on these two combinations, the cost of a complete SPF package for Cambodia was projected at between 0.4 per cent and 2.4 per cent of GDP by 2020.

Figure 13. Cost estimate of low and high combined benefit packages in percentage of GDP in Cambodia



Source: J-C. Hennicot, ILO RAP model for Cambodia, 2012.

[9] For the full list of policy options and details of calculations/combined benefit scenarios see pp. 13–27 of the report: J-C. Hennicot: *Cambodia: Financial assessment of the National Social Protection Strategy for the Poor and Vulnerable* (Geneva, ILO, 2012).

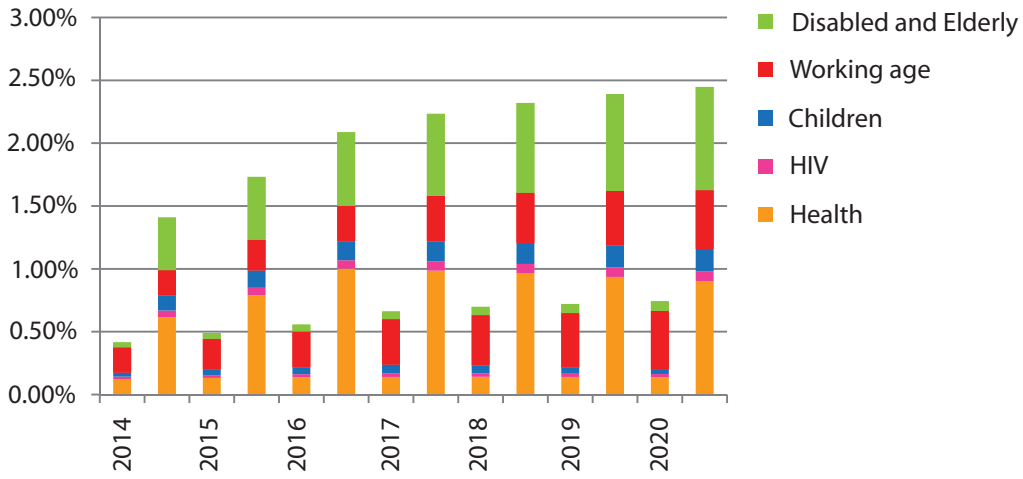
While performing the cost estimation exercise in Cambodia, the main assumptions included a high GDP growth rate and a rapid decline in the poverty headcount. The graph shows that the cost of implementing the scenarios becomes less over time.

For the Indonesian costing exercise, two possible low and high scenarios of combined benefits were proposed:[10]

- The low combined benefit package includes extension of health insurance to all poor and vulnerable at third class moderate level (health scenario 1); preventive HIV treatment for the most-at-risk population and curative care for all people living with HIV, including mother-to-child-transmission protocols (health scenarios 6 and 8); extension of the cash transfer programme to all poor children (children scenario 1); establishment of a PWP linked with vocational training targeting 25 per cent of informal economy workers by 2020 (working age scenario 1); extension of non-contributory disability allowance to all people with severe disabilities (elderly and disabled scenario 1); and extension of a non-contributory pension to all vulnerable elderly aged 60 years and above (elderly and disabled scenario 2).
- The high combined benefit package includes provision of first class health insurance benefits to the entire informal economy population (health scenario 5); preventive HIV treatment for the sexually active population and curative care for all people living with HIV, including mother-to-child-transmission protocols (health scenarios 7 and 8); establishment of a universal child allowance (children scenario 3); establishment of a PWP linked with vocational training targeting 25 per cent of informal economy workers by 2020 (working age scenario 1); extension of the non-contributory disability allowance to all people with severe disabilities (elderly and disabled scenario 1); and establishment of a universal pension for all elderly aged 55 years and above (elderly and disabled scenario 3).

Based on these two combinations, the cost of completing the SPF in Indonesia was calculated to be between 0.74 per cent and 2.45 per cent of GDP by 2020.

Figure 14. Cost estimate of low and high combined benefit packages in percentage of GDP in Indonesia



Source: S. Satriana and V. Schmitt, ILO RAP model for Indonesia, 2012.

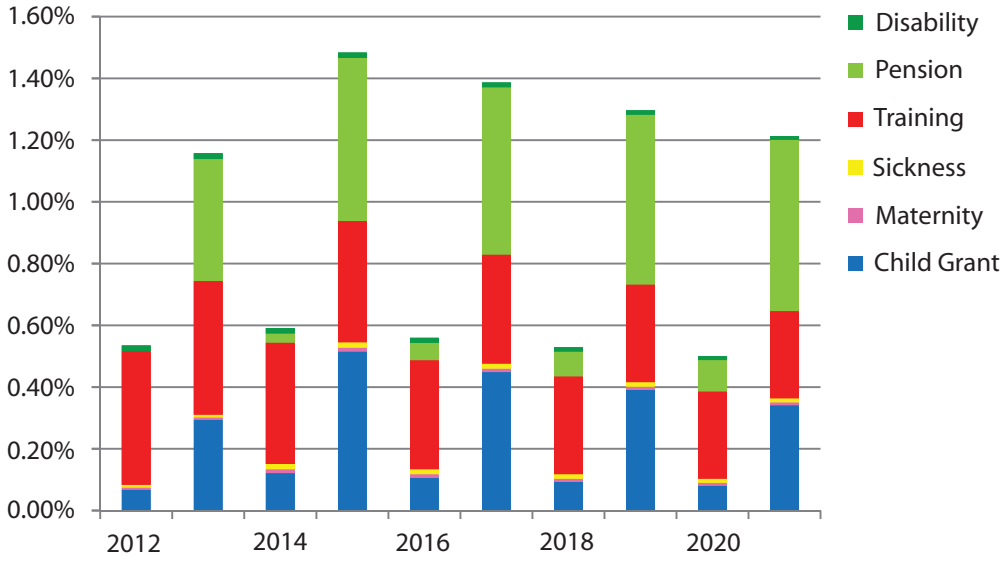
[10] For the full list of policy options and details of calculations/combined benefit scenarios, see pp. 59–73 of S. Satriana and V. Schmitt: *Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Indonesia* (Jakarta, ILO, 2012).

As in the Indonesian ABND costing exercise, a low and a high scenario for combined proposed schemes were considered in Thailand:[11]

- The low combined benefit package includes the establishment of a universal child support grant for all children aged 0–3 (children scenario 1); introduction of a maternity allowance for all women working in the informal sector, a sickness benefit for all informal economy workers, a vocational training programme for informal economy workers including an allowance for the poor, and an increased disability allowance benefit (working age scenarios 1, 2, 3 and 4); and indexation of benefits under the Government's universal non-contributory old age allowance (old age scenario 1).
- The high combined benefit package includes the establishment of a universal child support grant for all children aged 0–12 (children scenario 5); introduction of a maternity allowance for all women working in the informal sector, a sickness benefit for all informal economy workers, a vocational training programme for informal economy workers including an allowance for the poor, and an increased disability allowance benefit (working age scenarios 1, 2, 3 and 4); and an alternative non-contributory allowance for older people with benefits expressed as a percentage of the nationally defined poverty line (old age scenario 2).

Based on the two package options, completing the SPF in Thailand would cost an estimated 0.50 to 1.21 per cent of GDP by 2020.

Figure 15. Cost estimate of low and high combined benefit packages in percentage of GDP in Thailand



Source: V. Schmitt, T. Sakunphanit, and O. Prasitsiriphol, ILO RAP model for Thailand, 2013.

Though the graph is simplistic, it provides a discussion point among stakeholders for expanding social protection in the country. It gives an idea of where Thailand stands with regard to establishing a comprehensive social protection system. The country has already achieved the social protection

[11] For the full list of policy options and details of calculations/combined benefit scenarios, see pp. 52–70 of V. Schmitt, T. Sakunphanit, and O. Prasitsiriphol: *Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Thailand* (Bangkok, ILO UN Country Team Thailand, 2013).

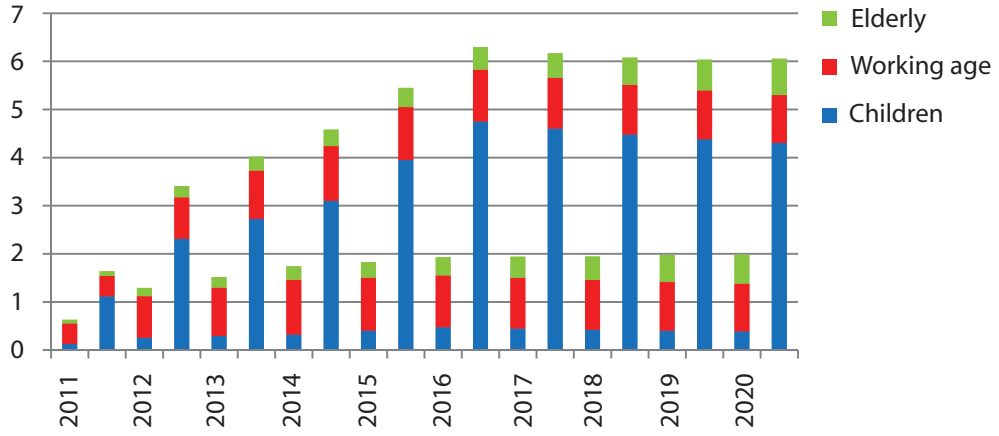
floor for health care. As a result, none of the policy options presented in the graph are related to health care.

In Viet Nam, costing exercises were carried out for four different social protection packages comprising different combinations of proposed benefits. The low and high scenarios for combining proposed schemes are summarized below:[12]

- The low combined benefit package includes a targeted child benefit for all poor children limited to two children per family (scenario 2b); a targeted old age pension benefit at the level of the poverty line for all uncovered elderly (scenario 1); and an employment guarantee scheme of 100 days per household per year combined with social assistance for those who are unable to work and employment and training services, including training allowances, to facilitate return to employment and creation of microenterprises (working age scenario).
- The high combined benefit package includes a universal child benefit (scenario 1); a universal old age pension with a reduced benefit level if receiving a pension from the contributory social insurance scheme (scenario 2); and an employment guarantee scheme of 100 days per household per year combined with social assistance for those who are unable to work and employment and training services, including training allowances, to facilitate return to employment and creation of microenterprises (working age scenario).

Based on the two package options, closing the SPF in Viet Nam would cost an estimated 1.98 and 6.06 per cent of GDP by 2020.

Figure 16. Cost estimate of low and high combined benefit packages in percentage of GDP in Viet Nam



Source: M. Cichon, F. Bonnet, V. Schmitt, C. Galian, and G. Mazeikaite, ILO RAP model for Viet Nam, 2011.

[12] For the full list of policy options and details of calculations/combined benefit scenarios, see pp. 25–31 of M. Cichon, F. Bonnet, V. Schmitt, C. Galian, and G. Mazeikaite: *Analysis of the Viet Nam National Social Protection Strategy (2011–2020) in the context of social protection floors objectives: A rapid assessment,* Extension of Social Security (ESS) Paper No. 32 (Geneva, ILO, 2012).

Preliminary analysis of the affordability of the proposed recommendations

The ABND exercises additionally include some preliminary analysis of the affordability of the proposed recommendations. Social protection schemes proposed as a result of the ABND exercises are feasible when the country concerned can afford to fund new social protection benefits.

Affordability is assessed by calculating the cost of the new social protection schemes and comparing this cost with GDP. If the estimated cost of implementing a proposed social protection scenario is 1 per cent of GDP, for instance, it may be argued that the country in question can afford to extend the additional social protection benefits.

Depending on policy choices and the social model of the country, these additional expenditures may be:

- fully financed through social contributions (made by workers and employers);
- fully or partially financed from government budget. In such cases it is important to assess whether the government can afford these additional expenditures, i.e. whether there is sufficient fiscal space.

For the purposes of this exercise, fiscal space is defined as the budgetary capacity of a government to provide resources for a desired purpose without jeopardising the sustainability of its financial position or the stability of the economy.

Preliminary fiscal space analysis is conducted:

- by adding the cost of the combined scenarios to total government expenditures; or
- by adding the cost of the combined scenarios to recurring government expenditures instead of total government expenditures.

While total expenditures include capital expenses that are likely to be donor-funded in low-income countries, recurrent expenditures are usually financed from domestic revenue sources. By adding the cost of the combined scenarios to recurring government expenditures, one gets a sense of whether or not the SPF recommendations can be financed from national resources.

Options to create fiscal space and finance the proposed policy options are then discussed. In cases where budgetary capacity is not sufficient (unbalanced budget), the government may create additional fiscal space by raising corporate income taxes, value added taxes or personal income taxes, borrowing from international institutions or markets, or cutting down on low-priority expenses. However, borrowing beyond a certain extent has to be carefully considered as it may compromise macroeconomic sustainability in the long-term.

What are the possible sources of data?

Obtaining data, including population data and projections, labour force participation rates per age group, GDP growth estimates and other economic indicators, per capita costs of existing social protection schemes, administration costs, and so on, may be a long and arduous process. The data may not be available from a single source and persons conducting the ABND process may have to spend considerable effort in procuring the figures.

Some common sources for data and statistics include:

- national statistics offices;
- census and national surveys;
- line ministries and national social protection institutions;
- central banks;
- research institutes;
- universities.

Each line ministry may be approached for a specific set of data. For instance, the ministry of planning may record GDP and population projections; the ministry of finance may provide data on government budget and planned expenditures; the ministry of interior may provide registration details for social benefits; the ministry of commerce may have data on the consumer price index; and the ministry of finance and banks may provide projections on economic and financial indicators.

The data provided may have low, middle, and high projections depending on pessimistic, medium, or optimistic economic growth conditions. The obtained data could be incomplete or imperfect and assumptions may have to be made to use the data. Alternative sources of data, such as UN or ILO population models and the International Monetary Fund's (IMF) World Economic Outlook (WEO), may be used in the absence of data from national sources.

Example of costing social protection policy options

One proposed scenario is to extend a non-contributory pension allowance to people with severe disabilities. The initial cost of the allowance is calculated for 2012 and then projected over several years.

$$\textit{Cost} = \textit{Number of people in the target group} \times \left(\textit{Cost of benefits per head} + \textit{Administrative cost per head} \right)$$

$$\textit{Number of people in the target group} = \textit{Target population} \times \textit{Coverage}$$

Table 5. Examples of cost calculations based on a concrete example

	2012	Assumptions for 2013	2013
Target population	200 000	Population growth of 1.2%	202 400
Coverage	20%	Increase in coverage of 10%	20% + 10% = 30%
Number of people covered	20% * 200 000 = ***40 000***		30% * 202 400 = ***60 720***
Monthly benefit/head	US$30 / month	Inflation of 5%	US$31.5 / month
Annual benefit/head	***US$360*** / year		***US$378*** / year
Administrative cost per head (15%)	15% * 360 i.e. ***US$54*** / year	Administrative costs of 15%	15% * 378 i.e. ***US$56.7*** / year
Total cost	40 000 * (360 + 54) = ***US$16 560 000***		60 720 * (378 + 56.7) = ***US$26 394 984***

Thus, we can see that implementing the scenario to provide a non-contributory pension to the disabled will cost US$16,560,000 in 2012 and US$26,394,984 in 2013. In a similar way, the cost can be projected until 2020.

In the RAP model for Coresia, the per capita cost of cash benefits are indexed on headline inflation while per capita cost of labour-intensive social protection benefits (such as access to health care or vocational training) are indexed on the average wage increase. Other determinants of per capita cost increase can be taken into account. For instance, per capita health care costs usually increase at a higher pace than average wages due to greater utilization of services by insured persons and improvements in quality of health care services.

What are the advantages and limitations of the RAP model?

The RAP is a simplistic cost estimation model that helps to illustrate the different policy options. It provides practical discussion points on which the national dialogue process can be initiated. The RAP also allows participants to check the long-term sustainability of social protection programmes by comparing the cost of implementation with economic indicators such as GDP and government expenditures. However, the results are simplistic and cannot be used directly in designing a scheme. Further detailed actuarial studies have to be conducted before designing or implementing a scheme.

Practice sessions where participants are asked to use the RAP model and to present the assumptions and results of their calculations to other groups

To give participants experience in using the RAP model, the module is then organized into two practice sessions. The six groups calculate the implementation cost of the scenarios they designed. A blank RAP model is circulated to all the groups for this session. The groups have to fill in the Benefits, Summary, and GGO (Benefits) worksheets for their respective guarantees. The input worksheets – POP, AR, EAP, ECO, and GGO (SQ) – are filled in prior to circulation and cannot be changed. An instruction sheet contains the list of parameters in the RAP, their definitions, and formulas. It also gives the parameters which are to be filled by instructors before the exercise and the ones which are to be calculated by participants.

The blank RAP model and a sample solution are attached to the guide. The sample solution follows the solution to the cases given in module 8 and scenarios designed on the basis of the case solutions. Users of the guide must note that this is not a unique solution. If users design different scenarios, the cost of implementation will be different. This sample solution may be used by participants as a guiding point to conduct this session.

Once the participants have completed the calculations, each group presents the results of their RAP exercise to the classroom. They have to explain the scenarios designed by the group, the assumptions for the calculations, and the method of arriving at the total cost. An instruction sheet for conducting this session has been provided. This session is expected to help participants of a training course gain an understanding of RAP calculations for the different SPF guarantees.

Takeaway message:

Estimating the cost of social protection provisions is an important component of the decision-making process. This module helps participants gain an understanding of how to generate basic cost estimates. Participants have the chance to use the RAP model for the fictitious country of Coresia and thereby gain a practical understanding of the RAP model. Obtaining current and projected data and agreeing on assumptions with stakeholders is crucial. While the RAP model cannot be used for designing or piloting a scheme as its results are too simplistic, the results can help initiate a national dialogue process by providing a tangible basis for policy discussions.

Resources:

	textbook	e-box
Master module 11 – Calculating the cost of benefits using the Rapid Assessment Protocol	✓	✓
Presentation – Costing policy options using the Rapid Assessment Protocol		✓
Self-learning tutorial – Estimating the cost of scenarios		✓
Video of the presentation		
Part 1 – Rapid Assessment Protocol and costing policy options in Cambodia		✓
Part 2 – Using the Rapid Assessment Protocol		✓
Part 3 – Questions and opinions		✓
Instruction sheet for the group activity – Using the RAP model to calculate the cost of benefits on the basis of the case study		✓
Instruction sheet for the group activity – Presenting the results of the RAP calculations to other groups		✓
Blank RAP model		✓
RAP model with sample solution		✓
Video of the group activity – Using the RAP costing tool to calculate the cost of benefits on the basis of the case study		✓
Video of the group activity – Presenting the results of the RAP calculations to other groups		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 12

Understanding how to input data into the RAP worksheets (advanced session)

Duration: 4 hours

Prerequisites: All modules, particularly modules 10, 11

Key questions:

1. What is the structure of the ILO RAP model?
2. What are the main sources of historical data and projections?
3. Dealing with POP
   - How to project the population?
   - How to calculate the survival population?
   - How to calculate the number of newborns?
   - How to take into account migration?
4. Dealing with EAP and LPR/AR
   - What are the parameters of the labour market?
   - How to project labour market data?
   - How to project the unemployment rate?
5. Dealing with ECO
   - How to project GDP, GDP at constant price (volume effect), and the GDP deflator (price effect)?
6. Hands-on exercises

Objectives:

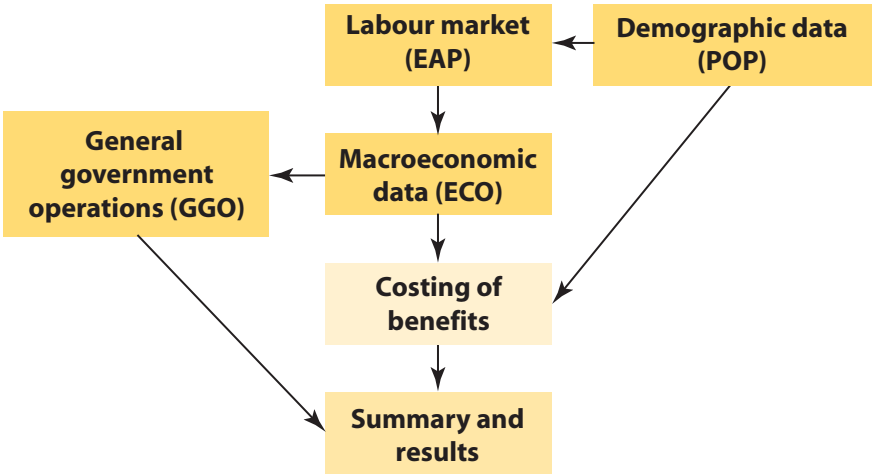
The objective of this module is to learn on how to obtain input data (population data, labour market data, macroeconomic data, and general government operations data) and fill in the POP, EAP, ECO, and GGO worksheets of the ILO RAP model. These worksheets are identified by their blue colour coding. They include historical data and projected data. To obtain historical data, several sources may be available. Projections may be available as well in the country. However, when projections are not reliable, the users of the ILO RAP model may need to calculate some of the projections by themselves based on the historical data and a few assumptions. To undertake projection calculations, the basic formulas and linkages between different economic variables need to be well understood. The module also includes hands-on exercises to better understand the concepts and how to fill out the input RAP worksheets.

Overview:

What is the structure of the RAP model?

The ILO RAP model is an Excel tool that comprises three steps. In the first step, the user inputs data; the second step calculates the cost of several social protection benefits; and the third step calculates the cost of combined benefit packages and presents the results of the RAP model. Additionally, a preliminary analysis of the affordability of the proposed recommendations is conducted.

Figure 17. The ILO RAP model



On the first type of worksheets (blue sheets) participants input data.

Statistical data about the population of the country, its labour market, economic situation and forecasts, and government operations needs to be collected by the participant and entered into the RAP model. Five worksheets need to be completed:

1. Demographic framework (POP worksheet) – Population data per single age and sex are input together with population projections.
2. Labour participation rates (LPR worksheet) or activity rates (AR worksheet) – Male and female labour force participation rates are entered per age group together with projections.
3. Economically active population (EAP worksheet) – The worksheet contains the result of data from the POP worksheet multiplied with data from the LPR/AR worksheet.
4. Macroeconomic framework (ECO worksheet) – Various economic indicators are recorded and projected, including the inflation rate, average monthly wage, minimum wage, poverty line, poverty rate, GDP growth rate, GDP at constant price, GDP at current price, GDP deflator, labour productivity, unemployment rate, and so on. These indicators will be used to calculate and project the cost of social protection provisions and to express these cost estimates as a percentage of GDP.
5. General government operations (GGO worksheet) – The worksheet provides information on the government's revenues (tax and non-tax) and expenditures. This information will be used to express the cost estimates of proposed policy options as a percentage of the government's expenditures.

Historical data and projections are required to calculate the cost of the social protection benefit packages and to project this cost over several years.

What are the main sources of historical data and projections?

While designing a benefit package, it is important to list the data required for calculating the cost of the benefit package and to identify the organization(s) able to provide historical data and projections. There are many possible sources for historical data according to the type of data.

For instance in Thailand:

- The population census and other surveys are available at the National Statistical Office (NSO).
- The Ministry of Interior is another source of information on population based on the national registration database of all citizens.
- The National Economic and Social Development Board prepares population projections based on the census. NESDB also collects information from different sectors of the economy and updates the System of National Accounts (SNA).
- The Ministry of Commerce sets the official price index.
- The Bank of Thailand publishes economic and financial indicators.
- The Ministry of Finance (MoF) tracks the revenues and expenditures of the Government. The MoF also prepares short-term econometric projections.
- Research institutes, such as TDRI, prepare short-term and long-term economic projections. HISRO has a short-term and long-term health care financial projection.
- National social protection institutes such as the Social Security Office (SSO) and the National Health Security Office (NHSO) also have short-term and long-term projections for their respective schemes.
- Socio-economic surveys provide information on the number of beneficiaries from selected programmes and information on poverty status, access to basic services, among other information.

For long-term projections, a sophisticated analysis is required. High, medium, and low scenarios are projected to reduce the chances of error.

In most countries, trying to find reliable data is a challenge. The data available may not fit the data needed and participants may need to make some assumptions or calculate projections by themselves. For instance, when population projections are not reliable, participants may need to use official historical population data and project population numbers using the cohort-component method, mortality rates from selected life tables, fertility rates, and net migration rates.

Several sources of information may provide different data; therefore, participants need to cross-check and clean the data until they are confident enough to use the data in the model.

To obtain reliable data and validate assumptions and projections, it may be useful to partner with institutions such as the Institute of Statistics in Indonesia or research institutes such as HISRO in Thailand. These institutes can provide comprehensive and coherent datasets and/or validate assumptions and projections. Working with macroeconomists (such as from TDRI in Thailand) can be an advantage for long-term macroeconomic projections.

Dealing with POP

The POP worksheet includes per single age and sex:

- population numbers (historical data);
- population projections.

As mentioned above, population numbers can usually be obtained from the national census.

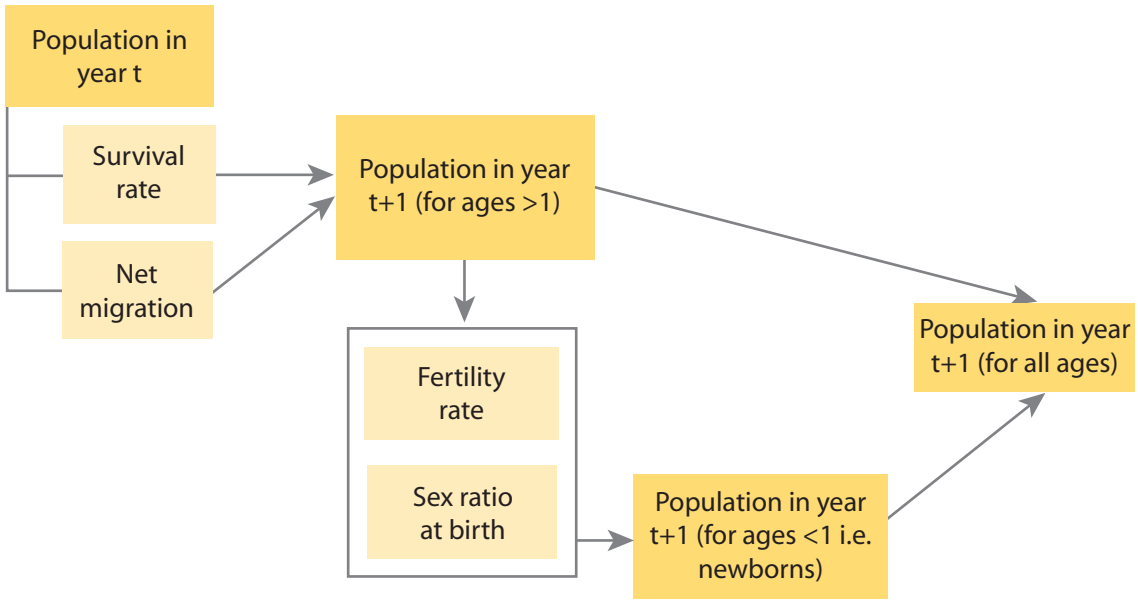
Population projections aim at forecasting the size of the population in the future. Participants can use the official population projections from their respective countries. In case these projections are not reliable, participants may need to calculate the population projections by themselves. There are many methods to calculate the projections. One of these methods is the *cohort-component method*.

Individuals are split into cohorts per single age. A new cohort is created with all the newborns in year t. The number of newborns is estimated from the number of women in reproductive age and fertility rates. The cohort then evolves from year t to year t+1. In t+1 the individuals of the cohort are all of 1 year of age. Each year some individuals of the cohort die or migrate, leading to fluctuations in the total population of the cohort. After some decades, when all the individuals of the cohort have died, the cohort disappears.

To project population numbers, one needs to assess:

- the number of newborns (linked to fertility);
- the number deaths (linked to mortality);
- net migrations from one year to the next.

Figure 18. Forecasting demographic data by cohort



Source: Modified from W. Scholz, M. Cichon, and K. Hagemejer: *Social budgeting*, Figure 8.4 (Geneva, ILO, 2000).

How to calculate the number of deaths and the survival population?

The survival population is the population which survives from one year (t) to the next (t+1).

To calculate the survival population in year t+1, one calculates the number of deaths in year t. The number of deaths in year t equals to the population in year t multiplied by the mortality rate in year t for that single age. The survival population in year t+1 equals to the population in year t *minus* the number of deaths in year t.

In the example:

Population (age = 0, male) in 2010 = 356,209

Mortality rate (age = 0, male) in 2010 = 0.0084

Number of deaths (age = 0, male) in 2010 = 356,209 * 0.0084 = 2,992

Number of survivals (age = 1, male) in 2011 = 356,209 – 2,992 = 353,217

Table 6. Calculating deaths and survivals

Age	Mortality for males	Male population in 2010	Male deaths in 2010	Male survivals in 2011
0	0.0084	356 209	2 992	
1	0.0007	373 622	262	**353 217**
2	0.0007	403 800	283	373 360
3	0.0007	449 310	315	403 517
4	0.0007	414 605	290	448 995
5				414 315

Mortality rates can be obtained from life tables. There are several different types of life tables. The most appropriate ones are the life tables of your country. The UN life tables or the Coale-Demeny life tables (previously used in Thailand) can be used in the absence of country-specific life tables.

How to calculate the number of newborns?

Fertility rates for different female age groups are considered while projecting the number of births every year. During the child-bearing age (from 15 to 49 years of age), women of each single age (15 years, 16 years, ..., 49 years) have an age-specific fertility rate. The number of women per single age (or age group) is multiplied by the age-specific fertility rate and the number of newborns is obtained for women of this specific age.

The total number of newborns in the year is obtained by adding the number of newborns for women of each single age (or age group).

In the example:

Female population (age group = 15 to 19) in 2010 = 2,552,600

The fertility rate for this age group = 0.0098

The number of newborns for women of 15 to 19 years of age = 0.0098 * 2,552,600 = 25,015.

Table 7. Calculating number of newborns for women of a specific age group

Age group	Fertility rate	Female population	Newborns
15-19	0.0098	2 552 600	**25 015**
20-24	0.0691	2 557 443	
25-29	0.1243	2 617 716	
30-34	0.0796	2 671 012	
35-39	0.0308	2 824 040	
40-44	0.0074	2 830 251	
45-49	0.0008	2 733 680	

The same operation is repeated for all age groups.

The total number of newborns is then obtained by summing up all newborns for women of specific age groups.

In the example:

Total number of newborns = 25,015 + 176,719 + 325,382 + ... = 849,840

Table 8. Calculating total number of newborns

Age group	Fertility rate	Female population	Newborns
15-19	0.0098	2 552 600	25 015
20-24	0.0691	2 557 443	176 719
25-29	0.1243	2 617 716	325 382
30-34	0.0796	2 671 012	212 613
35-39	0.0308	2 824 040	86 980
40-44	0.0074	2 830 251	20 944
45-49	0.0008	2 733 680	2 187
Total			**849 840**

Among the newborns, some are male and some are female. The sex ratio at birth is used to calculate the number of newborns who are male and the number who are female.

The sex ratio is the number of males to females. The sex ratio for Thailand at birth is 1.06, meaning that the number of male newborns = 1.06 * number of female newborns.

Number of newborns = *Number of male newborns + Number of female newborns*

Number of newborns = *Number of male newborns* × *(1+1/1.06)*

Number of male newborns = *Number of newborns / (1+1/1.06)*

In the example:

Male newborns = 25,015 / (1+1/1.06) = 12,872

Female newborns = 25,015 – 12,872 = 12,143

Table 9. Number of male and female newborns for women of a specific age group

Age group	Fertility rate	Female pop	Newborns	Newborns (M)	Newborns (F)
15-19	0.0098	2 552 600	25 015	**12 872**	**12 143**
20-24	0.0691	2 557 443	176 719		
25-29	0.1243	2 617 716	325 382		
30-34	0.0796	2 671 012	212 613		
35-39	0.0308	2 824 040	86 980		
40-44	0.0074	2 830 251	20 944		
45-49	0.0008	2 733 680	2 187		
Total			849 840		

Similarly we calculate the male and female newborns for women of other age groups and obtain, by summation, the total number of male and female newborns in the year.

Table 10. Total number of male and female newborns

Age group	Fertility rate	Female pop	Newborns	Newborns (M)	Newborns (F)
15-19	0.0098	2 552 600	25 015	12 872	12 143
20-24	0.0691	2 557 443	176 719	90 933	85 786
25-29	0.1243	2 617 716	325 382	167 430	157 952
30-34	0.0796	2 671 012	212 613	109 403	103 210
35-39	0.0308	2 824 040	86 980	44 757	42 223
40-44	0.0074	2 830 251	20 944	10 777	10 167
45-49	0.0008	2 733 680	2 187	1 125	1 062
Total			849 840	**437 297**	**412 543**

Note that the total fertility rate is the average number of children a woman gives birth to during her lifetime. It is obtained by adding the age-specific fertility rates during the child-bearing period. In the example the total fertility rate is TFR = 1.609, which is lower than the replacement rate.

Table 11. Total fertility rate

Age group	Fertility rate
15-19	0.0098
20-24	0.0691
25-29	0.1243
30-34	0.0796
35-39	0.0308
40-44	0.0074
45-49	0.0008
TFR	**1.609**

How to take into account migration?

Net migrations also need to be taken into account to calculate the population in the following year.

Net migration = Immigration (inbound migrants) – Emigration (outbound migrants)

For instance, in Thailand the net migration compared to total population is very low. Therefore, we assume that net migration equals zero.

Dealing with EAP and LPR/AR

The EAP worksheet includes the following per age group and sex:

- female, male, and total economically active population;
- EAP projections.

EAP data is obtained in the model by multiplying the labour participation rate (LPR) by the population data.

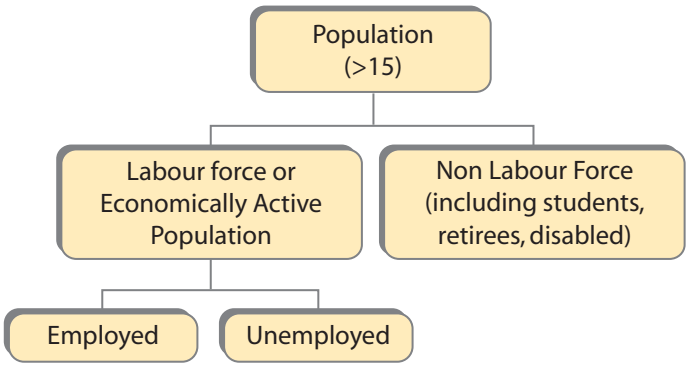
What are the parameters of the labour market?

It is important to understand the parameters of the labour market in order to be able to collect the data, complete the data input, and cross-check the coherence of the data.

The main parameters of the labour market are:

- labour force or economically active population;
- labour market participation rate or activity rate;
- employed persons;
- unemployed persons;
- unemployment rate.

Figure 19. Calculating labour force data



Source: Modified from W. Scholz, M. Cichon, and K. Hagemejer: *Social budgeting*, Figure 8.6 (Geneva, ILO, 2000).

The population above legal working age (in Thailand, 15 years old) is separated into two groups:

- labour force (or economically active population) – people who are willing to work;
- non labour force (students, retirees, housewives, people with disabilities) – people who are not willing or not able to work.

The labour force (or EAP) comprises all persons of both sexes above the legal working age who are willing and able to work. It includes all those who are employed (including self-employed) and unemployed.

A person is unemployed if they are willing and able to work, actively looking for a job, and yet still unable to find a job. Therefore, by definition, people who are voluntarily idle are not classified as unemployed because they are not actively searching for a job.

The labour participation rate (LPR) compares the size of the labour force with the number of people that could potentially be part of the labour force.

*Labour participation rate (LPR) = (Labour force / Total population above legal working age) * 100*

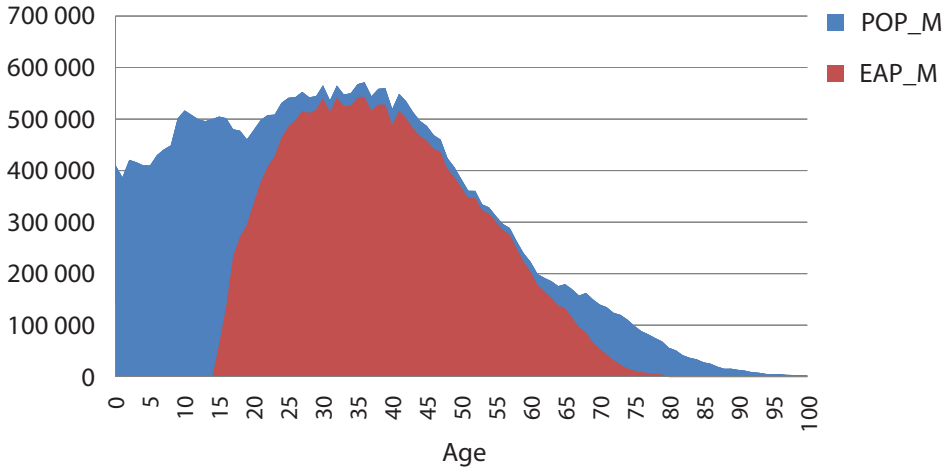
The percentage of the labour force that is unemployed is called the unemployment rate.

*Unemployment rate = (Unemployed / Labour force) * 100*

How to project labour market data?

The labour force is a subset of the total population. The graph below indicates the labour force situation in Thailand in 2007. The situation today may be slightly different due to the free education policy (which took effect in 2001) and the introduction of a minimum old age allowance in 2008. These two policy changes are likely to have contributed to a decline in labour force participation rates among children aged 15 to 18 years and elderly aged 60 years and above.

Figure 20. Population and labour force in Thailand, 2007



Source: Modified from W. Scholz, and J-C. Hennicot: *Health care reform: Financial management – A common health care financing model (II) – User manual* (Geneva, ILO, 2008).

To project labour market data, we need the historical data and the projected distribution of the parameters mentioned above by age group and gender.

For instance, when we projected the LPR in the ILO RAP model for Thailand, we analyzed the LPR over the previous ten years and found that the LPR by age group was nearly constant. Therefore, we assumed that the LPR for all age groups would remain constant, except for the age group from 15 to 19 years of age which was assumed to progressively decline until it reached 27 per cent for males (by 2020) and 15 per cent for females (by 2020), due to the effects of recent Government education policies.

Table 12. Example of male participation rates in Thailand, historical data and projections

Age	Historical data (from 2005 to 2010)						Projections (from 2011 to 2020)									
	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20
0-4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5-9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10-14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15-19	36.7	34.1	34.1	34.3	34.2	33.0	32.4	31.8	31.2	30.6	30.0	29.4	28.8	28.2	27.6	27.0
20-24	77.7	76.7	77.3	79.0	79.0	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4
25-29	94.4	94.2	94.6	94.3	94.6	94.1	94.1	94.1	94.1	94.1	94.1	94.1	94.1	94.1	94.1	94.1
30-34	96.6	96.3	96.3	96.2	96.0	95.5	95.5	95.5	95.5	95.5	95.5	95.5	95.5	95.5	95.5	95.5
35-39	96.8	96.7	97.0	96.8	96.7	96.7	96.7	96.7	96.7	96.7	96.7	96.7	96.7	96.7	96.7	96.7
40-44	96.5	96.8	97.2	96.8	96.9	96.5	96.5	96.5	96.5	96.5	96.5	96.5	96.5	96.5	96.5	96.5
45-49	96.1	96.2	96.3	96.4	96.3	96.1	96.1	96.1	96.1	96.1	96.1	96.1	96.1	96.1	96.1	96.1
50-54	93.4	93.3	94.4	94.3	94.3	94.1	94.1	94.1	94.1	94.1	94.1	94.1	94.1	94.1	94.1	94.1
55-59	88.9	89.1	89.9	90.0	89.2	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9
60-64	71.7	71.4	73.8	73.4	73.6	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8
65 +	39.9	38.3	39.5	39.2	39.8	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3

Source: V. Schmitt, T. Sakunphanit, and O. Prasitsiriphol, ILO RAP model for Thailand, 2013.

The ILO's LABORSTA database can be used as a secondary source of information if the national data is not available. The database contains country estimates and projections of the total population, the activity rates, and the economically active population (labour force) by sex and eleven age groups (15–19, 20–24, ... , 60–64, and 65 years and over). The 6th edition shows estimates from 1990 to 2010 and projections to 2020.[13] Note that the source for the population figures used in this database is *The 2010 Revision of the World Population Prospects* issued by the United Nations.

As explained below, employment is a measure of labour demand and is linked with two other parameters of the macroeconomic framework, which are productivity and GDP at constant price. The latter measures the "volume" of production in a country.

[13] http://laborsta.ilo.org/applv8/data/EAPEP/eapep_E.html [accessed 20 Nov. 2013].

How to project the unemployment rate?

To project the unemployment rate, we used historical data to calculate a trend, which we then applied to future unemployment rates. The historical data for the unemployment rate in the fictitious country of Coresia is as follows:

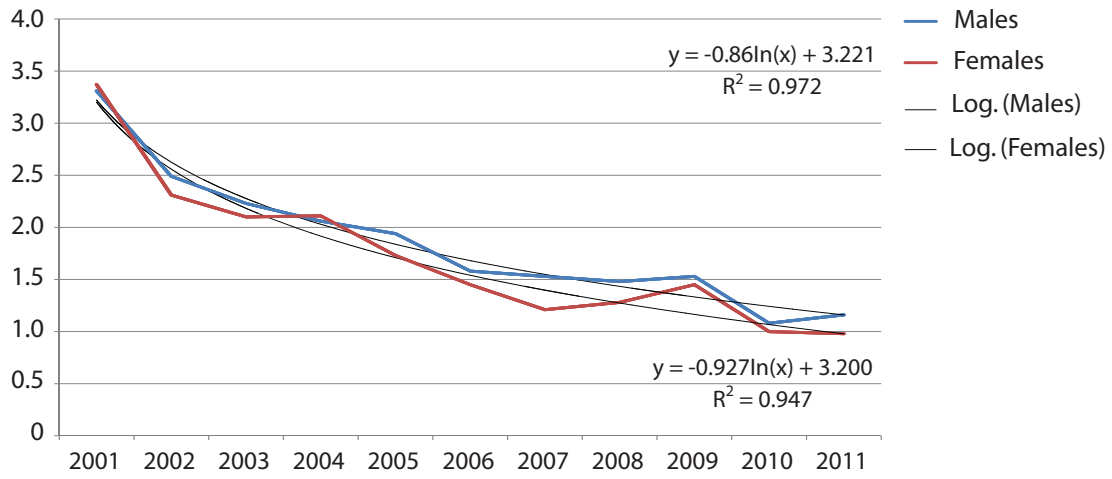
Table 13. Male and female unemployment rate in Coresia, historical data

	Historical data (from 2001 to 2011)										
Year	**'01**	**'02**	**'03**	**'04**	**'05**	**'06**	**'07**	**'08**	**'09**	**'10**	**'11**
Males	3.31	2.49	2.23	2.06	1.94	1.58	1.53	1.48	1.53	1.08	1.16
Females	3.37	2.31	2.10	2.11	1.73	1.45	1.21	1.28	1.45	1.00	0.98

Source: V. Schmitt and L. De, ILO RAP model for Coresia, 2013.

Step 1: We created a chart from historical data. We added a trend line that yielded the highest r-square (the higher the r-square, the better the trend line).

Figure 21. Chart and trend lines of male and female unemployment rates in Coresia, historical data



Step 2: We then projected male and female unemployment rates from the trend equations.

Table 14. Male and female unemployment rates in Coresia, projections

	Projections (from 2012 to 2020)								
Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Males	1.08	1.02	0.95	0.89	0.84	0.79	0.74	0.69	0.65
Females	0.90	0.82	0.75	0.69	0.63	0.57	0.52	0.47	0.42

Step 3: We corrected the projections by stipulating a minimum unemployment rate of 0.95.

Table 15. Male and female unemployment rates in Coresia, corrected projections

	Corrected projections (from 2012 to 2020)								
Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Males	1.08	1.02	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Females	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95

Step 4: We calculated the total estimated unemployment as follows:

Total unemployment (t) = Projected male EAP (t) × Male unemployment rate (t) + Projected female EAP (t) × Female unemployment rate (t)

Step 5: We calculated the total unemployment rate as follows:

Total unemployment rate (t) = Total unemployment (t) / Total EAP (t)

Table 16. Total unemployment rate in Coresia, corrected projections

	Projection of total unemployment rate (from 2012 to 2020)								
Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Unemployment rate	1.02	0.99	0.95	0.95	0.95	0.95	0.95	0.95	0.95

Dealing with ECO: How to project GDP, GDP at constant price (volume effect), and the GDP deflator (price effect)?

The ECO worksheet is mainly based on the projection of economic growth.

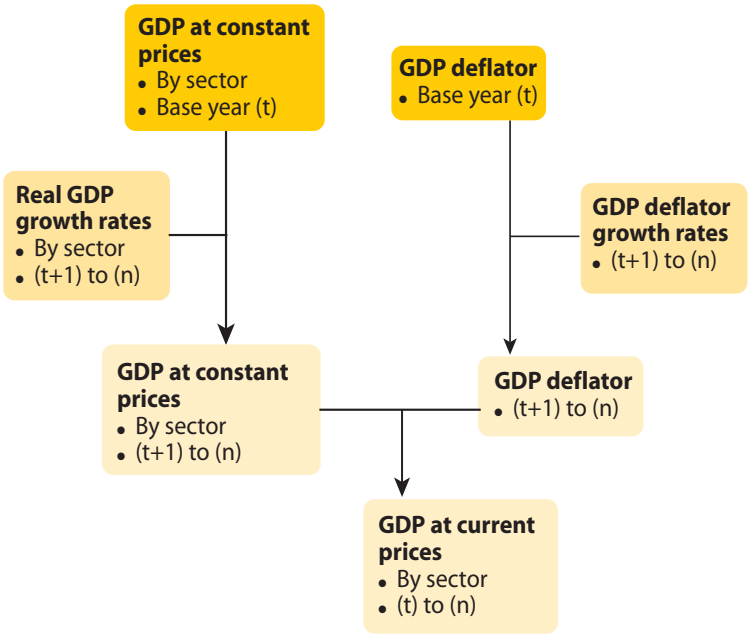
It is recommended to use official government economic projections or economic projections produced by preeminent research institutes. In Thailand, the macroeconomic model developed by TDRI was used. It assumes three scenarios related to high, medium, and low GDP growth.

When official projections are not available, economic growth can be estimated using the simple methodology in the ECO worksheet. In principle, economists try to forecast volumes and prices separately when forecasting the economic situation in the future. This enables one to apply different change patterns to both components.

Projections of GDP at current price will be obtained from projections of GDP at constant price (volume effect) and projections of the GDP deflator (price effect).

*GDP at current price = GDP at constant price * GDP deflator*

Figure 22. GDP at current price, GDP at constant price and GDP deflator



Source: T. Sakhunphanit: *Advanced RAP concepts: Macroeconomics*, presentation delivered during the training workshop on "Social Protection: Assessment, Costing and Beyond" organized by ILO DWT-Bangkok and Faculty of Economics, Chulalongkorn University, 15–19 October 2012.

The *GDP at constant price* measures the "volume" of production in a country. It is determined by employment and productivity.

*GDP at constant price = Productivity * Employment*

Using this formula, participants can project one of the parameters provided the data for the other two parameters are available in the country.

For example, if forecasts for the unemployment rate and labour productivity are available, projections of GDP at constant price can be obtained using the formula below:

*Unemployment = Unemployment rate * Labour force (EAP)*

Employment = Labour force (EAP) – Unemployment

⇨ *GDP at constant price = Productivity * Employment*

Alternatively, if projections for GDP at constant price and labour productivity are available, participants can project employment and unemployment.

Employment = GDP at constant price / Productivity

Unemployment = EAP – Employment

It should be noted that projections by this methodology, which assumes GDP, productivity, and unemployment as dependent variables, could lead to negative values of unemployment in long-term projections. Readjusting assumptions concerning GDP and productivity is a crucial step.

In the RAP model for Coresia, high levels of GDP growth translate into high labour productivity growth (between 4.4 and 5.3 per cent per year) given that employment is near the saturation level. After a sharp increase due to the introduction of the minimum wage from 2011 to 2013, the average wage increase stabilizes at 6 per cent to take into account productivity increases and inflation.

The *GDP deflator* measures the "price" effect. Usually economic growth goes hand in hand with inflation. Inflation is the rate of increase in the average price level of the economy. There are different ways to measure the general price level in the economy, and therefore, inflation. Some of the common measures are the consumer price index (CPI), headline inflation, and the GDP deflator.

- The GDP deflator reflects prices of all goods and services produced within the country. It compares the value of goods and services produced in the current year at current prices with the value of current production at base year prices. The GDP deflator is a broad measure of inflation which is important for understanding the whole economy.
- The CPI reflects the prices of a representative basket of goods and services purchased by the consumers. It compares the price of the same basket of goods and services from one year to the next.
- Headline inflation includes the entire market basket of goods and services consumed in the country, including fuel and food prices, which are volatile. The CPI excludes fuel and food prices.

When projecting the cost of SPF benefits in developing economies the headline inflation is preferred to CPI. This is because fuel and food availability is of greater concern in such countries.

Hands-on exercises

Hands-on exercises are designed to give participants practical experience in filling in the blue worksheets in the RAP model. The exercises are conducted as a class. An Excel file containing four exercises is distributed to the participants. The present module includes an explanation of the calculations for each exercise. Instructions and comprehensive solutions are provided with the guide (e-box).

a) Exercise 1:

The first exercise is on mortality. Population and mortality rates are given. Participants have to calculate the number of deaths and total population in the next year.

Formulas:

$$\textit{Number of deaths} = \textit{Population} \times \textit{Mortality rate}$$

$$\textit{Population in 2012} = \textit{Population in 2011} + \textit{Newborns in 2011} - \textit{Deaths in 2011}$$

Solution:

Cohort No. 1 (in yellow in the table below) is composed of all individuals born in 2010:

- The total number of newborns is 200.
- The mortality rate for age = 0 is 0.02.
- The number of deaths in 2010 is 4 (0.02 * 200).

The total population in 2011 is therefore 200 – 4 = 196.

In 2011, this cohort turns 1 year old:

- The mortality rate for age = 1 is 0.005.
- The number of deaths in 2011 is 0.98 (0.005 * 196).
- The number of survivors is 196 – 1 = 195 in 2012.

Cohort No. 2 (in green in the table below) is composed of all individuals born in 2009:

- The population in 2010 is 200.
- The mortality rate is 0.005.
- The number of deaths in 2010 is 0.005 * 200 = 1.

The population in 2011 is therefore 200 – 1 = 199.

In 2011, this cohort turns 2 years old:

- The mortality rate for age = 2 is 0.005.
- The number of deaths in 2011 is 0.995 or 1 (0.005 * 199).
- The number of survivors is 199 – 1 = 198 in 2012.

Table 17. Solution to exercise 1

Age Group	Pop_ 2010	Mortality Rate	Deaths_ 2010	Pop_ 2011	Mortality Rate	Deaths_ 2011	Pop_ 2012
0	200	0.02	4	190	0.02	3.80	180
1	200	0.005	1	196	0.005	0.98	186
2	200	0.005	1	199	0.005	1.00	195
3	200	0.005	1	199	0.005	1.00	198
4	200	0.005	1	199	0.005	1.00	198

b) Exercise 2:

The second exercise is on the labour force and unemployment. The number of people in the working age group, the labour force participation rate, and the rate of unemployment (in the labour force) are provided. Participants have to calculate the number of people in the labour force and the number of employed people.

Formulas:

Labour force = Labour force participation rate × Number of people in the working age group

Number of people in the working age group = Number of people of 15 years of age and above

Number of employed people = Total labour force – Number of unemployed people

Number of unemployed people = Unemployment rate × Total labour force

Solution:

In 2010, for instance, the labour force = 80% * (700 + 100) = 640 persons.

- The number of unemployed = 5% * 640 = 32 persons.
- The employed persons = 640 – 32 = 608 persons.

Table 18. Solution to exercise 2

Age group	2010	2011	2012
0-14	200	240	300
15-59	700	840	1 050
60+	100	120	150
Total	1 000	1 200	1 500
Labour Force Participation Rate	80%	75%	70%
Labour Force	640	720	840
Unemployment rate	5%	5%	5%
Unemployed	32	36	42
Employed person	608	684	798

c) Exercise 3:

The third exercise is on calculating the number of newborns from female workers working in the informal sector.

The data provided includes:

- female labour force per age group;
- percentage of those working in the informal sector (among EAP) per age group;
- fertility rates per age group.

Formulas:

$$\textit{Number of female workers working in the informal sector} = \textit{Number of female EAP} \times \textit{Percentage of those working in the informal sector}$$

$$\textit{Number of newborns} = \textit{Fertility rate} \times \textit{Number of female workers working in the informal sector}$$

Solution:

In 2010 and for the age group 15–19 years of age:

- The number of female workers working in the informal sector = 58% * 477 = 277.
- The number of newborns = 0.0098 * 277 = 3.

d) Exercise 4:

The fourth exercise is on GDP. GDP at constant price, GDP growth, and GDP at current price are given for the year t. Participants have to calculate the GDP deflator for the year t and then project GDP at constant price, the GDP deflator, and GDP at current price in year t+1.

Formulas:

GDP at constant price in year t+1 = GDP at constant price in year t × GDP growth rate

GDP deflator = GDP at current price / GDP at constant price

Solution:

In the example, the GDP deflator = 6,000 / 5,000 = 1.2.

- GDP at constant price in t+1 = (1+10%) * GDP at constant price in t = 110% * 5,000 = 5,500.
- GDP at current price in t+1 = GDP deflator * GDP at constant price in t+1 = 1.2 * 5,500 = 6,600.

In this exercise, for the sake of simplifying assumptions, we assumed that the GDP deflator would remain constant. In reality this is generally not the case.

Table 19. Solution to exercise 4

	t	t+1
GDP at constant price	5 000	5 500
GDP growth	10%	10%
GDP deflator	1.2	1.2
GDP at current price	6 000	6 600

Takeaway message:

To fill in the POP, EAP, ECO, and GGO worksheets of the ILO RAP model, it is necessary:

- to collect a number of indicators (historical data): population, labour force or economically active population, labour force participation rate, employed persons, unemployed persons and unemployment rate, GDP at constant and current prices, productivity, consumer price index, and so on;
- to collect projections for these various indicators or, when the projections are not reliable or not available, to calculate projections for some of these indicators.

It is important to understand the indicators and their interrelationships with each other in order to be able to collect the data, calculate projections, and cross-check the coherence across data.

Resources:

		textbook	e-box
	Master module 12 – Understanding how to input data into the RAP worksheets (advanced session)	✓	✓
	Presentation – Advanced Session on using the RAP		✓
	Advanced RAP Theory Part 1 – Finding the data (POP and EAP worksheets) Part 2 – Exercises No. 1 to 3 Part 3 – Macroeconomics (ECO worksheet) and Exercise No. 4		✓ ✓ ✓
	Instruction sheet for the hands-on exercises		✓
	Exercises (Excel sheets with questions and answers)		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 13

Assessing affordability and impact on fiscal space

Duration: 2 hours

Prerequisites: All modules, particularly modules 10, 11, 12

Key questions:

1. What is affordability? What is fiscal space?
2. How to forecast government revenues and expenditures?
3. How to calculate fiscal space and finance fiscal deficit?
4. How to convince governments to invest in social protection?

Objectives:

This module aims to increasing knowledge on the concepts of affordability and fiscal space, as well as on the impact of expanding or implementing new social protection provisions on government budget. It also aims to provide ideas on various measures to increase fiscal space through budget reallocations or tax reforms. Finally, it aims to foster a discussion on ways to convince the government to increase fiscal space and invest in social protection.

Overview:

This module includes a presentation on affordability of proposed social protection benefits and their impact on fiscal space.

What is affordability? What is fiscal space?

Social protection schemes proposed as a result of the ABND exercises are feasible when the country concerned can afford to fund new social protection benefits. Affordability is assessed by calculating the cost of the new social protection schemes and comparing this cost with GDP. If the estimated cost of implementing a proposed social protection scenario is not much, for example, 1 per cent of GDP, it may be argued that the country in question can afford to extend the additional social protection benefits.

Depending on policy choices and the social model of the country, these additional expenditures may be:

- fully financed through social contributions (made by workers and employers);
- fully or partially financed from government budget. In such cases it is important to assess whether the government can afford these additional expenditures, i.e. whether there is sufficient fiscal space.

In the case of contributory schemes, it should be ensured that the contributions are affordable by workers and employers. In case out-of-pocket payments are required, they should not constitute a barrier to access social services. There is always a trade-off between the level of protection provided and the cost of such protection.

For the purposes of this exercise, fiscal space is defined as the budgetary capacity of a government to provide resources for a desired purpose without jeopardizing the sustainability of its financial position or the stability of the economy. In cases where budgetary capacity is not sufficient, the government may create additional fiscal space by raising corporate income taxes, value added taxes or personal income tax, borrowing from international institutions or markets, or cutting down on low-priority expenses. However, borrowing beyond a certain extent has to be carefully considered as it may compromise macroeconomic sustainability in the long term.

How to forecast government revenues and expenditures?

It is recommended to use official government budget projections or projections made by pre-eminent research institutes. In Thailand, for instance, TDRI's econometric model was used to project GDP and general government revenues and expenditures.

When no official projections are available, general government revenues and expenditures need to be forecasted.

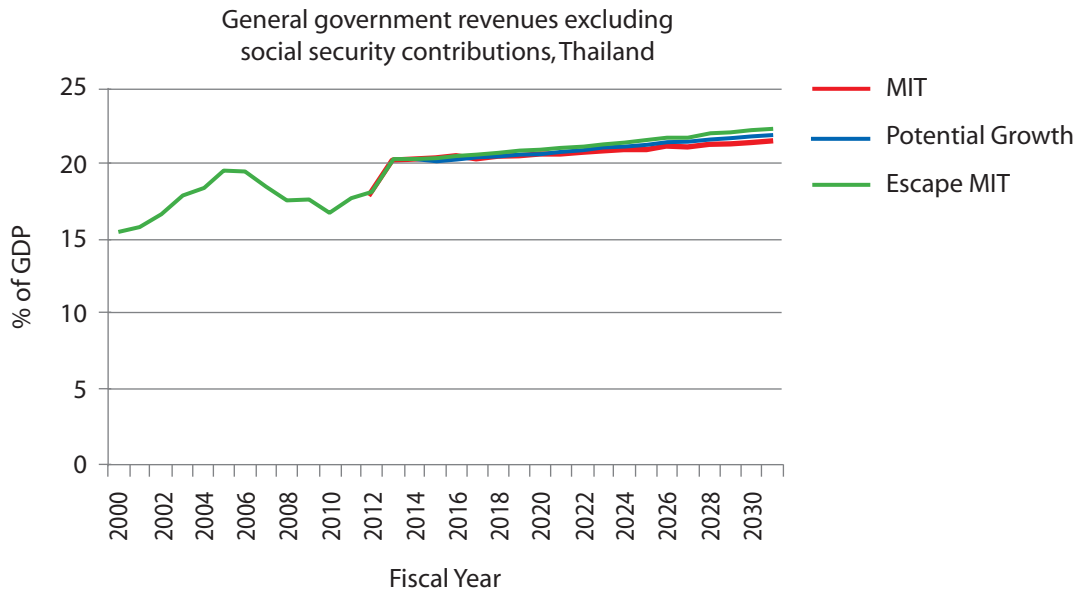
The GGO worksheet includes general government revenues and expenditures at current price.

Based on historical data, government revenues and expenditures should be expressed as a percentage of GDP at current price and then projected based on GDP forecasts:

- We collect historical data for GDP at current price and government revenues and expenditures.
- We express government revenues as a percentage of GDP at current price.
- We express government expenditures as a percentage of GDP at current price.
- We obtain future government revenues and expenditures by applying the respective percentages of revenues and expenditures to GDP forecasts (at current price).

When several scenarios of GDP growth are available, this may lead to several forecasts of government revenues and expenditures as indicated in the graph below.

Figure 23. General government revenues as a percentage of GDP in Thailand, excluding social security contributions – historical data and projections



Source: T. Sakunphanit, S. Jitsuchon, and O. Prasitsiriphol: *Health care financing for expected health care service system* (Bangkok, HISRO, 2013).
MIT: middle income trap.

How to calculate fiscal space and finance fiscal deficit?

The fiscal space is obtained by calculating the balance – government revenues minus government expenditures – and projecting this balance into the future.

In most countries, the fiscal space – the room for additional expenditures in the government budget – is equal to zero or even negative due to high indebtedness of governments. This is the case in Thailand. However, due to positive GDP growth forecasts, it is expected that the negative balance will progressively shrink and become positive after a few years' time, as indicated in the graph below.

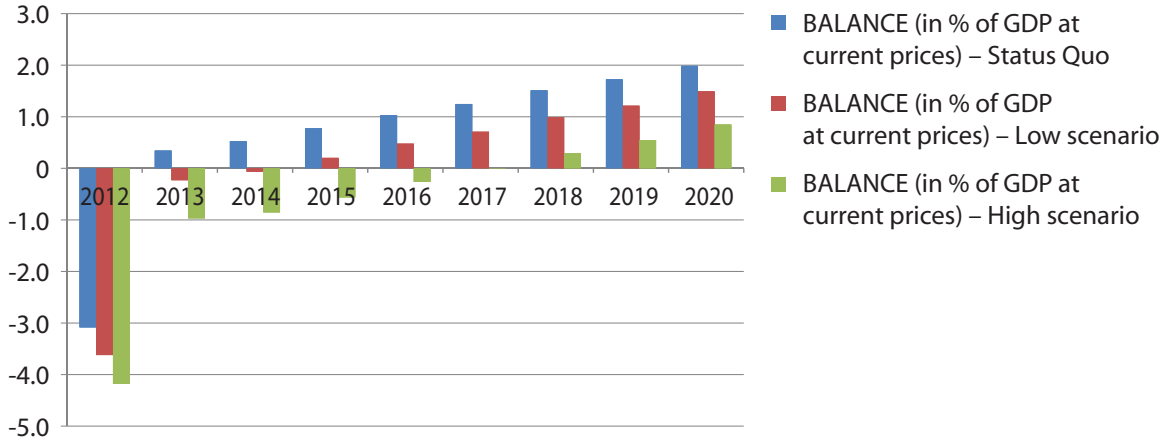
With the introduction of new social protection benefits, the government will have to borrow more (another 1 or 2 per cent of GDP), which will contribute to increasing the negative balance of the government budget. The fiscal space will start by being more negative than before and it will take longer for the fiscal space to become positive.

In Thailand, the estimated costs of the low and high scenarios were added to government budget projections. The budget balance (revenues and grants minus expenditures) was then expressed in Thai baht and as a percentage of GDP for the status quo, the low scenario, and the high scenario. This provided an initial indication of the fiscal space in case the proposed social provisions are financed entirely from government budget.

The model shows that overall government expenditures under the status quo, which includes existing social protection policies, creates a negative balance of fiscal space of around 3.1 per cent of GDP in 2012. The fiscal space balance is projected to turn positive by 2013 under the status quo assumption, which suggests that the negative balance in 2012 could be financed by borrowing. The additional cost of new social protection provisions from the low and high scenarios will increase

the negative balance of fiscal space by an additional 0.5 per cent of GDP and 1.2 per cent of GDP in 2012, respectively. The introduction of the low scenario would entail a deficit in the government's budget until 2014 and the high scenario would result in a deficit until 2017. In both cases, budget reallocations or changes in the tax structure and/or social security contributions would be needed to finance these additional provisions from the government's budget.

Figure 24. Fiscal space in percentage of GDP (status quo, low, and high scenarios entirely financed through government budget)



Source: V. Schmitt, T. Sakunphanit, and O. Prasitsiriphol, ILO RAP model for Thailand, 2013.

There are several options for financing the fiscal deficit, including raising corporate income taxes, value added taxes, or personal income taxes. One of the recommendations included in the assessment report for Viet Nam, for example, is to gradually increase personal income tax to about 1.3 per cent of GDP and increase value added tax (VAT) by about 1 percentage point, which might be sufficient to generate the resources estimated to be required for closing the SPF financing gap while keeping the overall government deficit at a projected level of 3 per cent of GDP.

How to convince governments to invest in social protection?

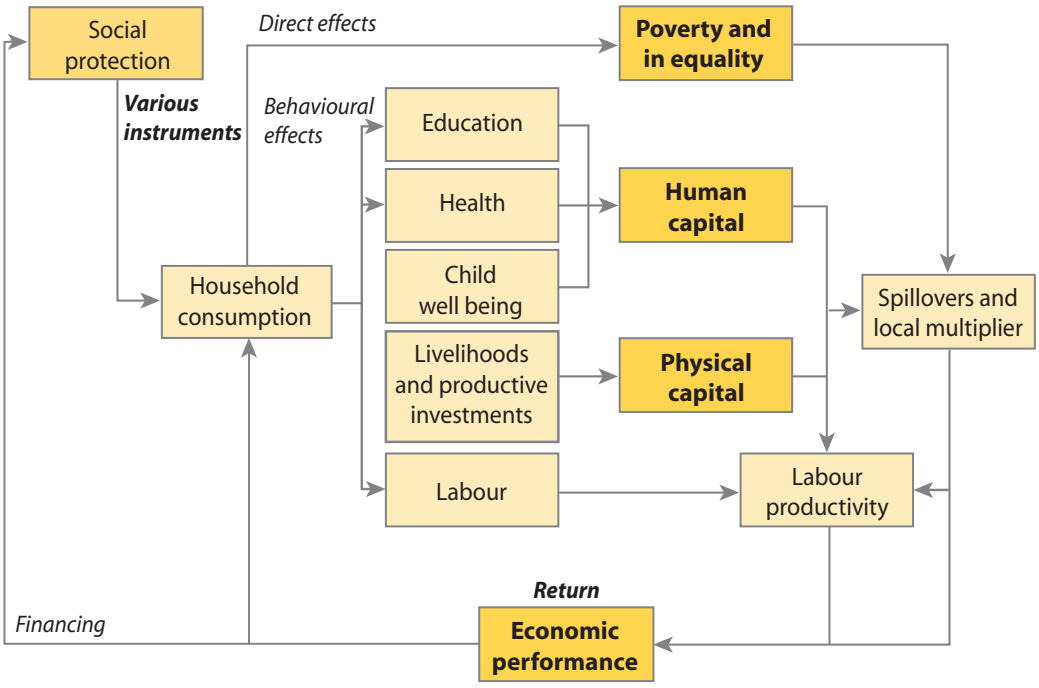
To convince the government to invest in social protection, it is necessary to perform detailed simulations (or *ex ante* assessments) of the effects of social protection policies. When a government introduces social protection, households receive benefits and their income increases, thus reducing poverty. This is the *direct effect* of social protection. While conducting the ABND in Viet Nam, an *ex ante* assessment of the impact of proposed scenarios and benefits on the reduction in poverty was conducted. This assessment simulated the direct impact of transfers on individual and household expenditures and poverty status. However, it did not take behavioural changes into account.[14]

[14] For a description of the poverty impact analysis and its results, see pp. 35–41 of M. Cichon, F. Bonnet, V. Schmitt, C. Galian, and G. Mazeikaite: *Analysis of the Viet Nam National Social Protection Strategy (2011–2020) in the context of social protection floors objectives: A rapid assessment,* Extension of Social Security (ESS) Paper No. 32 (Geneva, ILO, 2012).

There is also a *multiplier effect*. With more income and more money to spend, household members may buy food, manufactured goods, and services, thereby contributing to generating income for several sectors of the economy (agriculture, manufacturing, and service sectors).

There are also *behavioural effects*. These are caused by investments in health care and education, which lead to better health and higher productivity, and increased human capital. Graduating from university will increase the chances of having a higher paid job than graduating from primary school. Increasing the level of compulsory education and investing in the quality of education will contribute to increasing labour productivity and overall income levels. Similarly, with good health care facilities and greater access to health care services, people will be healthier, more productive workers. These productivity and income increases, if shared through adapted taxation or social contributions, will generate more fiscal space for the further development of social protection.

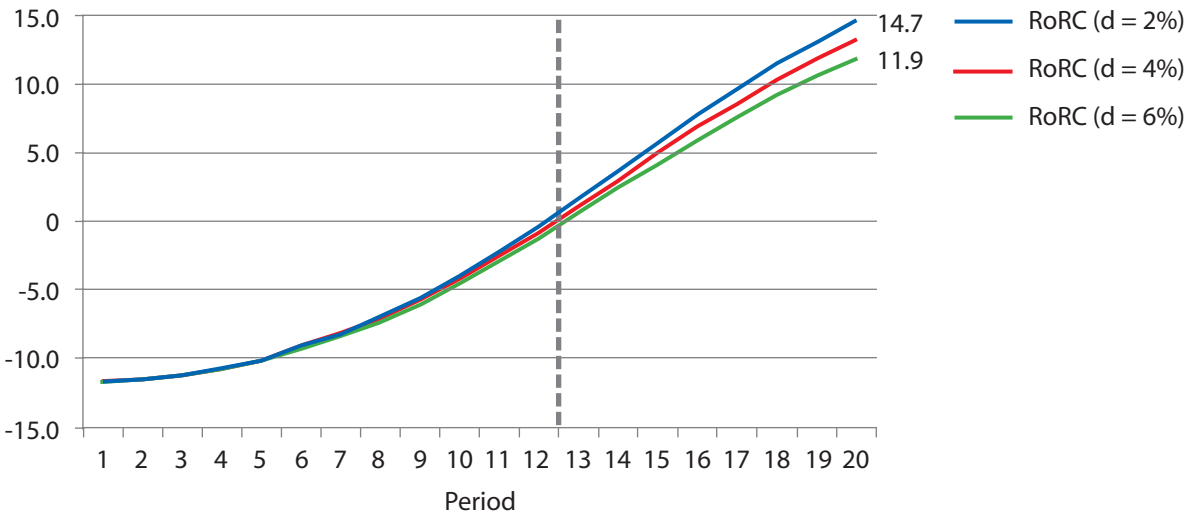
Figure 25. Social protection and socio-economic development



Source: A. Mideros Mora, F. Gassmann, and P. Mohnen, 2012, *Estimation of rates of return of social protection instruments in Cambodia: A case for non-contributory social transfers.*

Franzizska Gassmann from the Maastricht University conducted a study on social protection as an investment and found that social protection in Cambodia creates between 11.9 per cent and 14.7 per cent return on investment in 20 years. Social protection can be considered as an investment in human capital and compared with investments in infrastructure such as dams, trains, and roads. The model developed by Franzizska Gassmann shows also that although return on investment may vary across countries, the combination of several social protection benefits will generate higher returns than the provision of several social protection benefits separately.

Figure 26. Simulated rate of return on social protection investment in Cambodia



Source: A. Mideros, F. Gassmann, and P. Mohnen: *Estimation of rates of return of social protection instruments in Cambodia: A case for non-contributory social transfers* (Maastricht, Maastricht Graduate School of Governmance, 2012).

The direct, multiplier, and behavioural effects of social protection investments on poverty reduction and inclusive growth also need to be measured *ex post* through the establishment of comprehensive monitoring and evaluation systems.

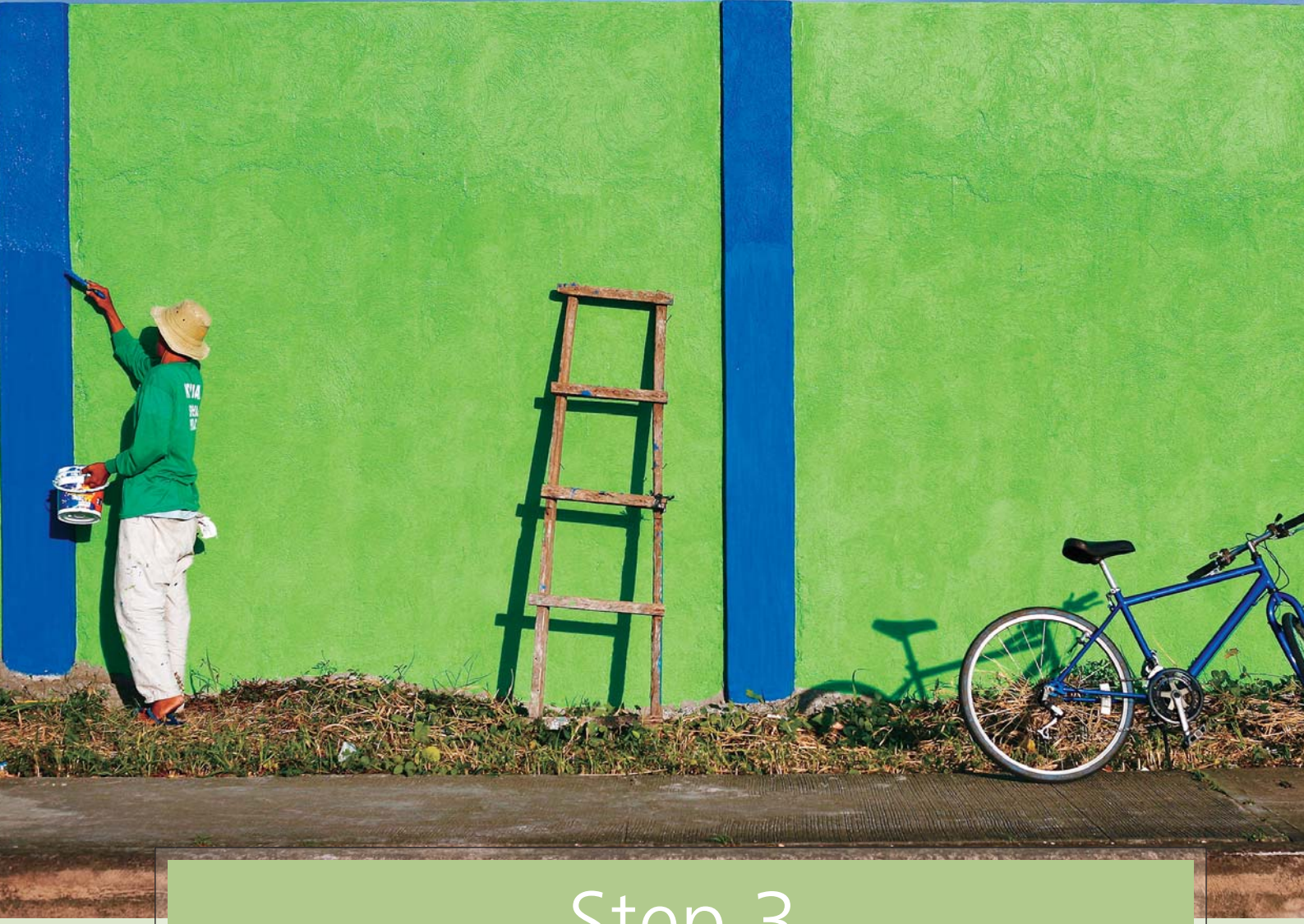
Takeaway message:

Whereas the concept of affordability relates to the capacity of a country as a whole to finance additional social protection benefits, that of fiscal space indicates whether the government can afford financing these benefits from its own budget. Adding new social protection benefits will inevitably result in deteriorating the fiscal balance. Thus, ways to reduce the deficit need to be devised by increasing government's resources or cutting "unnecessary" expenditures and reallocating the available resources to social protection. In any case, the government needs to understand that social protection shall not be considered as a cost but as an investment in human capital.

Resources:

		textbook	*e-box*
	Module 13 – Assessing affordability and impact on fiscal space	✓	✓
	Presentation – Assessing affordability and impact on fiscal space		✓
	Affordability and fiscal space		
	Part 1 – Fiscal impact of the social protection floor		✓
	Part 2 – Rate of return of the social protection floor		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/



Step 3

Finalization and endorsement

MODULE 14

"Role play" to advocate for the endorsement of the policy options identified through the case study

Duration: 2 hours

Prerequisites: All modules

Key questions:

1. What are different methods to be used while presenting the recommendations to line ministries and national policy-makers?
2. How to effectively lobby for endorsement of the recommendations and further their implementation?

Objectives:

This module aims to give participants practical experience in lobbying for one or several policy options and gaining support from policy-makers for the endorsement and implementation of these recommendations.

Overview:

The module includes a role play and a wrap-up by the facilitator to share some real country experiences.

What are different methods to be used while presenting the recommendations to line ministries and national policy-makers?

Participants form the same groups as in previous exercises: health care, children, working age, elderly, maternity, and HIV.

Group No. 1	Case study No. 1: The challenge of improving health of the people in Coresia
Group No. 2	Case study No. 2: The challenge of providing adequate education, childcare, and nutrition in Coresia
Group No. 3	Case study No. 3: The challenge of providing income security to the working age population in Coresia
Group No. 4	Case study No. 4: The challenge of providing income security to the elderly people in Coresia
Group No. 5	Case study No. 5: The challenge of providing universal maternity care in Coresia
Group No. 6	Case study No. 6: The challenge of combating HIV and syphilis in Coresia

Each group performs a role play to advocate endorsement of the selected scenario by the government.

The members of a group are asked to pick a role, preferably one different from their actual position. For instance, a person who works for a ministry could play the role of an employer. In this way, each person from a group assumes a role.

The groups are given 30 minutes to discuss among themselves and come up with arguments for advocacy.

Each of the six groups comes to the front of the training room and puts forward their arguments in 15 minutes.

When one group is presenting, the other participants sit as audience in one of the following groups:

- ministry of finance and planning;
- ministry of health;
- ministry of labour;
- ministry of social affairs and women;
- employers;
- workers;
- civil society;
- international financial institutions.

The audience asks questions and provides counter-arguments to the proposed scenario from the point of view of the group in which they are sitting. For instance, when the working age group is advocating for the endorsement of a scenario on skills training, a ministry of finance representative sitting in the audience may express concerns over the effect of implementing the scenario on government budget and ask the group to justify their proposal.

Examples of possible arguments, questions, and answers for different scenarios:

Example No. 1

The working age group presented itself as a multi-stakeholder group comprising an academician, a specialist from the UN, an economist from the Ministry of Finance, a statistician, and employers' and workers' representatives. Their selected scenario consisted of providing vocational training for 90 days along with an allowance to poor and near poor informal economy workers. This would target about 2 million people and cost 0.58 per cent of GDP.

Different stakeholders expressed their support for the scenario and put forward arguments to convince the other stakeholders from their own perspectives. A representative of rural female workers said that she was very happy and would wait for the scenario to be adopted. The academician presented his case from a statistical point of view, indicating that an investment in training at a cost of 0.58 per cent of GDP will ultimately give a return of 7 per cent of GDP. They have conducted surveys to determine the demand for skills from employers and have a rough design in mind.

The group was then given 15 minutes to accept and reply to questions from the audience. A representative from the World Bank asked that the target group be clarified along with the training activities. She also asked the group to explain how the scheme would ensure that beneficiaries have income security after the training ends. The group replied that they were targeting 100 per

cent of the poor and near poor population for training activities. The training would be demand-led, comprised of both theory and practical training, and developed together with technical experts. They also clarified that the daily allowance during training would be provided keeping in mind the minimum wage of Coresian Dine 250.

A representative from the planning agency remarked that after listening to the presentation, the government would only be able to finance the training for four years. From the Ministry of Finance, a commenter observed that the government seemed to be subsidising firms for hiring and questioned why the firms do not look for workers themselves. A member of the employers' confederation raised his questions on how beneficiaries of informal training activities would finally be absorbed by the formal economy and which government agencies would be involved in the training.

Example No. 2

The HIV group, comprising employers' and workers' representatives, civil society members, the Social Security Board, and ministries, presented their scenario next. The representative from civil society appealed to the emotional nature of humans and said that people need to stop the spread of HIV/AIDS. The group used visual media, including graphic images, video testimonials of people living with HIV/AIDS, and statistics, to drive their point home and inspire the government to take immediate action. In the discussion following the presentation, a representative of the Ministry of Finance said that although they would support the idea of the proposed scheme, they did not have enough money.

A member of civil society spoke up in earnest to say that they have been hearing the same thing for 20 years. Her concern was that if she finds out she has HIV, she does not know what steps to take for herself and how to protect her children. She wanted to find out how the scheme would benefit people with HIV/AIDS and details of the government's plan. The group went on to explain their chosen scenario, which was to provide a package of benefits comprising free voluntary counselling and testing (VCT) twice a year, cluster of differentiation 4 (CD4) and viral load, anti-retroviral (ARV) drugs, free VCT and mother-to-child-transmission (MTCT) measures for pregnant women, and cost of transportation to hospitals. A representative of the Social Security Board highlighted that they have estimated the cost of bringing this scheme into operation. They now required money, technical support, and an advanced database. For this, cooperation of the government was of utmost importance. The group again highlighted the necessity of implementing easy access to HIV tests and treatments.

A person from the Ministry of Health asked why so much money was being allotted to treatment rather than prevention and the logic behind selecting that particular scenario among so many others. The group replied that this scenario, when implemented through a scheme, would guarantee the SPF and would need to be complemented with other programmes such as awareness creation and prevention. A member of the government reiterated that it is essential to think of children, especially those living in households affected by HIV. The group replied that while prevention was important, they also want to focus on people living with HIV who need help.

A member of the Association of People with HIV in Koh Chang province quoted that 30,000 households are affected in just their province, of which 2,000 are critical, meaning that parents have passed away and grandparents are taking care of children, in households where food and money are not sufficient. As a result, the children who grow up in these households will have little or no education.

Example No. 3

The health group consisted of representatives from ministries, UN agencies, and social security schemes. The group summarized that they have been working for two years to discuss with different stakeholders and performed a health expenditure review. They proposed a scenario to expand coverage of the Public Health Care Plan (PHCP) to poor and near poor people. The Chairperson from the Ministry of Health talked about social protection and the relevance and importance of good health and health services. The group proposed providing the additional funding by increasing the taxes on alcohol, tobacco, and chemicals. The representative from PHCP stressed that the poor and near poor people need government help and that building financial and human capacity to ensure sustainability of the scheme is very important. A representative of the World Health Organization (WHO) mentioned that they support the proposal strongly and added that it was an investment in human capital.

How to effectively lobby for endorsement of the recommendations and further their implementation?

Subsequent to formulating the social protection recommendations and their costing using the RAP model, proposals are shared with the government, workers' and employers' representatives, and civil society organizations with a view to technically validate the report and receive political endorsement.

The ABND exercise involves a number of stakeholders (representatives from various ministries, statistics office, workers' and employers' representatives, civil society organizations, academicians, UN agencies, and development partners). Relying on a proper national dialogue throughout the ABND process will definitely facilitate its final technical endorsement.

Technical validation includes the confirmation of the description of the social security situation (the assessment matrix), endorsement of the proposed scenarios, and validation of the parameters and assumptions used in the cost calculations. The technical validation process can be quite lengthy and time consuming given the number of actors involved, particularly the number of relevant ministries: health, education, labour, social affairs, planning, finance, and so on. In Thailand, a national coordination mechanism was helpful in speeding up the process. The National Commission on Social Welfare – which includes representatives of all relevant line ministries – coordinated and compiled all technical comments on the draft report.

While stakeholders involved in the technical validation process may have some influence, they may not be in a position to make final decisions on future or additional social protection provisions. As such, political endorsement is also necessary to ensure that ministerial level stakeholders will endorse major policy changes.

Furthermore, the recommendations included in the ABND reports relate to more than one guarantee of the social protection floor. Therefore, decisions on the most relevant or priority scenarios for the country cannot be made by one ministry alone and require the approval of several line ministries. Thus, in addition to specific line ministries (health, education, social affairs, labour), it is necessary to secure the support of the respective prime ministers' offices, ministries of finance, and ministries of planning.

The endorsement process may involve:

- organizing bilateral meetings with high-level policy-makers to explain the recommendations and seek their support;
- inviting high-level policy-makers to write an acknowledgement of the report;
- organizing a high-level launch event for the report with press coverage;
- developing a number of tools (videos, leaflets) to explain the main recommendations of the report; and
- involving civil society networks and workers' and employers' representatives to advocate for some of the recommendations.

In Thailand, for example, the ILO presented the report to the Minister of Labour, Minister of Social Development and Human Security, Secretary General of the NESDB, the Prime Minister's Office, and relevant permanent secretaries. The ILO secured their participation in the report launch and they agreed to write an acknowledgement for the report. The report was launched at Government House by the Minister attached to the Office of the Prime Minister, together with the Minister of Labour and the Minister of Social Development and Human Security. More than 300 participants representing the Royal Thai Government, Thai workers' and employers' organizations, civil society, academia, embassies and international organizations attended the event. This major event lent high visibility to ILO's work in Thailand and paved the way for future collaboration between the UN Country Team in Thailand and the Royal Thai Government in further supporting the recommendations of the ABND report.

In Indonesia, the ILO presented the final report to the Vice Minister of planning and development and gained support from Bappenas for a joint launch of the assessment report on 6 December 2012. The recommendations and cost projections contained in the report were recognized by the Government as useful tools to inform ongoing policy discussions in the framework of the implementation of the new social security law (Sistem Jaminan Sosial Nasional (SJSN)), as well as the further extension of anti-poverty programmes. Indonesia has consequently become the first ILO member State to pursue concrete follow-up action immediately after the adoption of Recommendation No. 202 at the 101st Session of the International Labour Conference. The ILO together with the relevant members of the United Nations Partnership for Development Framework sub-working group on social protection are now using the assessment report to advocate for the endorsement of some of the recommendations. Some progress has already been achieved with the inclusion of the ABND report's recommendations on HIV-sensitive social protection in the Health Ministry's strategy to combat HIV/AIDS. In addition, Bappenas requested the publication of 500 additional copies of the report for wide dissemination across line ministries and provincial governments.

Takeaway message:

Once the ABND report has been finalized and endorsed at the technical level, the political endorsement of the report needs to be conducted. This implies presenting the report to key policy-makers in the country, gaining their support, organizing a visible event for the launch of the report, relying on civil society, workers' and employers' organizations, and other pressure groups to ensure that at least some of the recommendations can be translated into concrete policy options.

Resources:

		textbook	*e-box*
	Module 14 – "Role play" to advocate for the endorsement of the policy options identified through the case study	✓	✓
	Advocacy to the government		✓
	Instruction sheet for the role play to advocate for the endorsement of the policy options identified through the case study		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 15
Building of a social contract

Duration: 1.5 hours

Prerequisites: Modules 2, 3

Key questions:

1. What is a social contract?
2. Why is there a need for a contract?
3. What is the origin of the social contract?
4. What is the role of ideologies in influencing social policies?
5. What is the role of religion in influencing our vision of society and social protection?
6. What other factors influence social protection policies?
7. What is a welfare state?
8. What are experiences from different countries?
9. What is the basis for social contracts in different countries?

Objectives:

This module aims to explain why a social contract is needed and how it came into being. It describes different factors which have played a role in influencing our vision of society and social protection policies and schemes. It talks about a welfare state and explores the varied experiences of countries in designing social policies and social protection systems. The fact that the ABND exercise relies on a national dialogue will guarantee that the vision of society and the social contract are reflected in the recommendations of the ABND.

Overview:

This module starts with a presentation on the building of a social contract in a country and its relevance to social protection. It continues with an open discussion on the basis for social contracts in different countries.

The social contract in a country has a huge impact on the designing of schemes and the process of creating awareness on social security. This module aims to present and discuss the principles on which social protection and social insurance are based, such as those of solidarity and shared responsibilities. It is very important while advocating for the SPF to the population or the government that people should accept the idea of contributing for others and not only for the most destitute. Behaviours are shaped by mentalities. Thus, how people think is how the social contract is shaped.

What is a social contract?

A social contract is an implicit agreement on how to live together in a society. It defines the rights and duties of all parties involved. An exchange of duties and responsibilities must take place for the social contract to be complete. For example, when people pay taxes, the government is expected to provide public services financed from the taxes. Social policies and taxes are part of the social contract.

The definitions of rights and duties are not fixed and must evolve as societies progress and advance. As former Prime Minister of the Royal Thai Government, Abhisit Vejjajiva, mentioned in the Davos Forum, "Thailand is still in the process of drafting the social contract, of defining the tasks and the objectives of the government".

Why is there a need for a contract?

The philosophical theories behind the social contract start at the origin of society. The origin of society is the state of nature, i.e. a state of human life without any political or social order.

Thomas Hobbes was an English philosopher of the seventeenth century who first articulated the social contract. In his book *The Leviathan*, he explains that in the state of nature, human beings are fundamentally equal. This is not the meaning of the term "equal" in the present-day sense, but equal because anyone can kill anyone. It does not matter how strong a person is because a weaker person can kill them by offering a poisoned drink.

In the state of nature, human beings are fundamentally equal and unrestrained. They can do whatever they want and violence is morally acceptable. However, in this state of fundamental equality and freedom, life is a story of continuous fear and violence. According to Chapter XIII.9 of *The Leviathan*, life is "solitary, poor, nasty, brutish and short". It is a "war of all against all". Human beings did not have time to improve their livelihoods or perform productive activities such as agriculture because they always lived in fear of being killed or harmed and had to always prepare for their defence. Thus, there was need for some kind of mutual agreement in order to have better lives.

What is the origin of the social contract?

Being rational, human beings decided to create the social contract or an agreement for society to live in harmony. The social contract came into existence as an agreement where the ruler has to take care of the masses and guarantee their security and the people have to give up their freedom. According to Hobbes, an authoritarian state called the Leviathan is needed to make people respect the social contract. However, this aspect has been criticized by many other philosophers.

It can be seen that there is a choice to be made between total freedom and security. However, society may not mean the end of all freedom. According to Hobbes, freedom is when the law is silent. But for Jean-Jacques Rousseau, the French philosopher of the eighteenth century, real freedom begins with the law. What people lose as a result of the social contract is their natural liberty, i.e. the liberty to do what they want. In exchange, they gain civil liberty, propriety, and moral liberty.

According to Rousseau in *The Social Contract, Book 1*, moral liberty makes man truly the master of himself, to be driven by appetite alone is slavery, and obedience to the law that one prescribes for

oneself is freedom. This is freedom under our will, as we do no more than obey ourselves. This vision may be shared by governments and citizens, and influences the way social policies are designed.

What is the role of ideologies in influencing social policies?

People may have different opinions on what is best for them, the distributive role of the government, and whether the welfare state contributes to justice. In his book, *Economics of the Welfare State*, Nicholas Barr explains that there are three main ideologies, namely libertarian, liberal, and socialist. They have different aims and, accordingly, a different conception of the role of the government and the way goods and services should be distributed.

- The primary aim of libertarians is individual liberty and they consider that the best way to achieve it is by having private markets.
- For the liberals, the objective is to maximize the total utility of the people and hence the total happiness.
- The socialists want to achieve freedom and fraternity and, most importantly, equality.

These aims impact the way that these ideologies consider the government.

- The libertarians favour minimum intervention of the state. They are not in favour of the idea of a welfare state because it stifles individual freedom. To them, the pursuit of social justice is fruitless and dangerous because the notions of just and unjust can only be applied to circumstances which have been caused by people's actions. Hence the outcome of impersonal forces like markets and the distribution of goods can be determined as good or bad, but not as just or unjust. Thus, the notion of social justice has no meaning for them. Also, social justice could jeopardize the market order.
- The liberals give a greater distributive role to the market. They see it as an equalizing force, but support it only when it serves to achieve society's goals. However, the objective of maximizing total utility of people has been criticized by John Rawls, an American philosopher of the twentieth century, because it may justify causing harm to the least wealthy person in order to raise the total happiness. Rawls considers justice as the primary aim of policy.
- For the socialists, the state has a significant redistributive role. Distinctions can be made between democratic socialists, who favour a mixed economy where private markets have a role as long as they are moderated by state intervention, whereas socialist Marxists consider that the market is inherently in conflict with society's aims.

Tending towards one ideology over another will alter people's vision of society and social policies. A central element in Barack Obama's health care reform of 2010 was universal coverage and the health insurance mandate, i.e. people must have medical insurance or pay a tax. Although many arguments were raised, it could be argued that there was an ideological split between the proponents of universal coverage and people who could be seen as libertarians. The Republicans declared that this was an "infringement on the rights of individuals".

What is the role of religion in influencing our vision of society and social protection?

One of the chief factors influencing how people view society and social protection is religion. Different religions advocate different beliefs and therefore may have different views of society. However, it can be seen that almost all religions advocate similar principles regarding solidarity and sharing with people in need. For instance, in Confucianism altruism is one of the highest values and an obligation. The welfare of society is above the welfare of the individual.

Buddhism states that people should get rid of their egoism to achieve peace and inner harmony. The notion of interdependence is very important. A famous discourse of the Buddha uses the analogy of two acrobats, one balancing on top of the other, to affirm that "by protecting oneself, one protects the other". The acrobat has to balance oneself correctly to ensure that both are protected. When seen the other way around, i.e. "by protecting the other, one protects oneself", it is apparent that one must protect the other to ensure that one remains safe.

Charity is also one of the five pillars of Islam and it can be considered as informal social protection and support. "Zakat" is the obligation to share one's wealth with those in need. In Islamic states, people have to give 2.5 per cent of their wealth, which comprises annual savings and precious metals. Non-payment is equivalent to waging war against the state. Thus, it can be seen that these religions emphasize solidarity and rebalancing of wealth.

In recent years, influence of the global market, in social and economic terms, has diluted religious feelings, as well as cultural and family relations. This has to be considered while designing a social protection system. Depending on the extended family for support was a good model in the past. However, with changing demographics and social behaviour, this is no longer sustainable.

What other factors influence social protection policies?

Religion does not entirely explain the framework of society, social contract, and social protection. In Singapore, the influence of religion does not shape social policies and behaviours to a great extent. The government has a limited role when it comes to social and health protection and the responsibility for social protection lies mostly with individuals and families in the form of compulsory savings. This is also because there has been a strong modernistic influence towards individualism, which has influenced the social security system. In the United States of America and France, a majority of people are Christians, but they have different opinions about universal social protection coverage.

After the economic crisis in 2008, social protection gained momentum in the global agenda and many countries focused their attention on strengthening their social protection systems. Another major influencing factor in developing countries is availability of fiscal space and government revenues, which may be limited. This plays a vital role in deciding between universal and targeted coverage, or in opting for fully subsidized or partially contributory schemes.

For social insurance schemes to work, people need to accept the idea of contributing for others. It has been found that there is a lack of awareness among people on how social insurance can benefit everyone. People may be unwilling to contribute, especially when they do not utilise the services. This can make it difficult to successfully implement contributory social insurance schemes and requires major campaigns to change the mindsets of people.

In the 1980s, the idea of a welfare state started gaining momentum in developing countries. A welfare state is necessary to support the poor and for income redistribution. Rich groups are taxed more, in exchange for which the welfare state protects people. Social protection is aimed at protecting the poor and near poor, which will indirectly protect the rich. If no help is given to the poor, the rich will be affected as they may have to hire people to protect them and their possessions. With more skills and in better health conditions, the poor groups can contribute more effectively to the overall development of the country.

What are experiences from different countries?

In Thailand, the monarchy plays an important role in society. It is believed that there should be a mix of policies with universal coverage guaranteeing a minimum level of benefits to all and targeted schemes addressing specific vulnerabilities. For instance, the Universal Coverage Scheme (UCS) provides basic health care coverage to all people not covered by other public health programmes. At the same time, there are separate non-contributory schemes which provide an allowance to the elderly, the disabled, and people with HIV/AIDS.

In Indonesia, the social security law of 2004 stipulates universal coverage and the Constitution talks about providing social security to all. It is, however, considered unaffordable to pay for the non-poor, which is why the idea of universal subsidized social protection coverage for not-so-poor informal economy workers has not gained much ground.

What is the basis for social contracts in different countries?

A discussion on the factors and principles which influence the social contract and social policies in participating countries is then facilitated. People may be invited to share their views on topics such as the factors that shape their vision of society and of social protection, whether equality or freedom plays a greater role in the design of social protection policies, preferences of governments for universal or targeted schemes, compulsory or voluntary schemes, and so on.

Takeaway message:

A social contract is needed to ensure harmony and security in a society. When people give up their natural liberty, i.e. the liberty to do what they want, they gain civil liberties and the right to be protected. The different ideologies, such as libertarian, liberal, and socialist, have different aims, different views on what works best for the people, and the role of government. This shapes the social policies and social protection systems in the country. Many other factors, such as religion, global social and economic influences, and availability of financial resources, also shape national social protection systems.

The social contract in a country impacts the design of social protection programmes and the awareness generation process. The social contracts in different countries will inform whether social protection systems will focus on universal versus targeted schemes, contributory versus subsidized schemes, or social insurance and solidarity versus individual accounts.

Resources:

		textbook	*e-box*
	Master module 15 – Building of a social contract	✓	✓
	Presentation – Social protection and the social contract		✓
	Video of the presentation		
	Part 1 – What is the social contract?		✓
	Part 2 – Factors shaping our vision of society		✓
	Part 3 – Questions and opinions		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

MODULE 16
Developing a communication strategy

Duration: 1.5 hours

Prerequisites: Modules 2, 3, 4, 6, 7, 8, 10, 11, 12, 13, 14, 15

Key questions:

1. Why do we need to communicate?
2. What constitutes a good communication strategy?
3. What are the steps to be taken before starting?
4. How to design a successful message?
5. What are the main communication channels?
6. What about using videos?
7. What are the three levels of marketing the SPF?

Objectives:

The objective of this module is to design an effective communication strategy to reach out to beneficiaries of social protection programmes, policy-makers, donors, and other stakeholders. The module provides understanding on what comprises a good strategy and how to design one. This includes designing an appropriate and effective message for the target group and marketing it well so that it reaches the intended audience.

Overview:

This module starts with a presentation on developing a communication strategy to generate awareness on social protection. It is followed by a group exercise that helps participants get a practical idea of how they can design a strategy that will effectively send a message to different target groups and stakeholders.

Why do we need to communicate?

Social protection is a key factor that helps promote socio-economic development in a country. To effectively implement various social protection schemes, stakeholders need to communicate the right messages to the right people in order to push for this agenda. In communicating, it is always important to define why we are doing so. Some people communicate to increase visibility, some communicate to change peoples' behaviours or views, while still others communicate to raise awareness. Communication is also important to inform potential donors about the situation and raise funds that can be used to fund the implementation of the SPF.

It is essential to make the targeted beneficiaries aware of social security schemes, benefits, and procedures to register for schemes and avail benefits. This session aims to give some guidelines on creating a strategy to communicate with existing and potential beneficiaries. The methods for creating awareness may be put into practice by the government, social security offices, workers' and employers' organizations, civil society, and others using media such as newspapers, television, talks and campaigns in communities, schools, workplaces, social security agencies, and so on.

What constitutes a good communication strategy?

To decide what is to be achieved by communicating, a good strategy is needed. A good communication strategy has three major components: a diagnosis, guiding policy, and coherent actions. The diagnosis of the situation identifies the strengths and challenges and prioritizes which of the problems are critical. After the diagnosis, a guiding policy may then be created, which is a consistent and unified approach to resolve the problems. It provides a set of linked activities and goals and is in accordance with the diagnosis. A set of coherent and coordinated actions then flow from the diagnosis and guiding policy. A good communication strategy has nothing to do with a mission statement, vision, or statement of goals.

What are the steps to be taken before starting?

It is important to define the audience group and 'know' them, reasons for reaching out, change in behaviour expected, appropriate message to be communicated, channels through which the communication can take place, and signs of success. The knowledge, attitudes, preferences, and feelings of the target group are important to learn so that the message can be appropriately designed. The message and argument must appeal to them. We need to find out which communication channels they have access to, so that the message reaches them. It is also crucial to decide what change in behaviour or thinking is desired in the target group.

How to design a successful message?

While designing the message, it is essential that the audience identifies with the message. It must be aligned with the experiences, knowledge, interests, and preferences of the target group. The message must follow the "five Cs": be clear (no jargon), concise (30 seconds or less), consistent (repeated often), compelling (says something powerful), and convincing (by using information and stories). The audience must immediately be able to understand the message and how they would benefit from it. It can consist of three parts:

- definition of the problem;
- evidence for the problem;
- solution to the problem.

For example, in order to make a video on the SPF and its benefits, the current position or the problem may be defined as not having access to affordable, quality health care services. This may be supported by a testimonial from a person in a remote area who talks about the problems faced by their family when they cannot access health services. The solution proposed is the effective implementation of the SPF, following which everyone, including the person from the remote area, can have easy and quick access to good quality health facilities.

What are the main communication channels?

It is vital to choose the appropriate communication channel depending on the target group, the message, and the available funds. To promote social protection programmes and services and the SPF, the media, Internet, social partners, and civil society organizations may be used. Each has its own advantages and drawbacks. For instance, stakeholders such as NGOs and social partners can carry information on various programmes, registration procedures, and processes to claim benefits directly to the potential beneficiaries, especially those in remote areas. The Internet may not be accessible by people in remote or rural areas, however the messages sent over the Internet can be completely controlled by the senders. When stakeholders use print, radio, or television media, the content of the messages cannot be completely controlled. Leaflets and posters can contain a lot of information, while social media sites can go viral among Internet users.

What about using videos?

Videos, advertisements, and public service announcements (PSAs) go a long way towards achieving effective communication. As a form of oral storytelling, they can be engaging and easy to watch. Videos can reach out to and be understood by a large number of the target population. Usually, they would contain a single powerful message delivered in a short time span of around 30 seconds. Videos, advertisements, and PSAs can connect with the viewer by telling a story through the use of dialogue, music, and catchy tag lines. People can identify with the story and characters in the video and thereby remember it.

Some ad campaigns on topics such as insurance and preventing drunk driving are given at the end of this module. These videos show how a powerful message can be effectively delivered. In all the videos, the message is found to be simple, direct, and powerful.

What are the three levels of marketing the SPF?

There are three levels for marketing the SPF:

- Marketing 1.0 focuses on the product or idea we want to communicate, such as different social protection schemes and services and the SPF.
- Marketing 2.0 focuses on the needs of the target group. For example, the SPF can be marketed to policy-makers as something that will promote socio-economic development in the country. The SPF can also be marketed to potential beneficiaries as something that will help them in times of financial distress.
- Marketing 3.0 focuses on the behavioural patterns and subconscious desires of the target group. These techniques aim to create a powerful and long-lasting impact on people. For instance, the videos on drunken driving, speeding, and health and life insurance are simple, effective, and targeted at people's subconscious. The SPF can be marketed to policy-makers as something that would contribute to increasing their popularity and to potential beneficiaries as something that can contribute to a healthy and happy family.

Practical session

The presentation is followed by a practical session for participants to design a communication strategy for different target groups. The "advocacy and strategic communications planning grid" gives a framework which can be used to design a strategy to communicate with any chosen target group.

Takeaway message:

Beneficiaries have to be made aware of various existing social security programmes and the procedures to register and avail benefits. They also need to know of their right to social security and understand their obligations in the financing of social security through taxes or social contributions. Often it may be difficult to get the message across to all people, especially when they live in remote areas or do not have access to print, radio, or other media. It is also important to talk to and convince policy-makers of the changes needed in the social security system, adoption of laws and national strategies, need for funds, and so on.

It is very important to design a communication strategy that is suitable to the target group and effectively reaches them. The strategy must have a message that is appealing to the target population, clearly understood, and easily remembered. The message must clearly explain how target groups would benefit from the proposition. There are many channels and media that may be used and it is important to select the appropriate ones.

Resources:

	textbook	e-box
Master module 16 – Developing a communication strategy	✓	✓
Presentation – Building a communication strategy for social protection		✓
Instruction sheet for the group activity on designing a communication strategy		✓
Advocacy and strategic communications planning grid for various target groups		✓
Video of the presentation on Creating awareness		
Part 1 – Building a communication strategy		✓
Part 2 – The three levels of marketing		✓
Part 3 – Group presentations		✓
Additional videos:		
Effective ad campaign on drunk driving – 1		✓
Effective ad campaign on drunk driving – 2		✓
Advertisement on Bupa Health Insurance		✓
Advertisement on Prudential Life Insurance		✓
Window of opportunity for social protection (Interview of Michael Cichon)		✓

e-box available at: http://www.social-protection.org/gimi/pages/abnd/

Conclusion and way forward

The *Social protection assessment based national dialogue: A good practices guide* offers practitioners the methods and tools to conduct full-fledged ABNDs on social protection and to come up with concrete recommendations for creating nationally defined social protection floors.

The ABND approach was progressively developed by the ILO and tested in Cambodia, Indonesia, Thailand, and Viet Nam. It is now being applied systematically throughout the Asia and the Pacific region with a second round of ABNDs underway or planned in Lao People's Democratic Republic, Mongolia, Myanmar, the Philippines, the Solomon Islands, and Vanuatu.

ABND exercises produce useful baseline surveys of the social protection situation in each country, in turn enabling the identification of policy and implementation gaps in line with the four guarantees of the social protection floor, as set out in ILO Recommendation No. 202.

The assessment matrices inform the development of both policy proposals and costing models for implementing measures to close social protection gaps in each country. The ABND exercise is thus important and useful within each country for governments and other stakeholders as they pursue national social protection priorities and policy planning or seek to improve their social protection environment.

The use of a national dialogue with representatives from government, non-government, and workers' and employers' organizations to produce the ABND matrix allows the social protection situation to be captured from a range of perspectives and enables progressive consensus building on key social protection ideas in line with the four SPF guarantees. This facilitates a holistic definition of a national SPF that aligns with the visions of different segments of society and thus will vary from one country to another.

The ABND approach, combined with the RAP costing tool, additionally acknowledges that any policy options proposed to close the social protection gaps identified must be translated into policy scenarios that the country can afford while allowing flexibility for schemes to be progressively scaled up as greater fiscal space becomes available. As such, the ABND model is suitable for and adaptable to a range of country contexts.

The ILO continues to promote the ABND approach and methodology through the provision of technical and policy guidance to stakeholders involved in similar social protection assessment exercises and organization of hands-on training workshops at national and regional levels.

It is expected that this guide will:

- support the capacities of policy-makers, workers' and employers' organizations, and the civil society in conducting similar social protection assessment exercises;
- support the ILO's and other development partners' efforts to promote and support the extension of social security by establishing nationally defined social protection floors; and
- support a global effort by the ILO to develop good practices guides on social security.

Annexes

ANNEX 1
Case studies

Contents

Tables

Abbreviations and acronyms

ACPP	Armed Forces and Civil Servants Pension Plan
AIDS	acquired immunodeficiency syndrome
ARV	anti-retroviral
CCE	Childcare and Education (programme)
CD4	cluster of differentiation 4
CMN	Child and Mother Nutrition (programme)
COD	Coresian Dine
CSCEP	Civil Servants' Children Education Programme
EPF	Employee Provident Fund
FEP	Free Education Plan
GDP	gross domestic product
GOPF	Government Officials' Provident Fund
HIV	human immunodeficiency virus
ICT	information and communication technologies
ID	identity
IT	information technology
MBP	Medical Beneficiary Programme for Civil Servants and Military Personnel
MED	Microfinance and Enterprise Development Programme
MIS	management information system
MTCT	mother-to-child-transmission
NBRD	National Bank for Rural Development
NGOs	non-governmental organizations
NHIP	National Health Insurance Programme
NPS	National Pension Scheme
NREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
NSPP	National Social Protection Programme
OSH	occupational safety and health
PHCP	Public Health Care Plan
PSP	Public Servants' Social Protection Programme
PWP	public works programme
RAP	Rapid Assessment Protocol
SHI	Social Health Insurance for Self-Employed and Informal Sector Workers, and SME Employees
SIS	Social Insurance Scheme for Self-employed and Informal Sector Workers, and SME Employees
SME	small and medium-sized enterprise
SPF	Social Protection Floor
TC	technical cooperation
UN-GOC	United Nations-Government of Coresia
UPS	Universal Pension Scheme
US$	United States Dollars

VCT	voluntary counselling and testing
VPP	Voluntary Pension Plan for Self-Employed and Informal Sector Workers, and SME Employees
WFP	World Food Programme
WIBS	Work Injury Benefits Scheme

Introduction for all case studies

Background

Coresia is a country located at the south-eastern tip of mainland Asia. It has a land area of 1,530,240 square kilometres and a population of 64,082,421 in 2011. Native Coresian and English are the official languages and the national currency is the Coresian Dine or COD (US$1 = COD30.75). Coresia endeavours to extend social security coverage to all people living there. The Constitution defines social security as a right of the people and provides that it is the responsibility of the Government to accomplish basic social security for all. Article 24E, section 1 states, "every individual residing in the country has the right to social security and to live as a dignified human being", and article 27B, section 2 states, "the State has a responsibility to develop a social security system that will benefit all and enable the vulnerable people to live with dignity."

The Government believes that for equitable economic development of the country, social protection is a key that will lead to sustainable growth. It will result in creating a workforce that is skilled, productive, and healthy and does not fall into poverty in the event of an economic recession. After the financial crisis hit the region in 2008, the Government signed a Jobs Pact for sustainable economic development and creation of jobs, thereby showing its commitment to decent work.

At its 101st Session (2012), the International Labour Conference adopted the Recommendation concerning national floors of social protection (Social Protection Floors Recommendation, 2012 (No. 202)) which reaffirms the role of social security as a human right and a social and economic necessity, and provides guidance to member States in building social protection floors within progressively comprehensive social security systems.[1] The Recommendation was adopted almost unanimously (453 votes in favour and one abstention) after fruitful and constructive debate among constituents. Recognising the crucial role of social protection in social and economic development, and notably in combating poverty, vulnerability, social exclusion, and realizing decent work for all, the Conference also adopted the Resolution concerning efforts to make social protection floors a national reality worldwide, which invites governments, employers, and workers to jointly give full effect to Recommendation No. 202 as soon as national circumstances permit.[2]

A vision for the country

In Coresia, the Government devised a National Five Year Plan (2012-2016) whose main objectives are mentioned below:

- provision of basic primary and secondary education (till the 9th grade) to all children;
- basic nutrition for all children through cash or in-kind transfers;

[1] ILO: "Text of the Recommendation concerning national floors of social protection", in Provisional Record No. 14, International Labour Conference, 101st Session (Geneva, 2012). Available at: www.ilo.org/wcmsp5/groups/public/—ed_norm/—relconf/documents/meetingdocument/wcms_183326.pdf [accessed 20 Nov. 2013].

[2] ILO: "Resolution concerning efforts to make social protection floors a national reality worldwide", in Provisional Record No.14, International Labour Conference, 101st Session (Geneva, 2012).

- guaranteed health care for all people, including treatment for human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS);
- provision of a sustainable income support for all people in the working age group;
- alleviation of abject poverty by developing skills and equipping people to participate in the labour market; and
- provision of minimum income support for people in need, such as the elderly and those unable to earn sufficient income due to disabilities, through cash or in-kind transfers.

The Government of Coresia aims at extending social protection through the following types of programmes and measures:

- programmes that involve cash transfers, in-kind transfers, and access to social services such as health and education. These are non-contributory in nature and designed to benefit the poor and needy sections of the population;
- social insurance schemes that provide social transfers to people (in cash, in kind, or access to services) who contribute a portion of their incomes on a regular basis;
- public works programmes that hire workers, mostly from poor households for building infrastructure in the residents' localities; and
- schemes that aim to provide microfinance and technical support for enterprise creation and development, promoting entrepreneurship and long-term income sustainability.

In Coresia, all people have a national identity (ID) card and a 14-digit identification number. For each ID card holder, information is regularly collected from the census and a database is updated with information on occupation, address, vulnerability level (poor, near poor, middle income, high income), and registration with social insurance schemes. On the basis of the card and information stored in the database, potential beneficiaries of anti-poverty programmes and targeted social protection schemes can be pre-identified.

Early days

The Government prioritizes the provision of basic social security benefits to its population in accordance with the National Law for the Extension of Social Security (Law No. 293/1995 and subsequent amendments). The Law is significant as it mandates that the entire population must be covered by basic social protection benefits in the event of loss of income, sickness, disability, and death of the breadwinner(s). It also stipulates that all families, especially those with children, are entitled to a minimum income for basic amenities and nutrition, and all elderly people are entitled to receive a pension. Law No. 293 was enacted in 1995 and its implementation was expected to be completed in a progressive manner. Several feasibility and design studies were conducted and a roadmap was conceptualized. The implementation has been started in a number of provinces.

It is estimated that due to unemployment and rising commodity prices, about 20 per cent of the total population fell below the poverty line in the immediate aftermath of the Asian financial crisis in 1997. The Government realized the importance of having a basic social security programme to support the population in times like these. As a result of discussions, a basic social security programme was launched in 1999. The programme stipulated the provision of subsidized food and health care and free primary education for all vulnerable workers and their families.

The economy started to recover after the crisis and the national poverty rate has steadily decreased. In 2011, it stood at 7.6 per cent. However, even though economic growth lifted a substantial portion of the population out of poverty, the benefits of growth have not been equitably shared. The rich portion of the population experienced more income growth than the poor. Also, a sizeable portion of the population lives on the brink of poverty. At any time, the risk that several families will fall below the poverty line remains high. The poverty line was defined as COD1,742 per month in 2011. The Government stipulated a minimum wage rate of COD300 per day or COD6,000 per month that would be progressively implemented during 2012-2013 and then indexed on inflation.

Way forward

Recently, a meeting was organized on "Social Security and the Social Protection Floor in Coresia". The meeting was held with representatives from the Government, line ministries, representatives of workers' and employers' organizations, the United Nations Country Team, and experts in the field of social protection. A discussion took place on the current social protection situation in the country and future plan of action. All the participants agreed to make it a priority to provide basic social security to all people and implement the social protection floor (SPF), which stipulates the provision of the following guarantees to all people:

- All residents have access to a nationally defined set of affordable essential health care services, including maternity care;
- All children enjoy basic income security at a nationally defined minimum level, providing access to nutrition, education, care, and any other necessary goods and services;
- All people in active age who are unable to earn sufficient income (in particular in cases of sickness, unemployment, maternity, and disability) should enjoy basic income security at a nationally defined minimum level; and
- All people in their old age should enjoy basic income security at a nationally defined minimum level.

For successful implementation of the SPF, a special team was created comprising representatives from the Ministry of Social Development, Ministry of Health, Ministry of Labour, Ministry of Education, workers' and employers' organizations, academia, civil society, and members of the United Nations Country Team. This team, known as United Nations-Government of Coresia (UN-GOC) SPF team, is responsible for devising a plan for the implementation of a nationally defined social protection floor in Coresia.

Case study No. 1

The challenge of improving health of the people in Coresia

Social health protection for the people

The various health care schemes come under the purview of the Ministries of Health, Social Development, Planning, Home Affairs, and Finance. It is estimated that at present, about half the population in the country has access to quality health care services through subsidized and contributory schemes. Most informal economy workers are presently not covered by any social protection programmes.

About 18 per cent of the total population is covered under the Public Health Care Plan (PHCP), a health insurance scheme targeted at the poor and near poor population and funded by the Government. Compulsory health insurance programmes, which cater to civil servants, military personnel, and formal private sector employees, have been in existence for many years. The National Law for the Extension of Social Security (No. 293), enacted on 11 August 1995, provides a legal framework to design and implement a system to provide basic social security and welfare to all Coresian workers and their dependants. The Law has been adopted and its implementation started with the design of insurance programmes which facilitate access to essential health care services and facilities to all people.

Existing health care schemes include:

- **"National Health Insurance Programme (NHIP)":** Under this programme, all workers in private sector organizations of ten or more employees can avail insurance in the event of sickness of the employee or their dependants. This also includes documented migrant workers who have a formal work permit in Coresia. The contributions amount to 3 per cent of the wage by employees on a monthly basis and an equal amount by the employer. If the employees have dependants, then they contribute 6 per cent of the wage every month, while the contribution by the employer remains unchanged. The maximum wage

to be considered for contributions is COD20,000 per month. Employers may opt out of the NHIP scheme if they provide higher benefits to employees under privately-run schemes or establish in-house medical services. The NHIP fund is supervised by the Ministry of Labour. In 2011, membership to NHIP reached 4,149,325 workers (about 30 per cent of formal sector workers). The total beneficiaries (including workers and their dependants) stood at 7,247,721 people. This is a very small proportion of the employed and total population. This is due to the non-coverage of small enterprises (fewer than ten employees) and weak enforcement. It is recognized that there is high social evasion by private sector employers who do not provide any health protection to their workers under NHIP or otherwise. In June 2012, the Ministry of Labour Decree No. 373/2012 was enacted, whereby certain high-cost treatments, such as those for HIV-AIDS, heart surgery, chemotherapy, and haemodialysis, have been included in the benefit package of NHIP.

- **"Medical Beneficiary Programme for Civil Servants and Military Personnel (MBP)":** All civil servants (both in service and retired), retired police and military personnel, war veterans, and their dependants are automatically registered under MBP and are entitled to insurance benefits and subsidized medical care under this scheme. The contributions amount to 3 per cent of the salary by public servants on a monthly basis and an equal amount by the Government. Active military and police personnel are entitled to in-house medical care and have access to special military hospitals. The MBP insurance fund is supervised by the Ministry of Finance. In 2011, membership to MBP was 2,421,687.

- **"Public Health Care Plan (PHCP)":** The PHCP is a non-contributory scheme providing essential health care services, medicines, and other necessities to the poor and near poor population free of charge. Beneficiaries are treated or counselled in community health care centres and designated government hospitals. Medicines can be bought at no cost at the community health care centres. The programme provides essential health care but excludes high-cost treatments, including anti-retroviral treatment for HIV, chemotherapy, among others. Under the PHCP, the community health care centres receive capitation payments based on the number of poor and near poor people in the community and historical data on the number of people seeking care at the centres. The per capita cost under PHCP was COD2,500 in 2011. The programme had about 11.5 million beneficiaries in 2011 (18 per cent of the population), of which around 2.3 million were poor (representing 48 per cent of the total poor population). Some provinces that have successfully covered their poor population under the PHCP have extended the scheme to near poor and non-poor informal economy workers as well.

- **"Social Health Insurance for Self-Employed and Informal Sector Workers, and SME employees (SHI)":** The SHI programme for informal economy workers was launched in 2008 following the Ministry of Labour Regulation No. 173/2007 on 'Providing Social Security and Health Care to workers in the informal sector as well as workers in small and medium-sized enterprises (SMEs)'. The programme is targeted at self-employed workers, informal economy workers, and SME employees. It is assumed that their average monthly earnings is at the level of the minimum wage of COD6,000 per month. Under this programme, the protected workers and their dependants can avail health care benefits and services. For health care, the employee contribution is 3 per cent of the reference income (minimum wage) for workers without dependants and 6 per cent for workers with dependants. Employers pay contributions of 3 per cent of the reference income. In the case of self-employed workers, the worker pays both worker and employer contributions. After a sharp increase in coverage, the total number of the insured seems to have stabilized

at around 1 million people. Membership to SHI varies widely from one month to the next because affiliation is voluntary and members can easily opt in or opt out of the programme. Surveys show that the programme is not very popular among its target group.

Growing challenges

Although the Government of Coresia has made an effort to include the entire population in health insurance schemes, a sizeable portion still does not have access to any scheme. Currently, over 50 per cent of the poor population is not covered by health insurance.

Implementation of SHI for informal economy workers has not been very successful. The main reasons are:

- Many workers who earn less than the minimum wage cannot afford to pay regular contributions.
- Microenterprises are often not registered with the Ministry of Commerce and it is difficult for the SHI scheme to identify all the prospective beneficiaries.
- Among the insured members of SHI, only 35 per cent of self-employed workers manage to pay contributions on a regular basis.

The Public Health Care Plan, which aims to provide free health care to poor and near poor people, has been extended to the non-poor informal economy workers in some provinces. While this is seen as a positive step, some inconsistency is created as the target group is not the same across the country. The Government is considering replicating this initiative in all provinces, but the discussions are still in initial stages. If this happens, the SHI scheme will probably be replaced entirely by PHCP.

During joint discussions, the UN-GOC SPF team in Coresia recommended that the Government may consider the gradual extension of PHCP to non-poor informal economy workers all over the country. It has been observed that high-income informal economy workers are already availing private insurance schemes and being treated in privately owned hospitals. As a result, the high-income group will likely not use the PHCP if extended to the informal economy population.

The Public Health Care Plan, which aims at providing free essential health services to poor and near poor people, does not have a comprehensive database recording information on beneficiaries and utilization of health care services. This affects the sustainability of the programme. The Ministry of Health is presently working on establishing a common database for the PHCP.

The PHCP benefit package lacks clarity in definition. Beneficiaries often are not aware of the facilities they can avail. An interview with Kim Luie, who lives close to a community health care centre, revealed the following: *"My family and I were refused treatment on two occasions last year. When we went to the centre because my daughter had viral influenza, a doctor told us that they cannot treat her. Another time, we were asked to pay money. We left because we did not have any money to pay the doctor."*

Further interviews with beneficiaries revealed that people in remote areas do not have sufficient money to travel long distances to community health care centres. The Government has been considering the introduction of additional benefits, such as reimbursement of transportation costs to hospitals or health care centres. Concerns have been voiced about the quality of medical services

and treatments at remote hospitals and centres. Check-in of patients takes time and they are asked to fill lengthy forms. The system needs some improvement.

In the private formal sector, most employees claim not to have access to NHIP or to private insurance schemes. NHIP is a compulsory scheme and employers can only opt out of it if they provide better health care plans to their employees. It is important that the penalty for evasion by employers is made strict and enforceable and supervisory mechanisms to monitor registration and contributions are put in place. Certain high-cost treatments, such as heart surgery and chemotherapy, are excluded from most schemes, even private ones. NHIP recently included these treatments in their benefit package.

The legal framework

Table 1. Legal framework of social health protection programmes

Programme	Legal framework
National Health Insurance Programme (NHIP)	• Law No. 157/1984 on 'Ensuring worker health and safety' • Ministry of Labour Regulation No. 29/1986 on 'Health and safety of workers' • Ministry of Labour Decree No. 373/2012 on 'High cost treatments'
Medical Beneficiary Programme for Civil Servants and Military Personnel (MBP)	• Law No. 110/1973 on 'Welfare of civil servants, military, and veterans' • Ministry of Finance Regulation No. 12/1977 on 'Contributions to health insurance for civil servants' • Ministry of Finance Regulation No. 36/1979 on 'Health care for police and military personnel'
Public Health Care Plan (PHCP)	• National Law No. 293/1995 for the 'Extension of social security' and its amendments • Law No. 619/2008 on 'Guaranteeing public health services'
Social Health Insurance for Self-Employed and Informal Sector Workers, and SME Employees (SHI)	• Law No. 157/1984 on 'Ensuring worker health and safety' • National Law No. 293/1995 for the 'Extension of social security' and its amendments • Ministry of Labour Regulation No. 173/2007 on 'Providing Social Security and Health Care to workers in the informal sector as well as workers in small and medium-sized enterprises (SMEs)'

Questions:

Module 8 – Please complete the assessment matrix provided to you on the basis of the case. You are encouraged to discuss the case within your group and refer to the *World Café* reports while completing the matrix. Please keep in mind that you should address the issue of health care only.

Module 10 – Please translate the recommendations of your group into three scenarios.

Module 11 – Please calculate the cost of implementation of each scenario. Your group is required to propose one scenario to the Government for implementation. Please keep in mind that the cost

of implementing the scenario you propose should not exceed the budget allotted to your group in the *Jeopardy* and *Who wants to be a protectionaire?* games. Strengthen your proposition by linking the cost of implementation to economic indicators such as GDP.

Module 14 – Please develop an advocacy campaign to lobby for one or several policy options and gain support for the endorsement and implementation of your recommendations.

Assumptions for costing (for facilitators to provide to their groups)

Table 2: Share of formal and informal employment

Share of formal employment	**37.7%**
Share of informal employment	**62.3%**

We assume that the share of informal sector population in the total population is 62.3 per cent and that this percentage remains constant for all years until 2020.

The PHCP scheme covers 18 per cent of the total population. In further detail, PHCP covers 48 per cent of the poor population. These percentages may be assumed to remain constant for all years until 2020.

The annual per capita cost of PHCP benefits is COD2,500 in 2011. It increases in proportion to the average wage increase every year until 2020.

The administrative cost of targeted social health protection schemes is assumed to be 15 per cent of the cost of benefits. The administrative cost of universal programmes is lower at 5 per cent of the cost of benefits.

Solution to the case under module 8 – Assessment matrix for health care

Table 3: Assessment matrix for health care

Government strategy	Existing provisions	Policy gaps	Implementation issues	Recommendations[3]
Government of Coresia aims at guaranteeing health care for all people, including treatment for HIV/AIDS (National Five Year Plan (2012–16))	Private sector employees: contributory health insurance scheme (NHIP); several private insurance schemes. Civil servants, police, military, veterans: compulsory contributory health insurance scheme (MBP), with subsidized medical care; access to special hospitals for active military and police personnel. Poor and near poor: non-contributory tax-funded health insurance scheme (PHCP) Informal economy workers and SME workers: partial contributory health insurance scheme (SHI) + PHCP in some provinces	Inconsistency in target group of PHCP across the country as only some provinces have extended the scheme to non-poor informal economy workers High transportation costs to hospitals and health care centres, especially in remote and rural areas Undocumented migrant workers and refugees do not have access to social health protection SHI is not affordable for many informal sector workers, SME workers, and employers	52 per cent of the poor population is not covered by health insurance Microenterprises are often not registered with the Ministry of Commerce, making it difficult for SHI to enrol eligible salaried workers No comprehensive database for PHCP, hence no information on beneficiaries and utilization rates Benefit package for PHCP not clearly defined Beneficiaries not aware of the services they are entitled to Beneficiaries are being asked for out-of-pocket payments Low quality of medical services and treatments at remote hospitals and centres Lengthy check-in procedures of patients to community health care centres and hospitals under PHCP Social evasion by employers leading to low coverage of private sector employees	(*) R1 – Extend PHCP to informal economy workers and their dependants in all provinces (*) R2 – Reimburse transportation costs under PHCP at a fixed rate (*) R3 – Increase coverage of PHCP to include all poor people (Δ) R4 – Improve and regularly update the database for PHCP (Δ) R5 – Define a specific benefit package for the PHCP and a more elaborate provider payment mechanism, e.g. mix of capitation payment and fee for service (Δ) R6 – Improve quality of medical services in rural and remote areas (Δ) R7 – Design and implement an efficient method for check-in of PHCP patients (Δ) R8 – Develop a set of measures to improve enforcement of the NHIP Law to prevent social evasion (penalty for evasion; inspection mechanism) (*) R9 – Subsidize the premiums under SHI (Δ) R10 – Extend the coverage of NHIP to enterprises with fewer than ten employees

[3] Two types of recommendations were formed: (*) designates the provision of additional SPF benefits or increase of coverage; cost of these can be calculated using the Rapid Assessment Protocol (RAP); (Δ) designates requirement for detailed studies; can be implemented through specific technical cooperation (TC) projects.

Solution to the case under module 10 – Please translate the recommendations of your group into three scenarios

Recommendation R1 was translated into scenario 2: Extension of PHCP to all informal economy workers.

Recommendation R2 was taken into account under scenario 3: Extension of PHCP to all uncovered poor (scenario 1) and transportation allowance for all poor people.

Recommendation R3 gave way to scenario 1: Extension of PHCP to uncovered poor people.

Solution to the case under module 11 – Please calculate the cost of implementation of each scenario

Scenario 1: Extension of PHCP to uncovered poor people

Assumptions:

- Target group = the uncovered poor, i.e. 52 per cent of the poor population;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Per capita cost of the PHCP = COD2,500 in 2011;
- Per capita cost increases every year in proportion to the average wage increase;
- Administrative cost of PHCP is assumed to be 15 per cent of the cost of benefits every year (targeted programme).

Results:

According to the calculations in the RAP model, extending PHCP to all uncovered poor people is expected to cost an additional 0.04 per cent of GDP or 0.21 per cent of Government expenditures in 2020.

Scenario 2: Extension of PHCP to all informal economy workers

Assumptions:

- Target group = the uncovered informal economy population;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Per capita cost of the PHCP = COD2,500 in 2011;
- Per capita cost increases every year in proportion to the average wage increase;
- Administrative cost of PHCP is assumed to be 5 per cent of the cost of benefits every year (non-targeted programme).

Results:

According to the calculations in the RAP model, extending PHCP to all informal economy workers is expected to cost an additional 0.69 per cent of GDP or 3.66 per cent of Government expenditures in 2020.

Scenario 3: Extension of PHCP to all uncovered poor (scenario 1) and transportation allowance for all poor people

Assumptions:

- Target group of the transportation allowance = all poor people;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Average cost of the transportation allowance = COD400 (COD100 per visit * 4 visits per year on average);
- Average cost of transportation increases every year in proportion to the average wage increase;
- Administrative cost of the transportation allowance is assumed to be 15 per cent of the cost of benefits every year (targeted programme).

Results:

According to the calculations in the RAP model, providing a transportation allowance to all poor people in addition to benefits under scenario 1 would cost 0.05 per cent of GDP or 0.28 per cent of Government expenditures in 2020.

Closing the SPF gap for the health care guarantee in Coresia would cost between 0.04 per cent and 0.69 per cent of GDP in 2020, where 0.04 per cent is the cost of the lowest scenario (scenario 1) and 0.69 per cent is the cost of the highest scenario (scenario 2).

Table 4: Results of the costing exercise for health care

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scenario 1: Extension of PHCP to uncovered poor people										
Cost of scenario 1 (COD million)	0	0	0	2 007	4 056	6 138	8 273	8 351	8 442	8 519
Cost as % of GDP	0.00	0.00	0.00	0.02	0.03	0.04	0.05	0.05	0.04	0.04
Cost as % of Government expenditures	0.00	0.00	0.00	0.08	0.15	0.20	0.26	0.24	0.23	0.21
Scenario 2: Extension of PHCP to all informal economy workers										
Cost of scenario 2 (COD million)	0	0	0	25 727	54 737	87 177	123 574	131 117	139 300	147 703
Cost as % of GDP	0.00	0.00	0.00	0.20	0.39	0.57	0.74	0.72	0.71	0.69
Cost as % of Government expenditures	0.00	0.00	0.00	1.00	1.97	2.91	3.83	3.77	3.72	3.66
Scenario 3: Extension of PHCP to all uncovered poor (scenario 1) and transportation allowance for all poor people										
Cost of scenario 3 (COD million)	0	0	0	2 625	5 303	8 027	10 819	10 920	11 040	11 141
Cost as % of GDP	0.00	0.00	0.00	0.02	0.04	0.05	0.06	0.06	0.06	0.05
Cost as % of Government expenditures	0.00	0.00	0.00	0.10	0.19	0.27	0.34	0.31	0.29	0.28

Case study No. 2

The challenge of providing adequate education, childcare, and nutrition in Coresia

Social protection programmes for children

The education and child development policies and programmes are overseen by the Ministries of Social Development, Education, Planning, and Finance. All children in Coresia, in theory, have access to free education from kindergarten till the 9th grade. In addition, children of formal sector employees, civil servants, and military personnel benefit from specific child support grant programmes. Many children from poor and near poor households drop out from school before the 9th grade and child labour remains a problem. The minimum legal working age is set at 15 years of age.

Commendable progress was made by the Government in 2006 when it passed Law No. 528 on "Guaranteeing Free and Compulsory Education to Children", targeting children up to 14 years of age. Under this Law, all government-run schools were mandated to provide free education to children till the 9th grade.

The National Law for the Extension of Social Security (No. 293), enacted on 11 August 1995, provides a legal framework to design and implement a system to provide basic social security and welfare to all Coresian workers and their dependants. The Law has been adopted and its implementation started with the design of programmes which aim at providing living expenses, nutrition, tuition fees, medical expenses, and other necessary amenities and facilities to all children.

Existing social protection programmes providing income security to children and access to education, nutrition, and care include:

- **"Childcare and Education (CCE)":** This programme is linked to the National Social Protection Programme (NSPP), which provides unemployment, disability, sickness, and maternity benefits to all workers in organizations of ten or more employees. The CCE entitles such workers to receive an allowance for their children. The Ministry of Labour supervises the social protection fund and oversees the CCE and the National Social Protection Programme (NSPP). The contributions amount to 3 per cent of the wage by the employee, 3 per cent of the wage by the employer, and 3 per cent of the wage by the Government on a monthly basis. The maximum wage to be considered for calculation of contributions is COD20,000 per month. With this contribution, beneficiaries receive child allowance, unemployment, permanent disability, sickness, and maternity benefits. Under the CCE, all insured people receive an annual allowance of COD5,000 per child in the 0-3 age group and an annual allowance of COD6,600 per child once they start school and until they complete the 9th grade. The allowance is higher for school-going children to cover costs of tuition, transportation, books, and so on. Each insured person can avail the allowance for up to two children. If both parents are insured, they can together avail the allowance for up to four children. It is estimated that in 2011, 1,870,477 children benefited from the scheme. This covers about 15 per cent of the children in the country.

- **"Civil Servants' Children Education Programme (CSCEP)":** All civil servants, police and military personnel (both in service and retired), and war veterans are compulsorily registered under CSCEP and are entitled to a child allowance and subsidized education for their children. The Ministry of Finance supervises the civil servants' social protection fund and oversees the CSCEP and the Public Servants Social Protection Programme (PSP), which provides sickness, injury, disability, maternity, and death benefits. The two schemes are financed by bipartite contributions of 10 per cent of the salary, of which 5 per cent is paid by public servants and an equal amount by the Government. In 2011, 823,010 children or 6.6 per cent of the total child population benefited from the scheme. Beneficiaries receive an annual allowance of COD5,000 per child in the 0-3 age group and an annual allowance of COD6,600 per child once they start school and until they complete the 9th grade. The allowance for school-going children is to be used to cover costs of tuition, transportation, books, and so on. In addition, students from 1st to 12th grade receive a 40 per cent subsidy on tuition fees, if they attend private schools, and a similar subsidy on their first level university degree.

- **"Free Education Plan (FEP)":** The Law No. 528/2006 on "Guaranteeing Free and Compulsory Education to all Children" stipulates that all children, irrespective of nationality, ethnicity, or economic background, are entitled to receive free education starting from kindergarten up till the 9th grade. Between 2006 and 2009, close to 120 schools were opened in different regions of the country to make FEP available to children from rural and remote areas as well. The Ministry of Education is responsible for administering the FEP and providing the budget to the schools.

- **"Child and Mother Nutrition (CMN)":** The United Nations World Food Programme (WFP), in close partnership with the Ministry of Health, runs an assistance programme to provide a fortified mix of cereals and grains to pregnant women and mothers with children up to 4 years of age. The blended mix is distributed among women and children from poor households who are identified by their national ID card number and the associated

database. This mix aims to provide necessary nutrients and energy. The ingredients are procured from Coresian farmers, mixed in local factories, and distributed in community health care centres. The CMN has been implemented as a pilot programme in a few provinces. The WFP expects that the Government will take over the expansion of the scheme to all provinces.

- **Other schemes**: Apart from these, many schemes that provide scholarships, grants, school meals, books, and other assistance are in operation. However, the bulk of these schemes are run by non-governmental organizations (NGOs) and are not sustainable as they depend on temporary sources of funding and volunteers to do the work. They are mostly started and run on an ad-hoc basis. Some schemes are run in certain provinces or regions only and may often leave out poor children in remote areas in need of assistance. Although there is no consolidated information available on the various schemes, a list of some schemes is given below.
    - ❍ Education grants for street children in 24 cities; the programme is coordinated by three NGOs active in these cities;
    - ❍ Reimbursement of education fees up to 21 years of age for children of teachers working in government-run schools; this programme was started by the Ministry of Education to incentivize people to apply as school teachers;
    - ❍ Loans to students from lower socio-economic backgrounds in selected provinces provided by the NGO "Change Through Education";
    - ❍ Distribution of second-hand textbooks and uniforms to children in certain rural areas by local volunteer groups;
    - ❍ Monthly allowances to children who are HIV positive or who are living in HIV-affected families provided by the NGO "Miracle Foundation";
    - ❍ Provision of bicycles and a monthly allowance (to compensate for the loss of income) to students previously engaged in child labour activities and who have returned to school; overseen by an NGO which works on humanitarian rights of children;
    - ❍ Orphanages in some areas guarantee education and three meals per day to their children;
    - ❍ Breakfast is provided by the NGO, "People Against Hunger" to 3–14 year old students in 1,054 schools across the country.

Growing challenges

Despite the free education policy, many families continue to not send their children to school. They cite problems such as not being able to afford the associated costs. An interview with Chan Lee who has two children attending a government-run school revealed, *"two of my children are already in school and we have to buy textbooks, notebooks, bags, and school uniforms for them. Now my third child is going to start school and we are worried because we do not know where we will get the money to buy the uniforms and books."* The Government is contemplating introducing scholarships for poor children in order to cover costs of purchasing study materials and transportation expenses.

Although the FEP is a free education programme, many children and their families have often been asked to make payments by the principals and teachers to admit their children to the schools. This

is especially common in rural and remote areas, where principals and teachers are paid low salaries and schools are not subject to any monitoring or inspection.

Quality of education in Coresia is low in remote and rural areas. There is a lack of capacity at the local level as few good teachers are available in rural regions. Many schools consist only of a few classrooms or sheds and a natural playground. The school buildings are often made of clumsy wooden shelters, which are vulnerable to natural disasters. Schools do not teach any foreign languages or offer courses on information and communication technologies (ICT), which makes it harder for the students to find jobs after graduation.

There is no unified programme benefiting poor children. Rather, there are several ad-hoc and scattered schemes run by different NGOs on a temporary and unsustainable basis. Funding for these schemes is limited and comes from different sources. There is no firm legal framework for any of these schemes. The Government is determined to improve the situation and it endeavours to provide quality education, nutrition, and benefits to all needy and vulnerable children by 2020. The sustainability of the NGO-run schemes could be ensured by bringing them under the scope of a Government policy or programme.

The Child and Mother Nutrition programme is funded by the WFP. Such donor-funded programmes need to be funded by Government revenues in order to have long-term financial sustainability. In addition, the CMN programme is still in the pilot phase in a few provinces only.

It has been observed that some poor families send their children to orphanages as they cannot afford the costs of food and care. Many NGOs have recommended to the Ministry of Education that they consider introducing incentives to go to school, such as providing school-going children with food, allowance, medical facilities, bicycles, or other facilities. This would also help to reduce the burden on overcrowded orphanages.

The provision of midday meals and milk bottles by the NGO "People Against Hunger" has been quite successful. Within three years of its introduction, the programme received contributions from independent donor citizens and spread to 1,054 schools across the country. It also led to large increases in enrolment in schools in which the programme operates. However, the programme does not have financial or institutional support from the Government and depends on voluntary donations.

The Ministry of Education has been in discussion with People Against Hunger to provide a legal framework to the programme and bring it under its purview. The programme would target school-age children (3–14 years of age) who attend kindergarten, primary, and secondary school. It was estimated that the Government could pay a flat rate contribution for each student to the NGO. The NGO would then use the money to procure the food and milk. The distribution would still be carried out by NGO members and volunteers in close collaboration with the Ministry of Education and school staff. With the backing of the Government, it is expected that the programme will become sustainable in the long run.

Way forward

As a result of discussions between stakeholders, the UN-GOC SPF team recommended that the Government implement a non-contributory conditional cash transfer scheme for children from poor and near poor households. After due deliberation, it was decided that the Government would introduce an allowance programme of COD3,000 to COD4,000 for the poorest 25 per cent of children or for

all the poor children. The programme would target children in the 0–14 age group and the cash would be paid on a monthly basis. However, children would start receiving the allowance only after they had completed a month of school. If school attendance fell below 85 per cent (except in cases of illness), the allowance would be discontinued from that month onwards. Children in the 0–3 age group would receive the cash benefit unconditionally. The Government is waiting for a cost estimate before making a decision.

The legal framework

Table 5: Legal framework of social protection programmes for children

Programme	Legal framework
Childcare and Education (CCE)	• Law No. 255/1993 on 'Childcare and allowance for children of workers' • Ministry of Labour Regulation No. 95/1997 on 'Social welfare for children of workers'
Civil Servants' Children Education Programme (CSCEP)	• Law No. 237/1992 on 'Public servants' child welfare' • Ministry of Finance Regulation No. 74/1994 on 'Contributions to the childcare fund for civil servants' • Ministry of Finance Regulation No. 81/1994 on 'Allowances for children of police, military, and veterans'
Free Education Plan (FEP)	• National Law No. 293/1995 for the 'Extension of Social Security' and its amendments • Law No. 528/2006 on 'Guaranteeing Free and Compulsory Education to all Children'
Child and Mother Nutrition (CMN)	• Ministry of Health Announcement dated 13 October 2010 on 'Providing essential nutrition to mothers with young children'
Independent Programmes by NGOs and volunteer groups	• Legal status is unclear

Questions:

Module 8 – Please complete the assessment matrix provided to you on the basis of the case. You are encouraged to discuss the case within your group and refer to the World Café reports while completing the matrix. Please keep in mind that you should address the issue of childcare, education, and nutrition only.

Module 10 – Please translate the recommendations of your group into three scenarios.

Module 11 – Please calculate the cost of implementation of each scenario. Your group is required to propose one scenario to the Government for implementation. Please keep in mind that the cost of implementing the scenario you propose should not exceed the budget allotted to your group in the *Jeopardy* and *Who wants to be a protectionaire?* games. Strengthen your proposition by linking the cost of implementation to economic indicators such as GDP.

Module 14 – Please develop an advocacy campaign to lobby for one or several policy options and gain support for the endorsement and implementation of your recommendations.

Assumptions for costing (for facilitators to provide to their groups)

Table 6: Share of formal and informal employment

Share of formal employment	**37.7%**
Share of informal employment	**62.3%**

We assume that the share of informal sector children in the total child population is 62.3 per cent and that this percentage remains constant for all years until 2020.

The administrative cost of targeted child social protection schemes is assumed as 15 per cent of the cost of benefits. The administrative cost of universal programmes is lower at 5 per cent of the cost of benefits.

For the midday food and milk scheme targeting children in the 3–14 age group:

- Per head cost of providing midday meals to children is COD15 in 2011. It increases in proportion to inflation every year until 2020.
- Per head cost of providing milk bottles to children is COD8 in 2011. It increases in proportion to inflation every year until 2020.
- It is assumed that children attend school for 210 days per year.
- From 2011 to 2013, while the NGO "People Against Hunger" was operating the scheme, the coverage of the scheme increased from 9 per cent to 27 per cent.

Solution to the case under module 8 – Assessment matrix for children

Table 7: Assessment matrix for children

Government strategy	Existing provisions	Policy gaps	Implementation issues	Recommendations[4]
Government of Coresia aims at providing basic primary and secondary education (up till the 9th grade) and basic nutrition for all children through cash or in-kind transfers (National Five Year Plan (2012–16))	Private sector employees: annual allowance per child under CCE Civil servants, police, military, veterans: annual allowance per child and subsidy for tuition fees under CSCEP All children: free compulsory education (FEP) for children from kindergarten till the 9th grade in government-run schools Poor households: distribution of fortified mix of cereals and grains to pregnant women and mothers with children up to 4 years of age (CMN) and various NGO-led programmes	FEP does not cover cost of textbooks, uniforms, food, travel to school Scattered and unsustainable NGO-based programmes leading to inequities and exclusion CMN is funded by WFP and needs to be funded by Government revenues to ensure sustainability	Frequent out-of-pocket payments to school principals and teachers, in rural and remote area schools Poor quality of teaching and infrastructure in rural areas Lack of awareness of the FEP among remote households Foreign languages, such as English, and ICT courses are not taught in rural schools Overcrowded orphanages where poor children are sent to reduce the financial burden on their families CMN programme is still in pilot phase in a few provinces only	(*) R1 – Explore the cost of providing an annual non-contributory allowance of COD3,000 to COD4,000 to poor and near poor children to complement FEP (Δ) R2 – Introduce a legal framework for consolidating and formalizing NGO-led schemes (Δ) R3 – Explore possibility of funding CMN through Government revenues and expanding the programme to more provinces (Δ) R4 – Increase salaries of school principals and teachers in government-run schools or establish a compulsory civil service for all newly graduated teachers to serve for three years in remote areas (Δ) R5 – Implement a monitoring and inspection system for schools and conduct interviews with beneficiary families (Δ) R6 – Increase awareness of the FEP among remote and rural households (Δ) R7 – Introduce basic teaching of a foreign language in rural schools as well as a course on ICT (*) R8 – Calculate the cost of transforming the "Midday meal scheme" into a national programme

[4] Two types of recommendations were formed: (*) designates the provision of additional SPF benefits or increase of coverage; cost of these can be calculated using RAP; (Δ) designates requirement for detailed studies; can be implemented through specific TC projects.

Solution to the case under module 10 – Please translate the recommendations of your group into three scenarios

Recommendation R1 was translated into two scenarios:

- Scenario 1: Provision of a conditional child allowance of COD3,000 annually to the poorest 25 per cent of all children
- Scenario 2: Provision of a conditional child allowance of COD4,000 annually to poor children

Recommendation R8 gave way to the following scenario:

- Scenario 3: Provision of midday meals and milk bottles to all school-age children

Solution to the case under module 11 – Please calculate the cost of implementation of each scenario

Scenario 1: Provision of a conditional child allowance of COD3,000 annually to the poorest 25 per cent of all children

Assumptions:

- Target group = 25 per cent of all children in the 0–14 age group;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Benefit per head = COD3,000 per child per year;
- Benefit increases every year in proportion with inflation;
- Administrative cost is assumed to be 15 per cent of the cost of benefits every year.

Results:

According to the calculations in the RAP model, providing a child allowance of COD3,000 per child per year to the poorest 25 per cent of all children is expected to cost 0.06 per cent of GDP or 0.30 per cent of Government expenditures in 2020.

Scenario 2: Provision of a conditional child allowance of COD4,000 annually to poor children

Assumptions:

- Target group = poor children in the 0–14 age group;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Benefit per head = COD4,000 per child per year;
- Benefit increases every year in proportion with inflation;
- Administrative cost is assumed to be 15 per cent of the cost of benefits every year.

Results:

According to the calculations in the RAP model, providing a child allowance of COD4,000 per child per year to poor children is expected to cost 0.02 per cent of GDP or 0.10 per cent of Government expenditures in 2020.

Scenario 3: Provision of midday meals and milk bottles to all school-age children

Assumptions:

- Target group = all children in the 3–14 age group;
- From 2011 to 2013, the coverage of the NGO-based school feeding programme increased by 18 per cent, from 9 per cent to 27 per cent. In 2014, the Government would take over the 27 per cent coverage and then progressively increase the coverage;
- Proportion of the population covered is assumed as 50 per cent in 2015, 75 per cent in 2016, and 100 per cent from 2017 onwards;
- Cost of one midday meal and one milk bottle are assumed to be COD15 and COD8, respectively; the costs increase in proportion to inflation;
- It is assumed there are 210 school days per year;
- Administrative cost is assumed to be 5 per cent of the benefits since the infrastructure for procuring and distributing the meals and milk bottles in many schools is already in place.

Results:

According to the calculations in the RAP model, providing midday meals and milk bottles to school children is expected to cost 0.27 per cent of GDP or 1.42 per cent of Government expenditures in 2020.

Closing the SPF gap for children in Coresia would cost between 0.02 per cent and 0.32 per cent of GDP in 2020, where 0.02 per cent is the cost of the lowest scenario (scenario 2) and 0.32 per cent is the cost of the combination of scenarios 1 and 3.

Table 8: Results of the costing exercise for children

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scenario 1: Provision of a conditional child allowance of COD 3,000 annually to the poorest 25% of all children										
Cost of scenario 1 (COD million)	0	0	0	2 789	5 639	8 557	11 547	11 693	11 836	11 994
Cost as % of GDP	0.00	0.00	0.00	0.02	0.04	0.06	0.07	0.06	0.06	0.06
Cost as % of Government expenditures	0.00	0.00	0.00	0.11	0.20	0.29	0.36	0.34	0.32	0.30
Scenario 2: Provision of a conditional child allowance of COD 4,000 annually to poor children										
Cost of scenario 2 (COD million)	0	0	0	1 321	2 532	3 634	4 639	4 431	4 229	4 025
Cost as % of GDP	0.00	0.00	0.00	0.01	0.02	0.02	0.03	0.02	0.02	0.02
Cost as % of Government expenditures	0.00	0.00	0.00	0.05	0.09	0.12	0.14	0.13	0.11	0.10
Scenario 3: Provision of midday meals and milk bottles to all school-age children										
Cost of scenario 3 (COD million)	0	0	0	14 394	26 912	40 788	55 001	55 685	56 392	57 181
Cost as % of GDP	0.00	0.00	0.00	0.11	0.19	0.26	0.33	0.31	0.29	0.27
Cost as % of Government expenditures	0.00	0.00	0.00	0.56	0.97	1.36	1.70	1.60	1.51	1.42

Case study No. 3

The challenge of providing income security to the working age population in Coresia

Social protection programmes for the working age population

In Coresia, the legal working age is from 15 years, while people retire at the age of 60. The Government has implemented various schemes that provide income security to people in the event of unemployment, sickness, maternity, disability, death, and work injury. It is also putting in place schemes that provide financial and technical support for enterprise development. These schemes come under the purview of the Ministries of Social Development, Labour, Planning, Home Affairs, Commerce, and Finance.

Compulsory insurance programmes catering to civil servants, military personnel, and formal private sector employees have been in existence for many years. The National Law for the Extension of Social Security (No. 293), enacted on 11 August 1995, provides a legal framework to design and implement a system to provide basic social security and welfare to all Coresian workers and their dependants. The Law has been adopted and its implementation started with the design of programmes which aim at providing insurance to workers in the event of unemployment, sickness, disability, death, and work injury.

Existing social protection programmes providing income security to the working age population include:

- **"National Social Protection Programme (NSPP)":** This is a compulsory programme in which all workers in private sector organizations of ten or more employees can avail insurance in the events of sickness, disability, death, and unemployment. This scheme includes

documented migrant workers who have formal work permits in Coresia. The Ministry of Labour supervises the social protection fund and oversees the NSPP and Childcare and Education programmes. The contributions amount to 3 per cent of the wage by the employee, 3 per cent of the wage by the employer, and 3 per cent of the wage by the Government on a monthly basis. The maximum wage to be considered for calculation of contributions is COD20,000 per month. With this contribution, the beneficiaries receive child allowance, unemployment, permanent disability, sickness, and maternity benefits. The benefits under NSPP are briefly described below.

- In case an insured worker falls sick, he receives 50 per cent of the last month's wage for a maximum period of six months and one year in case of chronic illness. The list of diseases and illnesses eligible for claiming insurance is available on the website of the National Social Protection Programme. It is imperative to show a medical certificate. The illness must not have been intentionally caused by the worker for the purpose of claiming benefits.
- In the event of permanent disability, insured workers receive one-third of their wages (based on the average wage of the last three months of work) for the rest of their lives in the event they are unable to take up employment again. In addition, the workers receive COD250 a day if they are hospitalized or have to undergo medical treatment. Medical supplies, medicines, and the cost of ambulance services are reimbursed in their entirety. The disability must not have been intentionally caused by the worker.
- In the event of death of an insured person, the immediate family members receive a fixed amount of COD32,000 to cover funeral expenses.
- Unemployment benefits equal 50 per cent of the last month's wage for a maximum period of six months if the insured person is laid off from a job. It is necessary that the cause of unemployment was not dishonesty, negligence at work, crime, intentional damage caused to the employer, violation of the law, or unethical behaviour.

It is estimated that in 2011, the scheme had 5,503,084 members. This demonstrates that even though the programme is compulsory, its enforcement has not been sufficiently strong. There is high social evasion by private sector employers under NSPP.

- **"Public Servants' Social Protection Programme (PSP)":** All civil servants, police, military personnel, and war veterans are compulsorily registered under PSP and are entitled to insurance benefits in the events of sickness, injury, disability, maternity, and death. The Ministry of Finance supervises the civil servants' social protection fund and oversees the Civil Servants' Child Education Programme and PSP. The two schemes are financed by bipartite contributions of 10 per cent of the salary, of which 5 per cent is paid by public servants and an equal amount by the Government. In 2011, membership to PSP was 2,421,687.

  The benefits under PSP are briefly described below.

  - Insured public servants who fall ill or are injured while performing their duty receive 75 per cent of the last month's wage until they resume duty. They can claim health insurance benefits under the Medical Beneficiary Programme for Civil Servants and Military Personnel. In addition, active military and police personnel can avail medical care and treatment at special military hospitals.

- In the event of permanent disability, whether caused while performing official duties or otherwise, the insured person receives 60 per cent of their wage (based on the average wage of the last three months of work) for the rest of their life.
- In the event of death of an insured public servant, whether through natural causes or while performing their official duties, the immediate family members receive a fixed amount of COD32,000 to cover funeral expenses.

- **"Social Insurance Scheme for Self-employed and Informal Sector Workers and SME employees (SIS)":** The SIS programme was launched in 2008 following the Ministry of Labour Regulation No. 173/2007 on 'Providing Social Security and Health Care to workers in the informal sector as well as workers in small and medium-sized enterprises (SMEs)'. Under this programme, insured workers can avail insurance benefits for sickness, employment injury, disability, and death. The scheme is supervised by the Ministry of Labour. Contributions are on a fixed-rate basis. The insured person has the option to make payments at the rate of COD100 per month or COD200 per month. The contributions are matched by the employer (if applicable) and the Government. After a sharp increase in coverage, the total number of insured seems to have stabilized at around 800,000 people.

  The benefits under SIS are briefly described below.
  - In the event of sickness and work injury, insured workers receive benefits in proportion to the contribution. Benefits may amount to COD1,500 per month or COD3,000 per month depending on the contribution rate. The payment is a substitute for the loss of income due to illness and work injury. A qualifying period of 12 months is applied and the benefit can be given for a maximum period of two months. The insured must produce a medical certificate to claim the benefits. The illness or work injury must not have been intentionally caused by the worker for the purpose of claiming insurance.
  - In the event of disability, the insured worker receives an amount between COD1,200 per month and COD2,400 per month depending on the amount and duration of contributions before the disability. A qualifying period of 24 months is applied for the disability benefit. The disability benefit may be claimed by the insured person for the duration that they are unable to work because of their disability, up to a maximum period of five years. The disability must not have been intentionally caused by the worker.
  - In the event of death of an insured person, the immediate family members receive a fixed amount of COD10,000 to cover funeral expenses.

- **"Work Injury Benefits Scheme (WIBS)":** WIBS is a scheme that provides insurance benefits to workers in the event of injury, illness, or death caused at the workplace. However, if the event has been brought on by alcohol intake, addiction, or through an intentional act of the employee, the worker becomes ineligible to claim benefits. It is compulsory for every employer who has at least one employee to register all the employees and contribute 1 per cent of the salary to the WIBS fund every month. The employee and the Government do not make any contributions. The cash benefits for workers depend on the level of loss of capacity for work, ranging from 20 per cent to 60 per cent of their previous wage. In addition, workers are entitled to comprehensive health care benefits. In the event of the death of the insured worker, their dependants are entitled to a survivors' benefit of 40 per cent of the insured member's previous wage. The scheme uses the NSPP and SIS infrastructure to identify beneficiaries, collect contributions, and pay out benefits.

- **"Microfinance and Enterprise Development Programme (MED)":** Since 2007, the Ministry of Labour, World Bank, National Bank for Rural Development (NBRD) in Coresia, and local NGOs have jointly run an assistance programme for human and financial capacity building in rural areas. The programme is targeted at both women and men from poor households identified by their national ID card numbers. The aim of the MED is to support the development of small, local-level enterprises. This is done in two ways:
    - MED helps to create self-help groups—comprising primarily women from poor households—and organize group meetings. These groups discuss and identify common problems in their social and economic environment. They pool their resources and identify means to solve their problems using these resources. MED volunteers also provide information to the beneficiaries on training courses which can help them in enterprise development.
    - MED facilitates access to microfinance products from different financial institutions and banks by forming the missing link between the self-help groups and the financial institutions. Local NGOs assist with paperwork and check compliance with rules and regulations.

  There are various independent programmes run by NGOs and volunteer organizations that provide financial support for housing and food to people from a lower socio-economic background.

Growing challenges

Although the Government of Coresia has made an effort to cover a larger section of the working age population in social security schemes, a sizeable portion still does not have access to social protection. The bulk of those who remain without access are informal economy workers and their families. Most informal workers are engaged in occupations such as agriculture, construction, and fishing, which may be seasonal or based on short-term contracts. Also, there is no provision for claiming unemployment insurance under the SIS scheme. Adapted unemployment benefit schemes could be devised for people in seasonal employment (e.g. public works programmes) or working in small and medium-sized enterprises.

In 2011, unemployment in the country stood at 1.1 per cent. This low rate hides the reality of a large number of people working in rural areas and suffering from underemployment and low-paid jobs. To tackle this issue, the UN-GOC SPF team recommended that the Government could implement a public works programme where each rural household is guaranteed 100 days of employment per year, modelled on the Mahatma Gandhi National Rural Employment Guarantee Scheme (NREGS) implemented in India. The work would be targeted at developing rural and agricultural infrastructure, such as the building of roads, schools, sanitation and health care facilities, canals, tackling of soil and water erosion, afforestation measures, and so on. Any number of adults from a household could participate in the scheme, but each household would only be given 100 days of work and paid at a rate at least equal to the minimum wage rate. The Government is awaiting a cost estimate before implementing the scheme.

The provincial and district administrations, which are involved in the implementation of the different social security schemes, have claimed that they do not have adequate manpower and infrastructure to implement and manage the SIS scheme. Only some informal sector workers have joined the SIS on a voluntary basis leaving the majority with no financial assistance in times of vulnerability. The

lack of resources and institutional capacity makes it difficult to increase awareness of the SIS among workers, conduct large-scale registration campaigns, collect contributions on a regular basis, monitor regular payment of contributions from registered members, and address all issues and complaints. The amount of benefits received by the registered workers is often low due to low contribution levels. Very often, workers are not aware of the benefits under the scheme and may perceive that the benefit levels are too low. It is important to increase awareness of SIS benefits and administration rules and procedures.

There is no concrete linkage between social protection policies and measures to bring about the inclusion or re-inclusion of beneficiaries in the labour market. As a result of concerns voiced over this matter, the Ministry of Labour is considering introducing a programme which will provide employment training services and facilitate the return to work and creation of microenterprises. In the joint discussions between the Government, civil society, and the UN-GOC SPF team, it was recommended that the Government prioritize the design and implementation of a skills development programme.

The Ministry of Labour Regulation No. 35/1989 on 'Compensation to workers for and prevention of work related accidents and occupational diseases' provides standards for achieving occupational safety and health (OSH) at the workplace. However, few preventative actions stipulated by Regulation No. 35 are observed by employers in their factories and workplaces. Occupational safety training and periodic checks and updates of fire and safety equipment are not always performed. No regular monitoring of workplaces is conducted.

In the private formal sector, many employees claim not to have access to NSPP despite it being a compulsory scheme. It has been found that employers often do not register their staff members under NSPP to avoid paying their contributions. The rate of under-registration is particularly high for those employers who are hiring migrant workers with work permits. Monitoring and control mechanisms to check for social evasion and enforce the law are nearly absent. A common method of social evasion occurs when formal sector companies subcontract small companies with fewer than ten employees. It is important that the penalty for social evasion by employers is made strict and enforceable and supervisory mechanisms to monitor registration and contributions are put in place.

The prevalence rate of disabilities in the total population is 1.634 per cent. People with disabilities in the informal sector are left with no income support, resulting in extreme poverty and vulnerability.

Way forward

The skill development office in the Ministry of Labour is considering providing job training courses and skill development programmes covering essential job functions. The programme is in the initial design phase. Under this programme, anyone residing in the country, including laid-off workers, will be able to enrol in skill training courses free of charge. At the end of the course, the person would be given information about employment fairs and job openings. The courses would help informal sector workers and unemployed workers to find decent jobs. It is assumed that active formal sector employees receive sufficient on-the-job training or already possess adequate skills and education. Therefore, they are not the primary target of this programme.

It is envisaged that the programme will provide 60 days of training to informal economy workers once every five years. There will be a variety of courses for training; however, a job seeker can only

select one course at a time. In addition, a poverty alleviation component of 50 per cent of the minimum wage per training day will be provided to the poor participants. This is expected to cover the costs of travelling to the training centre and daily meals.

During joint discussions with stakeholders, the UN-GOC SPF team recommended to the Government that they implement a public works programme targeting rural households. The wage rate could be the nationally defined minimum wage. The Government is waiting for a cost estimate from the team.

The legal framework

Table 9: Legal framework of social protection programmes for the working age

Programme	Legal framework
National Social Protection Programme (NSPP)	• Law No. 157/1984 on 'Ensuring worker health and safety' • Ministry of Labour Regulation No. 26/1985 on 'Social protection for workers' • National Law No. 293/1995 for the 'Extension of Social Security' and its amendments
Public Servants' Social Protection Programme (PSP)	• Law No. 110/1973 on 'Welfare of civil servants, military, and veterans' • Ministry of Finance Regulation No. 10/1976 on 'Contributions to social insurance for civil servants' • Ministry of Finance Regulation No. 49/1981 on 'Extending social protection to police and military personnel'
Social Insurance Scheme for Self-employed and Informal Sector Workers, and SME Employees (SIS)	• Law No. 157/1984 on 'Ensuring worker health and safety' • National Law No. 293/1995 for the 'Extension of Social Security' and its amendments • Ministry of Labour Regulation No. 173/2007 on 'Providing Social Security and Health Care to workers in the informal sector as well as workers in small and medium-sized enterprises (SMEs)'
Work Injury Benefits Scheme (WIBS)	• Law No. 157/1984 on 'Ensuring worker health and safety' • Ministry of Labour Regulation No. 35/1989 on 'Compensation to workers for and prevention of work related accidents and occupational diseases'
Microfinance and Enterprise Development Programme (MED)	• Ministry of Labour Regulation No. 182/2007 on 'Enabling development of microenterprise'
Independent Programmes by NGOs and volunteer groups	• Legal status is unclear

Questions:

Module 8 – Please complete the assessment matrix provided to you on the basis of the case. You are encouraged to discuss the case within your group and refer to the *World Café* reports while completing the matrix. Please keep in mind that you should address the issue of working age only.

Module 10 – Please translate the recommendations of your group into three scenarios.

Module 11 – Please calculate the cost of implementation of each scenario. Your group is required to propose one scenario to the Government for implementation. Please keep in mind that the cost of implementing the scenario you propose should not exceed the budget allotted to your group in the *Jeopardy and Who wants to be a protectionaire?* games. Strengthen your proposition by linking the cost of implementation to economic indicators such as GDP.

Module 14 – Please develop an advocacy campaign to lobby for one or several policy options and gain support for the endorsement and implementation of your recommendations.

Assumptions for costing (for facilitators to provide to their groups)

Table 10: Share of formal and informal employment

Share of formal employment	**37.7%**
Share of informal employment	**62.3%**

We assume that the share of informal workers in total labour force is 62.3 per cent and that this percentage remains constant for all years until 2020.

The prevalence rate of disabilities in the total population is 1.634 per cent.

It is assumed that the rural population is 65.6 per cent of the total population. This percentage remains constant for all years until 2020.

The average number of people per rural household is 5.2.

The administrative cost of public works programmes and the cost of raw materials may be assumed to be 25 per cent of the cost of providing wages. Administrative costs of other schemes are assumed at 5 per cent of benefit costs for universal schemes and 15 per cent for targeted programmes and skills development programmes.

It is assumed that only 15 per cent of rural households will join the PWP at any point in time.

Skill training is provided at a per head cost of COD250 per day, increasing in proportion to the average wage increase.

Solution to the case under module 8 – Assessment Matrix

Table 11: Assessment matrix for the working age

Government strategy	Existing provisions	Policy gaps	Implementation issues	Recommendations[5]
Government of Coresia aims at providing sustainable income support for all people in the working age group, alleviating abject poverty by developing skills and equipping people to participate in the labour market, and providing minimum income support for people with disabilities (National Five Year Plan (2012–16))	Formal sector employees (in enterprises of ten or more salaried workers): compulsory contributory scheme (NSPP) providing sickness, disability, maternity, death, and unemployment benefits Formal sector employees (in enterprises of one or more salaried workers): compulsory employment injury scheme (WIBS) financed by employer contributions Civil servants, police and military personnel, veterans: compulsory contributory scheme (PSP) providing sickness, work injury, disability, maternity, and death benefits Informal economy workers, self-employed workers, employees of SMEs: voluntary contributory scheme (SIS) providing sickness, disability, death, and work injury benefits Rural households: Microfinance and Enterprise Development Programme (MED) Poor population: food and housing support	No unemployment protection for informal economy workers and employees in SMEs High underemployment and low-paid jobs in rural areas No linkage between NSPP and skill development and job search schemes No protection to the working age poor, especially the disabled, that cannot afford to pay social contributions	Lack of manpower and infrastructure to manage and further expand SIS Low awareness of SIS among informal economy workers Regular payment of contributions unaffordable for many informal economy workers Low contributions leading to low levels of benefits for informal economy workers Many employers do not meet OSH standards High social evasion by employers who underdeclare their employees and subcontract to SMEs	(*) R1 – Calculate the cost of implementing a public works programme where each rural household is guaranteed 100 days of employment per year (*) R2 – Calculate the cost of implementing a skill development programme targeting informal economy workers (employed, unemployed, underemployed) (Δ) R3 – Improve human and institutional capacity of SIS (Δ) R4 – Increase awareness of SIS operational rules and benefits among informal economy workers through media, registration fairs, meetings (Δ) R5 – Establish a monitoring and supervisory mechanism to check that workplaces have adequate training on occupational safety and health, regular checking and updating of their fire and safety equipment (Δ) R6 – Strict enforcement of the NSPP law to prevent social evasion: impose penalty for evasion; establish a supervisory and inspection mechanism (*) R7 – Introduce non-contributory income security schemes in case of disability, sickness, or other contingencies

[5] Two types of recommendations were formed: (*) designates the provision of additional SPF benefits or increase of coverage; cost of these can be calculated using RAP; (Δ) designates requirement for detailed studies; can be implemented through specific TC projects

Solution to the case under module 10 – Please translate the recommendations of your group into three scenarios

Recommendation R1 was translated into scenario 2: Extend a public works programme guaranteeing 100 days of work to rural households at the minimum wage.

Recommendation R2 was converted into scenario 3: Provide training for 60 days every five years to informal economy workers (employed, unemployed, underemployed) and a daily poverty alleviation payment of COD150 for poor trainees.

Recommendation R7 led to scenario 1: Introduce a universal basic disability allowance of COD500 per month for all adults with disabilities (15 years of age and above).

Solution to the case under module 11 – Please calculate the cost of implementation of each scenario

Scenario 1: Introduce a universal basic disability allowance of COD500 per month for all adults with disabilities (15 years of age and above)

Assumptions:

- Target group = adult population with disabilities;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Benefit per head = COD500 per month;
- Benefit increases every year in proportion to the headline inflation;
- Administrative cost = 5 per cent.

Results:

According to the calculations in the RAP model, providing a universal basic disability allowance of COD500 per month for all adults with disabilities (15 years of age and above) is expected to cost 0.03 per cent of GDP or 0.17 per cent of Government expenditures in 2020.

Scenario 2: Extend a public works programme guaranteeing 100 days of work to rural households at the minimum wage

Assumptions:

- Target group = all rural households;
- Take-up rate (progressive coverage of the target group) = 5 per cent in 2014, 10 per cent in 2015, and 15 per cent as of 2016;
- Benefit per head = 100 days of work paid at the minimum wage;
- Benefit increases every year according to the minimum wage;
- Administrative cost of 25 per cent to take into account costs of materials, hiring technical staff and contractors, and so on.

Results:

According to the calculations in the RAP model, providing a public works programme guaranteeing 100 days of work to rural households at the minimum wage is expected to cost 0.26 per cent of GDP or 1.37 per cent of Government expenditures in 2020.

Scenario 3: Provide training for 60 days every five years to informal economy workers (employed, unemployed, underemployed) and a daily poverty alleviation payment of for poor trainees at 50 per cent of the minimum wage

Assumptions:

- Target group (skill training) = all informal economy workers;
- Target group (poverty alleviation) = poor informal economy workers;
- Coverage of the target group = 20 per cent of the target group in every year;
- Benefit per head (skill training) = 60 days multiplied by unit training cost of COD250 per day; benefit increases every year in proportion to the average wage increase;
- Benefit per head (poverty alleviation) = 50 per cent of the minimum wage;
- Administrative cost is 15 per cent because the training component requires some training materials and the poverty allowance is targeted.

Results:

According to the calculations in the RAP model, providing training for 60 days every five years to informal economy workers and a daily poverty alleviation payment of COD150 for poor trainees is expected to cost 0.75 per cent of GDP or 3.95 per cent of Government expenditure in 2020.

Closing the SPF gap for the working age population in Coresia would cost between 0.29 per cent and 1.04 per cent of GDP in 2020, where 0.29 per cent is the cost of the combination of scenarios 1 and 2, and 1.04 per cent is the cost of the combination of all three scenarios.

Table 12: Results of the costing exercise for the working age

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scenario 1: Introduce a universal basic disability allowance of COD500 per month for all adults with disabilities (15 years of age and above)										
Cost of scenario 1 (COD million)	0	0	0	1 471	3 036	4 691	6 452	6 641	6 840	7 034
Cost as % of GDP	0.00	0.00	0.00	0.01	0.02	0.03	0.04	0.04	0.03	0.03
Cost as % of Government Expenditures	0.00	0.00	0.00	0.06	0.11	0.16	0.20	0.19	0.18	0.17
Scenario 2: Extend a "Public Works Programme" guaranteeing 100 days of work to rural households at the minimum wage										
Cost of scenario 2 (COD million)	0	0	0	15 708	32 308	49 752	51 151	52 497	53 910	55 302
Cost as % of GDP	0.00	0.00	0.00	0.12	0.23	0.32	0.31	0.29	0.27	0.26
Cost as % of Government expenditures	0.00	0.00	0.00	0.61	1.16	1.66	1.59	1.51	1.44	1.37
Scenario 3: Provide training for 60 days every five years to informal economy workers (employed, unemployed, underemployed) and a daily poverty alleviation amount for poor trainees at 50 per cent of the minimum wage										
Cost of scenario 3 (COD million)	0	0	0	112 384	119 306	126 522	134 187	142 167	150 629	159 427
Cost as % of GDP	0.00	0.00	0.00	0.86	0.84	0.82	0.80	0.78	0.77	0.75
Cost as % of Government expenditures	0.00	0.00	0.00	4.35	4.29	4.22	4.16	4.09	4.02	3.95

Case study No. 4

The challenge of providing income security to the elderly people in Coresia

Social protection programmes for the elderly

The Government has implemented various schemes that provide income security to the elderly population. These schemes come under the purview of the Ministries of Social Development, Labour, Planning, and Finance. At present, it is estimated that a fair number of formal and informal economy workers in the country and civil servants have access to these schemes. The various schemes are both contributory and non-contributory in nature.

Compulsory insurance programmes, which cater to civil servants, military personnel, and formal private sector employees, have been in existence for many years. The National Law for the Extension of Social Security (No. 293), enacted on 11 August 1995, provides a legal framework to design and implement a system to provide basic social security and welfare to all Coresian workers and their dependants. The Law has been adopted and programmes designed with the aim to provide basic income to people above retirement age, which is 60 years in Coresia.

Existing social protection programmes providing income security to the elderly include:

- **"National Pension Scheme (NPS)":** This is a compulsory programme wherein all workers in organizations of ten or more employees are eligible to receive a pension after retirement. The Ministry of Labour supervises the NPS fund and manages contributions and payment of pensions. Contributions amount to 5 per cent of the wage by the employee, 5 per cent of the wage by the employer, and 5 per cent of the wage by the Government on a monthly basis. To be entitled to an old-age pension, the minimum duration of paying contributions

is 15 years. The maximum wage to be considered for contributions is COD20,000 per month. Employees who have contributed for less than 15 years receive their own contributions and those of their employers as a lump-sum payment upon retirement. The Government's contributions are foregone in this case. The National Pension Scheme also covers private school teachers. Equal contributions at the rate of 5 per cent are made by the teachers, schools, and the Ministry of Education. The old age pension under this scheme is calculated as 15 per cent of the average monthly salary received in the last five years of employment plus 1.75 per cent of the average salary for each additional year of contribution beyond 15 years. For example, a person who has contributed for 15 years will receive 15 per cent of the average salary of the last five years of employment. A person who has contributed for 30 years will receive 15 + 15*1.75 = 41.25 per cent of the average monthly salary of the last five years of employment. In 2011, the scheme had 5,503,084 contributors, which is 15 per cent of all employed workers. This demonstrates that although the programme is compulsory, its enforcement has not been sufficiently strong. There is high social evasion by private sector employers under NPS.

- "**Employee Provident Fund (EPF)":** Formal sector workers in organizations of ten or more employees are eligible to register for the EPF, which provides a lump-sum payment upon retirement. This payment is composed of all the contributions made by the employee and the employer and is non-taxable. Employees may contribute between 2 per cent to 8 per cent of their monthly income into the EPF. The employer has to at least match the employee's contribution. There is no maximum wage limit for the EPF scheme. The fund is supervised by the Ministry of Labour. The scheme had 2,438,080 members in 2011.

- **"Armed Forces and Civil Servants Pension Plan (ACPP)":** All civil servants and armed forces personnel, including the police and teachers in public schools, are members of the ACPP, a tax-funded pension scheme for public servants. The Ministry of Finance is responsible for administering the benefits under the programme. All civil servants, military, police personnel, war veterans, and public school teachers who have been in service for at least 20 years are eligible to receive a monthly pension. The pension received under the ACPP is two-thirds of the average salary received by the public servant during the last three years of service. Those who have served for less than 20 years, but more than 8 years, are eligible to receive a lump-sum payment depending on the number of years of service and their past salaries. In 2011, membership to ACPP was 2,421,687.

- **"Government Officials' Provident Fund (GOPF)":** All civil servants, police, military personnel, war veterans, and public school teachers are eligible to register for the GOPF, wherein they receive a lump-sum payment upon retirement. The contributions range from 3 per cent to 8 per cent of the salary by public servants on a monthly basis and 3 per cent by the Government. The GOPF is supervised by the Ministry of Finance. 1,567,003 public servants were members of GOPF in 2011.

- **"Voluntary Pension Plan for Self-Employed and Informal Sector Workers, and SME Employees (VPP)":** The VPP was launched in 1992 following the Ministry of Labour Regulation No. 46/1990 on 'Pension payments to workers in informal sectors and SMEs'. The programme is targeted at self-employed workers, employees of SMEs with fewer than ten employees, and other informal economy workers. The VPP fund is supervised by the Ministry of Labour. Contributions are made by the insured person at a fixed rate of COD1,000 per month for a minimum duration of 12 years. The contributions are matched by the employer and the Government. For self-employed workers, only worker and

Government contributions are applicable. Upon retirement, the pensioner receives a monthly payment depending on the number of years of contribution that is at least equal to the poverty line. If the worker has not contributed for at least 12 years, the worker receives a tax-free lump sum consisting of the employer's, the Government's, and the worker's own contributions. In 2011, about 867,000 informal workers above the age of 60 years received benefits under the scheme.

- **"Universal Pension Scheme (UPS)":** The Ministry of Social Development aims to provide a basic subsistence allowance to all elderly people in the country. This led to the 2007 Regulation on 'Implementing pension benefits for the elderly' and a pension programme for people currently uncovered by other schemes was designed and executed in close collaboration with local Government authorities. Under the UPS, Coresian nationals who are above 75 years of age and are not members of any other pension scheme are eligible to receive an old age allowance of COD500 per month (which is less than one-third of the poverty line). UPS is funded by tax revenues of the national Government. On the basis of the national ID card and the database, prospective UPS beneficiaries are identified. Once the application for the pension has been received by the local Government authority, it is verified and the pension is processed. The first pensions under UPS were disbursed in January 2008. Recently, the Government sanctioned additional budget for the UPS which would raise the benefit level to the poverty line of COD1,742 per month. In 2011, 332,247 people or 22.8 per cent of the informal economy population over 75 years of age received pensions under UPS.

- **Old age homes** in several places provide facilities, such as meals, shelter, recreation, and basic medical care, to elderly people. These are funded by rents from members and additional donations. Some NGOs also run old age homes for people from lower socio-economic backgrounds who have no relatives to support them. In addition, there are home care programmes run by volunteers.

Growing challenges

Although the Government of Coresia has made an effort to include the entire population in pension schemes, a portion still does not have access to an old-age allowance. The bulk of the uncovered population comprises informal economy workers in the age group of 60–74 years and formal sector workers not covered by NPS. During one of the joint discussions, the UN-GOC team recommended to the Government that the age threshold for UPS should be progressively reduced to cover more people between 60 and 74 years of age.

In the private formal sector, many employees claim not to have access to NPS despite the scheme being compulsory. It has been found that employers often do not register their staff members under NPS to avoid paying contributions. Monitoring and control mechanisms to check for social evasion and enforce the law are nearly absent. It is important that the penalty for evasion by employers is made strict and enforceable and supervisory mechanisms to monitor registration and contributions are put into place.

Contributory pension schemes usually stipulate a minimum number of years of service and contribution to be eligible for the monthly pension. If this condition is not satisfied, the beneficiary receives a lump-sum payment at the time of retirement. For instance, the National Pension Scheme stipulates that a worker must have at least 15 years of service to be eligible to receive the pension,

while the Voluntary Pension Plan requires the beneficiary to have completed 12 years of contributions. When workers change employers, there is no portability of their entitlement to the pension scheme. This means that workers start contributing to the scheme from scratch every time they change jobs. A person who might have worked for 30 years with three different employers and contributed for ten years under each contract would only be entitled to receive a lump-sum payment rather than the pension upon retirement.

The benefit received under the UPS is a meagre amount of COD500 per month. This is well below the national poverty line of COD1,742 per month. An interview with 81-year-old Nook Lin, who has claimed benefits under UPS, revealed the following: *"I have been receiving a pension of 500 Dines every month for the last three years. It is very convenient for me as I just have to show my ID card. But sometimes, the money is not enough. I live alone and have to visit the doctor every two weeks. The money does not cover the transportation to the nearest health care centre, my food, and the cost I bear to maintain the house."*

The UPS has encountered some criticism since the benefit amount has remained constant since the inception of the scheme in 2008. Inflation in the country was recorded at 3.8 per cent in 2011. The indexation of benefit levels on inflation was not part of the design of the Universal Pension Scheme. It is expected that with the Government's sanction of additional budget for the UPS, these problems will be adequately resolved.

Beneficiaries of the VPP scheme for informal worker, self-employed workers, and employees of SMEs with fewer than ten employees have voiced concerns regarding the long and difficult administrative procedures involved to register and claim the benefits. This is mainly due to the requirement of too many documents which are sometimes difficult to obtain. Also, it is not possible for beneficiaries to register and claim benefits in different regions. This is a problem since workers often migrate to larger towns and cities looking for work and shift back to their hometowns after retirement. They may have to go to a different city to claim their pension every month. For self-employed workers, putting aside a contribution of COD1,000 per month is particularly challenging, as many of them live from hand to mouth.

Way forward

The Government has already approved an increase in the UPS benefit level to the 2011 poverty line of COD1,742. It has also been decided to index the pension amount on annual inflation. The Government is now considering extending the UPS to informal economy people in the age group of 60–74 years. For those who already benefit from VPP, the Government plans to provide a reduced amount of monthly UPS allowance. It is awaiting a cost estimate from the UN-GOC SPF team before making a decision on further implementation.

The legal framework

Table 13: Legal framework of social protection programmes for the elderly

Programme	Legal framework
National Pension Scheme (NPS)	• Law No. 149/1983 on 'Pension and retirement entitlements for workers' • Ministry of Labour Regulation No. 28/1986 on 'Provision for pension and provident fund for formal sector employees'
Employee Provident Fund (EPF)	• Law No. 149/1983 on 'Pension and retirement entitlements for workers' • Ministry of Labour Regulation No. 28/1986 on 'Provision for pension and provident fund for formal sector employees'
Armed Forces and Civil Servants Pension Plan (ACPP)	• Law No. 110/1973 on 'Welfare of civil servants, military, and veterans' • Ministry of Finance Regulation No. 24/1978 on 'Retirement allowance for civil servants' • Ministry of Finance Regulation No. 46/1980 on 'Extending pension payments to police and military personnel'
Government Officials' Provident Fund (GOPF)	• Law No. 110/1973 on 'Welfare of civil servants, military, and veterans' • Ministry of Finance Regulation No. 52/1981 on 'Provident Fund for public servants'
Voluntary Pension Plan for Self-Employed and Informal Sector Workers, and SME Employees (VPP)	• National Law No. 293/1995 for the 'Extension of social security' and its amendments • National Law No. 178/1988 on 'Ensuring retirement care and subsistence allowance for all' • Ministry of Labour Regulation No. 46/1990 on 'Pension payments to workers in informal sectors and SMEs'
Universal Pension Scheme (UPS)	• National Law No. 293/1995 for the 'Extension of social security' and its amendments • National Law No. 178/1988 on 'Ensuring retirement care and subsistence allowance for all' • Ministry of Social Development Regulation No. 178/2007 on 'Implementing pension benefits for the elderly'
Old age homes, home care programmes	• Legal status is unclear

Questions:

Module 8 – Please complete the assessment matrix provided to you on the basis of the case. You are encouraged to discuss the case within your group and refer to the *World Café* reports while completing the matrix. Please keep in mind that you should address the issue of elderly only.

Module 10 – Please translate the recommendations of your group into three scenarios.

Module 11 – Please calculate the cost of implementation of each scenario. Your group is required to propose one scenario to the Government for implementation. Please keep in mind that the cost of implementing the scenario you propose should not exceed the budget allotted to your group in the *Jeopardy* and *Who wants to be a protectionaire?* games. Strengthen your proposition by linking the cost of implementation to economic indicators such as GDP.

Module 14 – Please develop an advocacy campaign to lobby for one or several policy options and gain support for the endorsement and implementation of your recommendations.

Assumptions for costing (for facilitators to provide to their groups)

Table 14: Share of formal and informal employment

Share of formal employment	**37.7%**
Share of informal employment	**62.3%**

We assume that the share of informal sector elderly in the total elderly population is 62.3 per cent and that this percentage remains constant for all years until 2020.

VPP covered 15.9 per cent of the elderly population in 2011. This applies to both the 75 and older age group and the 60 and older age group. This percentage is assumed constant for all years until 2020.

UPS covered 22.8 per cent of the age 75 and older informal economy population in 2011. This percentage remains constant for all years until 2020.

The administrative cost of schemes that target all those not covered by other public social protection schemes is assumed to be 10 per cent of the cost of benefits. The administrative cost of universal programmes is lower at 5 per cent of the cost of benefits. The administrative cost of targeted programmes is higher at 15 per cent of the cost of benefits.

Solution to the case under module 8 – Assessment Matrix

Table 15: Assessment matrix for the elderly

Government strategy	Existing provisions	Policy gaps	Implementation issues	Recommendations[6]
Government of Coresia aims at providing a minimum income support for all elderly in need of protection (National Five Year Plan (2012–16))	Private sector employees: compulsory contributory pension scheme (NPS) and employee provident fund (EPF) providing lump sum upon retirement Civil servants, police and military personnel, veterans, public school teachers: tax-funded pension scheme (ACPP), Government Officials' Provident Fund (GOPF) Informal economy workers, self-employed workers, and employees of SMEs: voluntary contributory pension scheme (VPP); non-contributory Universal Pension Scheme (UPS) Old age homes and home care programmes	Informal economy workers in the age group of 60–74 years are not covered by UPS Workers who have not completed the minimum number of years of contribution cannot claim pension benefits (under NPS, ACPP, VPP) but only lump-sum payments UPS benefit levels are too low and not indexed on inflation	Majority of formal sector employees not covered by NPS due to social evasion by employers Lack of portability: workers who change employers across their active age may not be entitled to a pension if they have spent less than 15 years with each employer Long administrative procedures in VPP	(*) R1 – Calculate the cost of extending UPS to informal economy workers of 60–74 years of age (Δ) R2 – Increase portability of pensions through linking with national ID system and database (*) R3 – Calculate the cost of providing pension benefits under UPS at the poverty line (*) R4 – Index benefits of UPS on inflation (Δ) R5 – Simplify the administrative procedures in VPP (Δ) R6 – Improve enforcement of the NPS Law to prevent social evasion, e.g. impose penalty for evasion and establish a supervisory and inspection mechanism (Δ) R7 – Increase coverage of the NPS Law to employees in small and medium-sized enterprises with 1-10 employees

[6] Two types of recommendations were formed: (*) designates the provision of additional SPF benefits or increase of coverage; cost of these can be calculated using RAP; (Δ) designates requirement for detailed studies; can be implemented through specific TC projects

Solution to the case under module 10 – Please translate the recommendations of your group into three scenarios

Recommendations R1, R3, and R4 were translated into the following scenarios:

- Scenario 1: Provision of UPS benefits at the poverty line level, indexed on inflation, to the elderly aged 75 years and older in the informal economy and not covered by VPP;
- Scenario 2: Extension of UPS benefits at the poverty line level, indexed on inflation, to the elderly aged 60 years and older in the informal economy and not covered by VPP;
- Scenario 3: Extension of UPS benefits at 50 per cent of the poverty line level, indexed on inflation, to the elderly aged 60 years and older in the informal economy and covered by VPP.

Solution to the case under module 11 – Please calculate the cost of implementation of each scenario

Scenario 1: Provision of UPS benefits at the poverty line level, indexed on inflation, to the elderly aged 75 years and older in the informal economy and not covered by VPP

Assumptions:

- Target group = informal economy population aged 75 years and older not covered by VPP;
- Take-up rate (progressive coverage of the target group) = 20 per cent in 2014, 40 per cent in 2015, 60 per cent in 2016, 80 per cent in 2017, and 100 per cent as of 2018;
- Benefit per head = poverty line;
- Benefit increases every year in proportion to inflation;
- Administrative cost = 10 per cent.

Results:

According to the calculations in the RAP model, providing UPS benefits at the poverty line level, indexed on inflation, to the elderly aged 75 years and older in the informal economy not covered by VPP is expected to cost 0.34 per cent of GDP or 1.81 per cent of Government expenditures in 2020, in addition to current Government expenditures on UPS.

Scenario 2: Extension of UPS benefits at the poverty line level, indexed on inflation, to the elderly aged 60 years and older in the informal economy and not covered by VPP

Assumptions:

- Target group = informal economy population aged 60 years and older not covered by VPP;
- Take-up rate (progressive coverage of the target group) = 20 per cent in 2014, 40 per cent in 2015, 60 per cent in 2016, 80 per cent in 2017, and 100 per cent as of 2018;
- Benefit per head = poverty line;
- Benefit increases every year in proportion to inflation;
- Administrative cost = 10 per cent.

Results:

According to the calculations in the RAP model, providing UPS benefits at the poverty line level, indexed on inflation, to the elderly aged 60 years and older in the informal economy not covered by VPP is expected to cost 0.87 per cent of GDP or 4.62 per cent of Government expenditures in 2020, in addition to current Government expenditures on UPS.

Scenario 3: Extension of UPS benefits at 50 per cent of the poverty line level, indexed on inflation, to the elderly aged 60 years and older in the informal economy and covered by VPP

Assumptions:

- Target group = informal economy population aged 60 years and older covered by VPP;
- Take-up rate (progressive coverage of the target group) = 20 per cent in 2014, 40 per cent in 2015, 60 per cent in 2016, 80 per cent in 2017, and 100 per cent as of 2018;
- Benefit per head = 50 per cent of poverty line;
- Benefit increases every year in proportion to inflation;
- Administrative cost = 10 per cent.

Results:

According to the calculations in the RAP model, providing UPS benefits at 50 per cent of poverty line level, indexed on inflation, to the elderly aged 60 years and older in the informal economy covered by VPP is expected to cost 0.08 per cent of GDP or 0.45 per cent of Government expenditures in 2020, in addition to current Government expenditures on UPS.

Closing the SPF gap for the elderly in Coresia would cost between 0.34 per cent and 0.96 per cent of GDP in 2020, where 0.34 per cent is the cost of scenario 1 and 0.96 is the cost of a combination of scenarios 2 and 3.

Table 16: Results of the costing exercise for the elderly

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scenario 1: Provision of UPS benefits at the poverty line level, indexed on inflation, to the elderly aged 75 years and older in the informal economy and not covered by VPP										
Additional cost of scenario 1 (COD million)	0	0	0	7 329	19 399	32 897	47 965	64 749	68 727	73 004
Cost as % of GDP	0.00	0.00	0.00	0.06	0.14	0.21	0.29	0.36	0.35	0.34
Cost as % of Government Expenditures	0.00	0.00	0.00	0.28	0.70	1.10	1.49	1.86	1.83	1.81
Scenario 2: Extension of UPS benefits at the poverty line level, indexed on inflation, to the elderly aged 60 years and older in the informal economy and not covered by VPP										
Additional cost of scenario 2 (COD million)	0	0	0	22 321	51 617	84 755	122 075	163 948	174 797	186 437
Cost as % of GDP	0.00	0.00	0.00	0.17	0.36	0.55	0.73	0.90	0.89	0.87
Cost as % of Government Expenditures	0.00	0.00	0.00	0.86	1.86	2.83	3.78	4.72	4.67	4.62
Scenario 3: Extension of UPS benefits at 50 per cent of poverty line level, indexed on inflation, to the elderly aged 60 years and older in the informal economy and covered by VPP										
Cost of scenario 3 (COD million)	0	0	0	2 447	5 227	8 372	11 912	15 883	16 922	18 036
Cost as % of GDP	0.00	0.00	0.00	0.02	0.04	0.05	0.07	0.09	0.09	0.08
Cost as % of Government expenditures	0.00	0.00	0.00	0.09	0.19	0.28	0.37	0.46	0.45	0.45

Case study No. 5

The challenge of providing universal maternity care in Coresia

Social protection programmes in the case of maternity

The Government has implemented various schemes that provide income security to people in the event of unemployment, sickness, maternity, disability, death, and work injury. These schemes come under the purview of the Ministries of Social Development, Labour, Planning, Health, Home Affairs and Finance.

Compulsory insurance programmes, which cater to civil servants, military personnel, and formal private sector employees, have been in existence for many years. The National Law for the Extension of Social Security (No. 293) enacted on 11 August 1995, provides a legal framework to design and implement a system to provide basic social security and welfare to all Coresian workers and their dependants. Although many people enjoy maternity benefits, most of the population does not have access to any scheme. Existing social protection programmes providing benefits for mother and childcare include:

- **"National Social Protection Programme (NSPP):** This is a compulsory programme, wherein all workers in private sector organizations of ten or more employees can avail maternity benefits for themselves, in case the insured person is female, or for their partners. The Ministry of Labour supervises the social protection fund and oversees the registration, contribution collection, and benefit payments for NSPP and the Childcare and Education programme. The contributions amount to 3 per cent of the wage by the employee, 3 per cent of the wage by the employer, and 3 per cent of the wage by the Government on a monthly basis. The maximum wage to be considered for calculation of contributions is COD20,000 per month. With this contribution, the beneficiaries receive child allowance, unemployment, disability, death, sickness, and maternity benefits. The scheme does not yet provide any paternity benefits. Maternity

benefits amount to a fixed payment of COD15,000 per delivery of a child (COD30,000 in case of twins). This amount is intended to provide financial support to the mother and child, ensuring proper childcare, nutrition, and the mother's well-being. This is in addition to the benefits under health insurance schemes. If the insured person is the mother, she receives a partial income replacement, which is 50 per cent of the wage for three months during the maternity leave. The maternity leave can be taken anytime during or immediately after the pregnancy. It is estimated that in 2011, the scheme had 5,503,084 members. This demonstrates that although the programme is compulsory, its enforcement has not been sufficiently strong. There is high social evasion by private sector employers under NSPP.

- **"Public Servants' Social Protection Programme (PSP)":** All civil servants, police and military personnel, and war veterans are compulsorily registered under PSP and are entitled to insurance benefits in the events of sickness, injury, disability, maternity, and death. The Ministry of Finance supervises the civil servants' social protection fund and manages the PSP and the Civil Servants Child Education Programme. The two schemes are financed by bipartite contributions of 10 per cent of the salary, of which 5 per cent is paid by public servants and an equal amount by the Government. In 2011, membership to PSP was 2,421,687. Maternity benefits amount to a fixed payment of COD15,000 per delivery of a child (COD30,000 in case of twins). This amount is intended to provide financial support to the mother and child, ensuring proper childcare, nutrition, and the mother's well-being. This is in addition to the benefits under health insurance schemes. If the insured person is the mother, she receives a partial income replacement, which is 50 per cent of the wage for three months during the maternity leave. The maternity leave can be taken anytime during or immediately after the pregnancy. The scheme does not yet provide any paternity benefits.

- **"Child and Mother Nutrition (CMN)":** The United Nations World Food Programme (WFP), in close partnership with the Ministry of Health, runs an assistance programme to provide a fortified mix of cereals and grains to pregnant women and mothers with children up to 4 years of age. The blended mix is distributed among women and children from poor households who are identified by their national ID card number and the associated database. This mix aims to provide necessary nutrients and energy. The ingredients are procured from Coresian farmers, mixed in local factories, and distributed in community health care centres. The CMN has been implemented as a pilot programme in a few provinces, and WFP expects that the Government will take over the expansion of the scheme to all provinces.

- **"Social Insurance Scheme for Self-employed and Informal Sector Workers and SME Employees (SIS)":** Another scheme which targets self-employed and informal economy workers is the Social Insurance Scheme (SIS) for self-employed and informal sector workers, and SMEs with fewer than ten workers. It was launched in 2008 following the Ministry of Labour Regulation No. 173/2007 on 'Providing Social Security and Health Care to workers in the informal sector as well as workers in small and medium-sized enterprises (SMEs)'. Under this programme, informal sector workers can avail insurance benefits for sickness, work injury, disability, and death. The scheme does not yet provide any maternity or paternity benefits. The SIS fund is supervised by the Ministry of Labour. Contributions are on a fixed-rate basis. The insured person has the option to make payments at the rate of COD100 per month or COD200 per month. The contributions are matched by the employer (if applicable) and the Government. After a sharp increase in coverage, the total number of insured seems to have stabilized at around 800,000 people.

Growing challenges

Although the Government of Coresia aims to extend maternity protection as one of the measures to increase low fertility rates in Coresia, a sizeable portion of the female population still does not have access to these benefits.

The SIS scheme does not provide maternity benefits. Women in informal employment cannot claim a replacement income during pregnancy. This forces them to work until the last month and resume their job immediately after delivery to ensure that there is no loss of income. However, this is not good for the health of the women and newborn children. Also, the absence of a maternity benefit package makes the SIS scheme less attractive to female workers.

The Child and Mother Nutrition programme is funded by the WFP. Such donor-funded programmes need to be funded by Government revenues in order to have long-term financial sustainability. In addition, the CMN programme is still in the pilot phase in a few provinces only.

In the private formal sector, many employees claim not to have access to NSPP or to private insurance schemes, even though NSPP is a compulsory scheme. It has been found that employers often do not register their staff members under NSPP to avoid paying contributions. Monitoring and control mechanisms to check for social evasion and enforce the law are nearly absent. A common method of social evasion occurs when formal sector companies subcontract small companies with fewer than ten employees. Such companies are not covered by NSPP. It is important that the penalty for evasion by employers is made strict and enforceable and supervisory mechanisms to monitor registration and contributions are put in place.

Way forward

The Government is considering introducing a non-contributory maternity benefit scheme for all informal sector women. The benefit package will involve transfer of a fixed amount of cash. At present, two package options are being considered: COD4,000 and COD6,000 per newborn child. This amount is intended to provide financial support to the mother and child, ensuring proper childcare, nutrition, and the mother's well-being. This is in addition to the benefits under the non-contributory health care scheme, PHCP. Some NGOs, who fear that the Government will fail to index the lump-sum benefit on inflation, claim that the benefit package should be expressed as a percentage of the poverty line. A newly established information technology (IT) project will link delivery rooms in hospitals and clinics with the national database. The management information system (MIS) will automatically issue birth certificates. With this birth certificate, the parents of the newborn child will be able to claim the benefit. The Government is waiting for a cost estimate before making a decision on the introduction of one of the maternity benefit packages under discussion.

The legal framework

Table 17: Legal framework of social protection programmes in the case of maternity

Programme	Legal framework
National Social Protection Programme (NSPP)	• Law No. 157/1984 on 'Ensuring worker health and safety' • Ministry of Labour Regulation No. 26/1985 on 'Social protection for workers' • National Law No. 293/1995 for the 'Extension of Social Security' and its amendments • Ministry of Labour Decree No. 245/2007 on 'Provision of maternity care'
Public Servants' Social Protection Programme (PSP)	• Law No. 110/1973 on 'Welfare of civil servants, military, and veterans' • Ministry of Finance Regulation No. 10/1976 on 'Contributions to social insurance for civil servants' • Ministry of Finance Regulation No. 43/1981 on 'Extending social protection to police and military personnel'
Child and Mother Nutrition (CMN)	• Ministry of Health Announcement dated 13 October 2010 on 'Providing essential nutrition to mothers with young children'
Social Insurance Scheme for Self-employed and Informal Sector Workers, and SME Employees (SIS)	• Law No. 157/1984 on 'Ensuring worker health and safety' • National Law No. 293/1995 for the 'Extension of Social Security' and its amendments • Ministry of Labour Regulation No. 173/2007 on 'Providing social security and health care to workers in the informal sectors'

Questions:

Module 8 – Please complete the assessment matrix provided to you on the basis of the case. You are encouraged to discuss the case within your group and refer to the *World Café* reports while completing the matrix. Please keep in mind that you should address the issue of maternity only.

Module 10 – Please translate the recommendations of your group into three scenarios.

Module 11 – Please calculate the cost of implementation of each scenario. Your group is required to propose one scenario to the Government for implementation. Please keep in mind that the cost of implementing the scenario you propose should not exceed the budget allotted to your group in the *Jeopardy* and *Who wants to be a protectionaire?* games. Strengthen your proposition by linking the cost of implementation to economic indicators such as GDP.

Module 14 – Please develop an advocacy campaign to lobby for one or several policy options and gain support for the endorsement and implementation of your recommendations.

Assumptions for costing (for facilitators to provide to their groups)

Table 18: Share of formal and informal employment

Share of formal employment	**37.7%**
Share of informal employment	**62.3%**

We assume that the share of informal sector births is 62.3 per cent of the total number of births and that this percentage remains constant for all years until 2020.

The administration cost of providing maternity benefits to the informal sector is assumed to be 5 per cent of the cost of benefits due to the newly established IT project.

Solution to the case under module 8 – Assessment Matrix

Table 19: Assessment matrix for maternity

Government strategy	Existing provisions	Policy gaps	Implementation issues	Recommendations[7]
The Government aims at providing income security to women in case of pregnancy and delivery, at guaranteeing access to safe deliveries for all mothers and newborn children, and at reversing the trend of declining fertility in Coresia	Compulsory contributory scheme (NSPP) for private sector employees providing fixed benefit of COD15,000 and 50 per cent income replacement for 3 months Compulsory contributory scheme for civil servants, police and military personnel, veterans (PSP) providing fixed benefit of COD15,000 and 50 per cent income replacement for 3 months Distribution of fortified mix of cereals and grains to pregnant women and mothers with children up to 4 years of age from poor households (CMN)	No maternity benefit package for women in informal employment and SME employees CMN is funded by WFP and needs to be funded by Government revenues to ensure sustainability No paternity benefits for all workers	Majority of formal sector employees not covered by NSPP due to social evasion by employers The CMN programme is still in pilot phase in a few provinces only	(*) R1 – Explore possibility of extending maternity benefits to female informal economy workers (Δ) R2 – Explore possibility of funding CMN through Government revenues and expanding the programme to more provinces (Δ) R3 – Strict enforcement of the NSPP Law to prevent social evasion, e.g. impose penalty for evasion and establish a supervisory and inspection mechanism (Δ) R4 – Extend the NSPP Law to include enterprises with 1–10 employees (Δ) R5 – Design a paternity benefit programme for formal and informal sector workers

[7] Two types of recommendations were formed: (*) designates the provision of additional SPF benefits or increase of coverage; cost of these can be calculated using RAP; (Δ) designates requirement for detailed studies; can be implemented through specific TC projects

Solution to the case under module 10 – Please translate the recommendations of your group into three scenarios

Recommendation R1 was translated into three scenarios:

- Scenario 1: Extend a conditional cash transfer equal to three months of the poverty line (per child) upon delivery to all informal sector women if they fulfil the conditions of a minimum number of hospital visits and a stipulated nutritional intake;
- Scenario 2: Extend a conditional cash transfer of COD4,000 (per child) upon delivery to informal sector women, indexed on inflation, if they fulfil the conditions of a minimum number of hospital visits and a stipulated nutritional intake;
- Scenario 3: Extend a conditional cash transfer of COD6,000 (per child) upon delivery to informal sector women, indexed on inflation, if they fulfil the conditions of a minimum number of hospital visits and a stipulated nutritional intake.

Solution to the case under module 11 – Please calculate the cost of implementation of each scenario

Scenario 1: Extend a conditional cash transfer equal to three months of the poverty line (per child) upon delivery to all informal sector women if they fulfil the conditions of a minimum number of hospital visits and a stipulated nutritional intake

Assumptions:

- Target group = number of newborn children in the informal sector (in case of twins the mother will receive two lump-sum benefits);
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Benefit per head = three times the monthly poverty line;
- Administrative cost = 5 per cent.

Results:

According to the calculations in the RAP model, providing a conditional cash transfer upon delivery equal to three months of the poverty line (per child) to all informal sector women is expected to cost 0.01 per cent of GDP or 0.07 per cent of Government expenditures in 2020.

Scenario 2: Extend a conditional cash transfer of COD4,000 (per child) upon delivery to informal sector women, indexed on inflation, if they fulfil the conditions of a minimum number of hospital visits and a stipulated nutritional intake

Assumptions:

- Target group = number of newborn children in the informal sector (in case of twins the mother will receive two lump-sum benefits);
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Benefit per head = COD4,000;

- Benefit increases every year with inflation;
- Administrative cost = 5 per cent.

Results:

According to the calculations in the RAP model, providing a conditional cash transfer of COD4,000 (per child) upon delivery to informal sector women, indexed on inflation, is expected to cost 0.01 per cent of GDP or 0.06 per cent of Government expenditures in 2020.

Scenario 3: Extend a conditional cash transfer of COD6,000 (per child) upon delivery to informal sector women, indexed on inflation, if they fulfil the conditions of a minimum number of hospital visits and a stipulated nutritional intake

Assumptions:

- Target group = number of newborn children in the informal sector (in case of twins the mother will receive two lump-sum benefits);
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Benefit per head = COD6,000;
- Benefit increases every year with inflation;
- Administrative cost = 5 per cent.

Results:

According to the calculations in the RAP model, providing a conditional cash transfer of COD6,000 (per child) upon delivery to informal sector women, indexed on inflation, is expected to cost 0.02 per cent of GDP or 0.08 per cent of Government expenditures in 2020.

Closing the SPF gap for maternity in Coresia would cost between 0.01 per cent and 0.02 per cent of GDP in 2020, where 0.01 per cent is the cost of the lowest scenario (scenario 2) and 0.02 per cent is the cost of the highest scenario (scenario 3).

Table 20: Results of the costing exercise for maternity

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scenario 1: Extend a conditional cash transfer equal to three months of the poverty line (per child), upon delivery, to all informal sector women if they fulfil the conditions of a minimum number of hospital visits and a stipulated nutritional intake										
Cost of scenario 1 (COD million)	0	0	0	687	1 397	2 133	2 874	2 905	2 934	2 966
Cost as % of GDP	0.00	0.00	0.00	0.01	0.01	0.01	0.02	0.02	0.01	0.01
Cost as % of Government expenditures	0.00	0.00	0.00	0.03	0.05	0.07	0.09	0.08	0.08	0.07
Scenario 2: Extend a conditional cash transfer of COD 4,000 (per child) upon delivery to informal sector women, indexed on inflation, if they fulfil the conditions of a minimum number of hospital visits and a stipulated nutritional intake										
Cost of scenario 2 (COD million)	0	0	0	526	1 070	1 633	2 200	2 224	2 246	2 270
Cost as % of GDP	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01
Cost as % of Government expenditures	0.00	0.00	0.00	0.02	0.04	0.05	0.07	0.06	0.06	0.06
Scenario 3: Extend a conditional cash transfer of COD 6,000 (per child) upon delivery to informal sector women, indexed on inflation, if they fulfil the conditions of a minimum number of hospital visits and a stipulated nutritional intake										
Cost of scenario 3 (COD million)	0	0	0	789	1 605	2 449	3 300	3 336	3 369	3 406
Cost as % of GDP	0.00	0.00	0.00	0.01	0.01	0.02	0.02	0.02	0.02	0.02
Cost as % of Government expenditures	0.00	0.00	0.00	0.03	0.06	0.08	0.10	0.10	0.09	0.08

Case study No. 6

The challenge of combating HIV and syphilis in Coresia

Social protection programmes for people at risk of and living with HIV/AIDs and syphilis

The various health care schemes come under the purview of the Ministries of Health, Social Development, Planning, Home Affairs, and Finance. It is estimated that at present, about half the population in the country has access to quality health care services through subsidized and contributory schemes. Most informal economy workers are presently not covered by any social protection programmes.

About 18 per cent of the total population is covered under the Public Health Care Plan, a health insurance scheme targeted at the poor and near poor population and funded by the Government. Compulsory health insurance programmes, which cater to civil servants, military personnel, and formal private sector employees, have been in existence for many years. The National Law for the Extension of Social Security (No. 293), enacted on 11 August 1995, provides a legal framework to design and implement a system to provide basic social security and welfare to all Coresian workers and their dependants. The Law has been adopted and its implementation started with the design of insurance programmes which aim at providing essential health care services and facilities to all people.

Existing health care schemes include:

- **"National Health Insurance Programme (NHIP)":** Under this programme, all workers in private sector organizations of ten or more employees can avail insurance in the event of sickness of the employee or the employee's dependants. This also includes documented migrant workers who have a formal work permit in Coresia. The contributions amount to 3 per cent of the wage by employees on a monthly basis and

an equal amount by the employer. If the employees have dependants, then they contribute 6 per cent of the wage every month, while the contributionby the employer remains unchanged. The maximum wage to be considered for contributions is COD20,000 per month. Employers may opt out of the NHIP scheme if they provide higher benefits to employees under privately run schemes or establish in-house medical services. The NHIP fund is supervised by the Ministry of Labour. In 2011, membership to NHIP reached 4,149,325 workers (about 30 per cent of formal sector workers). The total beneficiaries (including workers and their dependants) stood at 7,247,721 people. This is a very small proportion of the employed and total populations. This is due to the non-coverage of small enterprises (fewer than ten employees) and weak enforcement. It has been observed that there is high social evasion by private sector employers who do not provide any health protection to their workers under NHIP or otherwise. In June 2012, the Ministry of Labour Decree No. 373/2012 was enacted, whereby certain high-cost treatments, such as those for HIV-AIDS, heart surgery, chemotherapy, haemodialysis, and syphilis, have been included in the benefit package of NHIP. The Government has yet to implement the decree and make the treatment available to beneficiaries. The Decree No. 373/2012 provides for the following benefits:

- Testing for HIV by providing voluntary counselling and testing (VCT);
- Check-ups including viral load and cluster of differentiation 4 (CD4) counts for all HIV-positive people;
- Anti-retroviral (ARV) treatment for those HIV-positive people in need of treatment; the treatment may be either ARV line 1 or ARV line 2 depending on the condition of the patient;
- Mother-to-child-transmission (MTCT) prevention package and syphilis test for all insured pregnant women;
- Antibiotic treatment for expecting mothers with syphilis.

- **"Medical Beneficiary Programme for Civil Servants and Military Personnel (MBP)":** All civil servants (both active service and retired), retired police and military personnel, war veterans, and their dependants are automatically registered under MBP and are entitled to insurance benefits and subsidized medical care under this scheme. The contributions amount to 3 per cent of the salary by public servants on a monthly basis and an equal amount by the Government. Active military and police personnel are entitled to in-house medical care and have access to special military hospitals. The MBP fund is supervised by the Ministry of Finance. In 2011, membership to MBP was 2,421,687. However, HIV-AIDS and syphilis are not covered by this scheme.

- **"Public Health Care Plan (PHCP)":** The PHCP is a non-contributory scheme providing essential health care services, medicines, and other necessities to poor and near poor people free of charge. Beneficiaries are treated or counselled in community health care centres and designated government hospitals. Medicines can be bought at no cost at the community health care centres. The programme provides essential health care but excludes high-cost treatments, including anti-retroviral treatment for HIV, chemotherapy, among others. Even the low-cost syphilis treatment is excluded in this package. Under the PHCP, the community health care centres receive capitation payments based on the number of poor and near poor people in the community and historical data on the number of people seeking care at the centres. Per capita cost under PHCP was COD2,500 in 2011. The programme had about 11.5 million beneficiaries in 2011 (18 per cent of the population), of which 2.3 million were poor (representing 48 per cent of the total poor population).

Some provinces that have been successful in covering their poor population under the PHCP have extended the scheme to near poor and non-poor informal economy workers as well.

- **"Social Health Insurance for Self-Employed and Informal Sector Workers, and SME Employees (SHI)":** The SHI programme for informal economy workers was launched in 2008 following the Ministry of Labour Regulation No. 173/2007 on 'Providing Social Security and Health Care to workers in the informal sector as well as workers in small and medium-sized enterprises (SMEs)'. The programme is targeted at self-employed workers, informal economy workers, and SME employees. It is assumed that their average monthly earnings are at the level of the minimum wage of COD6,000 per month. Under this programme, the protected workers and their dependants can avail health care benefits and services. For health care, the employee contribution is 3 per cent of the reference income (minimum wage) for workers without dependants and 6 per cent for workers with dependants. Employers pay a contribution of 3 per cent of the reference income. In the case of self-employed workers, the worker pays both worker and employer contributions. After a sharp increase in coverage, the total number of insured seems to have stabilized at around 1 million people. Membership to SHI varies widely from one month to the next since affiliation is voluntary and members can easily opt in and opt out of the programme. Surveys show that the programme is not very popular among its target group. SHI also does not provide any testing or treatment packages for HIV and syphilis.

Growing challenges

Although the Government of Coresia has made an effort to include the entire population in health insurance schemes, a sizeable portion still does not have access to any scheme. Currently, over 50 per cent of the poor population is not covered by health insurance.

The prevalence of HIV and syphilis has increased over the past few years. The Government wants to increase awareness about these diseases and take measures to reduce their spread. At present, these diseases are not covered by any scheme. The recent Ministry of Labour Decree No. 373/2012 stipulates that an HIV testing, check-up, and treatment package be implemented under NHIP. However, the Government has yet to start the implementation process.

HIV and syphilis can be transmitted from a mother to her child during the final stage of pregnancy and childbirth. Treating these diseases in pregnant women is especially important to prevent its transmission to the newborn children. Testing and treatment for syphilis is both cheap and crucial, as it can prevent undesirable circumstances, such as stillbirth and spontaneous abortion, prenatal death, neonatal infections, and low birth weight babies.

Way forward

During the joint discussions, a member of the UN-GOC SPF team in Coresia recommended that the Government consider the extension of the benefits stipulated by Decree No. 373/2012 to the entire population. The Ministry of Health representatives at the discussion pledged to explore the legal framework for including testing and treatment for HIV and syphilis in a stand-alone universal scheme or as part of PHCP. At the same time, they requested the UN-GOC SPF team to provide a preliminary estimate of the cost that would be incurred.

As testing and treatment for syphilis and HIV and prevention of MTCT in pregnant women are essential, it was agreed that a package covering all pregnant women could be considered. There was also a consensus on the fact that providing regular check-ups (two viral loads and two CD4 counts every year) to people living with HIV and ARV treatment (line 1 or line 2 depending on the condition revealed during the check-ups) were essential.

However, the different stakeholders in the meeting were divided on providing voluntary counselling and testing for the detection of HIV. Some people felt that VCT should be provided to everyone in the sexually active age group (15–59 years). The rest were of the opinion that this would be very expensive. They felt that VCT should be provided to people who were most-at-risk of being affected by HIV. Finally, the UN-GOC SPF team agreed that they would draft the cost estimates for both situations and the Government could decide on the implementation on the basis of the estimates.

The legal framework

Table 21: Legal framework of social protection programmes in the case of HIV and syphilis

Programme	Legal framework
National Health Insurance Programme (NHIP)	• Law No. 157/1984 on 'Ensuring worker health and safety' • Ministry of Labour Regulation No. 29/1986 on 'Health and safety of workers' • Ministry of Labour Decree No. 373/2012 on 'High cost treatments'
Medical Beneficiary Programme for Civil Servants and Military Personnel (MBP)	• Law No. 110/1973 on 'Welfare of civil servants, military, and veterans' • Government Regulation No. 12/1977 on 'Contributions to health insurance for civil servants' • Government Regulation No. 36/1979 on 'Health care for police and military personnel'
Public Health Care Plan (PHCP)	• National Law No. 293/1995 for the 'Extension of social security' and its amendments • Law No. 619/2008 on 'Guaranteeing public health services'
Social and Health Insurance for Informal Sector Workers (SHI)	• Law No. 157/1984 on 'Ensuring worker health and safety' • National Law No. 293/1995 for the 'Extension of social security' and its amendments • Ministry of Labour Regulation No. 173/2007 on 'Providing social security and health care to workers in the informal sectors'

Questions:

Module 8 – Please complete the assessment matrix provided to you on the basis of the case. You are encouraged to discuss the case within your group and refer to the *World Café* reports while completing the matrix. Please keep in mind that you should address the issues of HIV and syphilis only.

Module 10 – Please translate the recommendations of your group into three scenarios.

Module 11 – Please calculate the cost of implementation of each scenario. Your group is required to propose one scenario to the Government for implementation. Please keep in mind that the cost of implementing the scenario you propose should not exceed the budget allotted to your group in the *Jeopardy* and *Who wants to be a protectionaire?* games. Strengthen your proposition by linking the cost of implementation to economic indicators such as GDP.

Module 14 – Please develop an advocacy campaign to lobby for one or several policy options and gain support for the endorsement and implementation of your recommendations.

Assumptions for costing (for facilitators to provide to their groups)

Table 22: Share of formal and informal employment

Share of formal employment	**37.7%**
Share of informal employment	**62.3%**

We assume that the share of people with HIV in the informal sector is 62.3 per cent of the total population with HIV and that this percentage remains constant for all years until 2020.

The administrative cost of social protection schemes targeting people with HIV can be assumed to be 10 per cent of the cost of benefits due to the complexities in identifying and reaching out to potential beneficiaries.

The sexually active age group includes people who are 15–59 years old. Of this number, 4.5 per cent can be classified as most-at-risk. This percentage is assumed to be constant for all years until 2020.

People with HIV represented 0.25 per cent of the total sexually active population in 2011. This number is assumed to increase by 10 per cent every year due to new infections and improvements in identification processes.

Among those with HIV, 12 per cent required ARV treatment in 2011. This number may be assumed to increase by 16 per cent every year until 2020 due to the advancement of the illness.

For the most-at-risk population, 2.5 per cent of VCT results are positive, 97.5 per cent are negative. The proportion of ARV line 1 users is 91 per cent and the proportion of ARV line 2 users is 9 per cent.

For the sexually active age group, 0.3 per cent of VCT results are positive, 99.7 per cent are negative. The proportion of ARV line 1 users is 91 per cent and the proportion of ARV line 2 users is 9 per cent.

For pregnant women, 1.78 per cent of syphilis test results are positive, while the rest are negative.

For pregnant women detected with HIV, MTCT prevention is compulsory.

The per head cost of various tests and treatments in 2011 is given below in COD. This number increases in proportion to inflation every year until 2020.

Table 23: Per head cost of various HIV and syphilis tests and treatments

Test or treatment	Unit cost in COD	Recommended frequency
Per head cost of VCT (if result is positive)	573	1 to 2 per year
Per head cost of VCT (if result is negative)	191	
Per head cost of CD4	570	2 to 4 per year
Per head cost of viral load	2 849	
Annual cost of ARV line 1	13 125	This indicates annual cost of treatment
Annual cost of ARV line 2	157 500	
Per head cost of MTCT prevention	21 832	This indicates the cost for one pregnancy and delivery
Per head cost of syphilis test (for positive results)	84	1 during the pregnancy
Per head cost of syphilis test (for negative results)	7	
Per head cost of antibiotic treatment	67	

People receiving ARV treatment have to travel to a hospital or health centre at least twice per year to collect ARV treatments and check the CD4 count and viral load.

Solution to the case under module 8 – Assessment Matrix

Table 24: Assessment matrix for HIV and syphilis

Government strategy	Existing provisions	Policy gaps	Implementation issues	Recommendations[8]
Government of Coresia aims at guaranteeing health care for all people, including treatment for HIV-AIDS (National Five Year Plan (2012–16))	Private sector employees: contributory health insurance scheme (NHIP) foresees the introduction of an HIV-AIDs benefit package (not yet implemented) Civil servants, police, military, veterans: compulsory contributory health insurance scheme (MBP) does not currently cover HIV and syphilis Poor and near poor: non-contributory tax-funded health insurance scheme (PHCP) which does not currently cover HIV and syphilis Informal economy workers (including self-employed workers) and SME workers: contributory health insurance scheme (SHI) which does not currently cover HIV and syphilis	No coverage of HIV testing and treatment, MTCT prevention, syphilis testing and treatment under any of the programmes	Majority of formal sector employees not covered due to social evasion by employers New decree to introduce an HIV and syphilis benefit package under NHIP not yet implemented	(*) R1 – Calculate the cost of providing VCT to all people in the sexually active age group (15–59 years) and/or people who are most-at-risk of being affected by HIV (*) R2 – Calculate the cost of providing regular check-ups (two viral loads and two CD4 counts every year) to HIV-positive people, and ARV treatment (line 1 or line 2 depending on the condition revealed during the check-ups) (*) R3 – Calculate the cost of providing HIV and syphilis testing to pregnant women and adequate MTCT prevention to reduce mother-to-child-transmission of HIV (Δ) R4 – Strict enforcement of the NHIP Law to prevent social evasion, e.g., impose penalty for evasion and establish a supervisory and inspection mechanism (Δ) R5 – Extend the coverage of NHIP to enterprises with fewer than 10 employees

[8] Two types of recommendations were formed: (*) designates the provision of additional SPF benefits or increase of coverage; cost of these can be calculated using RAP; (Δ) designates requirement for detailed studies; can be implemented through specific TC projects

Solution to the case under module 10 – Please translate the recommendations of your group into three scenarios

Recommendations R1 and R2 were translated into two scenarios:

- Scenario 1: Testing (one VCT) for most-at-risk people, check-up (two viral loads and CD4 counts) for all HIV-positive people, ARV treatment (line 1 or 2) for those who are HIV-positive in need of treatment;
- Scenario 3: VCT twice per year for sexually active population, check-up (two viral loads and CD4 counts) for all HIV-positive people, ARV treatment for those who are HIV-positive in need of treatment, including transportation costs.

Recommendation R3 was translated into scenario 2:

- Scenario 2: HIV testing (one VCT) and MTCT prevention, syphilis testing, and antibiotic treatment for all pregnant women.

Solution to the case under module 11 – Please calculate the cost of implementation of each scenario

Scenario 1: Testing (one VCT) for most-at-risk people, check-up (two viral loads and CD4 counts) for all HIV-positive people, ARV treatment (line 1 or 2) for those who are HIV-positive in need of treatment

Assumptions:

- Target group = most-at-risk people, HIV-positive among them;
- Take-up rate (progressive coverage of the target group) = 20 per cent in 2014, 40 per cent in 2015, 60 per cent in 2016, 80 per cent in 2017, and 100 per cent as of 2018;
- Administrative cost = 10 per cent;
- Benefit per head:

Table 25: Cost of tests and treatments included in the benefit package of scenario 1

Test or treatment	Unit cost in COD	Benefit package
Per head cost of VCT (if result is positive)	573	1 per year
Per head cost of VCT (if result is negative)	191	
Per head cost of CD4	570	2 per year
Per head cost of viral load	2 849	
Annual cost of ARV line 1	13 125	This indicates annual cost of treatment
Annual cost of ARV line 2	157 500	

Results:

According to the calculations in the RAP model, providing a HIV-package for most-at-risk people is expected to cost 0.03 per cent of GDP or 0.16 per cent of Government expenditures in 2020.

Scenario 2: HIV testing (one VCT) and MTCT prevention, syphilis testing, and antibiotic treatment for all pregnant women

Assumptions:

- Target group = all pregnant women, including those infected with HIV and syphilis;
- Take-up rate (progressive coverage of the target group) = 20 per cent in 2014, 40 per cent in 2015, 60 per cent in 2016, 80 per cent in 2017, and 100 per cent as of 2018;
- Administrative cost = 10 per cent;
- Benefit per head:

Table 26: Cost of tests and treatments included in the benefit package of scenario 2

Test or treatment	Unit cost in COD	Benefit package
Per head cost of VCT (if result is positive)	573	1 per pregnancy
Per head cost of VCT (if result is negative)	191	
Per head cost of MTCT prevention	21 832	1 per pregnancy
Per head cost of syphilis test (for positive results)	84	
Per head cost of syphilis test (for negative results)	7	1 per pregnancy
Per head cost of antibiotic treatment	67	

Results:

According to the calculations in the RAP model, providing an HIV and syphilis package for pregnant women is expected to cost 0.002 per cent of GDP or 0.009 per cent of Government expenditures in 2020.

Scenario 3: VCT twice per year for sexually active population, check-up (two viral loads and CD4 counts) for all HIV-positive people, ARV treatment for those who are HIV-positive in need of treatment, including transportation costs

Assumptions:

- Target group = sexually active people, HIV-positive among them;
- Take-up rate (progressive coverage of the target group) = 20 per cent in 2014, 40 per cent in 2015, 60 per cent in 2016, 80 per cent in 2017, and 100 per cent as of 2018;
- Administrative cost = 10 per cent;
- Benefit per head:

Table 27: Cost of tests and treatments included in the benefit package of scenario 3

Test or treatment	Unit cost in COD	Benefit package
Per head cost of VCT (if result is positive)	573	2 per year
Per head cost of VCT (if result is negative)	191	
Per head cost of CD4	570	2 per year
Per head cost of viral load	2 849	
Annual cost of ARV line 1	13 125	This indicates annual cost of treatment
Annual cost of ARV line 2	157 500	
Transportation allowance	100	2 per year for VCT, 2 per year for CD4 and viral load and 2 per year for ARV

Results:

According to the calculations in the RAP model, providing an HIV-package for sexually active people is expected to cost 0.23 per cent of GDP or 1.22 per cent of Government expenditures in 2020.

Closing the SPF gap for HIV and syphilis in Coresia would cost between 0.03 per cent and 0.23 per cent of GDP in 2020, where 0.03 per cent is the cost of the combination of scenarios 1 and 2, and 0.23 is the cost of the combination of scenarios 2 and 3.

Table 28: Results of the costing exercise for HIV and syphilis

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scenario 1: Testing (one VCT) for most-at-risk people, check-up (two viral loads and CD4 counts) for all HIV positive people, ARV treatment (line 1 or line 2) for those who are HIV positive and in need of treatment										
Cost of scenario 1 (COD million)	0	0	0	535	1 227	2 117	3 251	4 687	5 413	6 261
Cost as % of GDP	0.00	0.00	0.00	0.00	0.01	0.01	0.02	0.03	0.03	0.03
Cost as % of Government expenditure	0.00	0.00	0.00	0.02	0.04	0.07	0.10	0.13	0.14	0.16
Scenario 2: HIV testing (one VCT) and MTCT prevention, syphilis testing, and antibiotic treatment for all pregnant women										
Cost of scenario 2 (COD million)	0	0	0	57	118	185	257	333	346	359
Cost as % of GDP	0.000	0.000	0.000	0.000	0.001	0.001	0.002	0.002	0.002	0.002
Cost as % of Government expenditure	0.000	0.000	0.000	0.002	0.004	0.006	0.008	0.010	0.009	0.009
Scenario 3: VCT twice per year for sexually active population, check-up (two viral loads and CD4 counts) for all HIV positive people, ARV treatment for those who are HIV positive and in need of treatment, including transportation costs										
Cost of scenario 3 (COD million)	0	0	0	7 283	15 298	24 119	33 827	44 514	46 903	49 471
Cost as % of GDP	0.00	0.00	0.00	0.06	0.11	0.16	0.20	0.25	0.24	0.23
Cost as % of Government expenditure	0.00	0.00	0.00	0.28	0.55	0.81	1.05	1.28	1.25	1.22

ANNEX 2
Glossary

Administrative costs: costs related to the administration of a social protection scheme, including targeting processes (if any), enrolments, premium collection, claims processing, monitoring, and evaluation.

Adverse selection: phenomenon in which persons with a greater-than-average risk, enrol in an insurance scheme, in a higher proportion than that of their share in the target population, and/or choose the highest levels of coverage. When individuals have no say about whether to be insured or at what level of coverage, adverse selection does not exist. Such is the case when membership is automatic and schemes offer a single level of coverage. The existence of adverse selection may jeopardize a scheme's financial viability given that the premium would not be enough for the insurance scheme to pay for the actual risks.

Assessment based national dialogue: ABND is a process to assess the social protection situation in a country, identify areas for government intervention to complete the national floor of social protection, and estimate the cost of the interventions. It comprises three steps:

- Building the assessment matrix: The matrix contains an inventory of existing social security, social protection, and poverty alleviation programmes for the four guarantees of the social protection floor, identifies policy gaps and implementation issues, and recommendations for the design and implementation of further social protection provisions with the aim of guaranteeing at least the SPF to all the population.
- Costing policy options using the RAP model: The cost is estimated and projected over a 10-year period using the Rapid Assessment Protocol costing tool. This costing exercise can serve as a basis for discussions on available fiscal space, government budget reallocations, and the prioritization of different social protection policy options.
- Finalization and endorsement: The assessment report is shared with government representatives, workers and employers, and civil society organizations with a view to validate the recommendations and assumptions, launch the report, and prepare for the next steps (feasibility studies for the design of the new schemes, expansion of existing schemes, or establishment of integrated delivery and coordination mechanisms).

Capitation: payment system whereby social health protection or private insurance schemes pay health care providers a fixed amount per insured person to provide care to a group of insured members for a defined period.

Catastrophic risks: risks that affect a large segment of the covered population, such as epidemics, and/or risks for which the unit costs are high, such as very costly hospitalizations. The occurrence of catastrophic risks may jeopardize the financial viability of an insurance scheme with a small membership.

Categorical schemes: consists of non-contributory transfer schemes that cover all residents belonging to a certain category, such as all children in the case of universal child allowances or all elderly in the case of universal pension schemes. These are closely related to universal schemes and fulfil similar functions.

Cohort: a group of individuals with a set of identical characteristics, e.g. all persons born in the same year.

Conditional cash transfer: a special form of social assistance scheme which provides cash to families subject to the condition that they fulfil specific behavioural requirements. These conditions oblige individuals to satisfy some action associated with human development goals. This may include that

parents must ensure their children attend school regularly (typically 85–90 per cent attendance) or that they utilize basic preventative nutrition and health care services, such as vaccination programmes or maternal and post-natal check-ups. Conditional cash transfers are usually targeted at the poor, through a means-test, proxy means-test, or geographical targeting.

Consumer Price Index: measures the price of a representative basket of goods and services purchased by consumers. The basket of goods and services is fixed across years. The annual percentage change in CPI is a measure of inflation.

Coping strategies: strategies or mechanisms which relieve the impact of the risk once it has occurred. The main forms of coping consist of individual dis-saving/borrowing, migration, selling labour (including that of children), reduction of food intake, or the reliance on public or private transfers. The government has an important role in assisting people in coping, for example, where individual households have not saved enough to handle repeated or catastrophic risks, having been poor all their life with no possibility to accumulate assets. The government should also establish other types of risk management mechanisms as a more efficient way to deal with risks.

Covariant risks: risks, or combination of risks, that affect a large number of people at the same time (for example, an earthquake or a major flood).

Deflator: the ratio between a "nominal" and a "real" variable (e.g. private consumption in current prices versus constant prices in the base year).

Economically active population: collective term comprising all persons of both sexes who furnish the supply of labour for the production of economic goods and services.

Employment injury: an injury, accident, illness, or occupational disease that occurs to an employee as a direct result of duties assigned in the job of the employee.

Employed persons: all persons above a specified age who, during a specified reference period, were in the following categories: (i) paid employment, (ii) at work; or (iii) with a job but temporarily not at work.

Fee-for-service: a method of payment by patients (or insurers) to health care providers, based on a specific charge for each service rendered.

Formal sector: economic sector where inhabitants' socio-economic activities are regulated and protected by formal societal institutions. The vast majority of the world's population is excluded from the formal sector.

GDP deflator: compares the value of goods and services produced in the current year at current prices to the value of current production at prices in a specific base year. The GDP deflator is a broad measure of inflation which is important for understanding the whole economy.

Gross domestic product: an aggregate measure of the production of goods and services within the boundaries of a country. Broadly, the amount of gross income available for distribution to the production factors labour and capital, which, after taxation, constitutes the basis for redistributive state interventions.

Headline inflation: a measure of total inflation within a country. Headline inflation measures the prices of a basket of goods and services consumed in the country. The basket includes fuel and food, which may experience volatility in its prices, especially in developing economies. When

projecting the cost of SPF benefits in developing economies, the headline inflation is preferred to CPI. This is because fuel and food availability is of greater concern in such countries.

HIV-sensitive social protection: social protection measures that help mitigate the significant social and economic impacts of HIV on households and individuals, and increase access to prevention, treatment, care, and support for people affected by and vulnerable to HIV. HIV-sensitive social protection covers people who are at risk of HIV infection or susceptible to the consequences of HIV. It comprises the following interventions:

- Financial protection through transfer of cash, food, and other items for people affected by and most vulnerable to HIV, including dependants of people deceased from HIV/AIDS;
- Programmes supporting access to affordable and quality services, including treatment, health, and education services, for example social health insurance and school fee exemption;
- Policies, legislation, and regulations to meet the needs and uphold the rights of people at risk of or affected by HIV.

Idiosyncratic risks: risks that affect a very small number of people at a given time.

ILO Conventions and Recommendations: international labour standards drawn up by governments, employers, and workers are legal instruments that set out the basic principles and rights at work. They are either Conventions, which are legally binding international treaties that may be ratified by member States, or Recommendations, which are non-binding guidelines. Sometimes, a Convention lays down the basic principles to be implemented, while a Recommendation supplements it by providing detailed guidelines on its application.

Income security for children: social protection measures, including social insurance, social assistance, cash and in-kind transfers, among others, that ensure access to nutrition, education, care, and other necessary goods and services for children for their well-being and development.

Income security for elderly: social protection measures, including social insurance, social assistance, cash and in-kind transfers, among others, that enable elderly people to maintain a basic quality of life after the retirement age.

Income security for working age: social protection measures, including social insurance, social assistance, cash and in-kind transfers, among others, that enable all people in active age groups and their dependents to maintain a basic quality of life if they are unable to earn sufficient income, especially due to sickness, injury, unemployment, maternity, disability, death of the breadwinner, and to increase their employability.

Inflation: the rate of increase in the general price level of goods and services in an economy over a certain period of time, usually one year. There are different ways to measure inflation. Some common measures, which are useful for the purposes of this guide, are the consumer price index, headline inflation, and the GDP deflator.

Informal sector: economic sector where inhabitants' socio-economic activities are not regulated and protected by formal societal institutions. The vast majority of the world's population is part of the informal sector.

Information asymmetry/asymmetric information: a situation in which one party in a transaction has more or superior information compared to another. In the health insurance market, for instance,

individuals know more about their own health problems than potential insurance providers. With greater information, individuals have an incentive to conceal their health problems in an attempt to get a lower private insurance premium. This disparity in information is referred to as asymmetric information. Social insurance schemes are based on the principles of solidarity and social inclusion. The contribution levels are not influenced by individual risks (such as health status or age), but by the level of income (with contributions expressed in percentage of income levels). In cases of social insurance, asymmetric information may occur when employers and workers under-declare levels of income in order to reduce levels of contribution payments.

Insurance: mechanism intended to provide coverage against the financial consequences of prescribed uncertain events. In return for a regular payment called a premium, the insurance provider takes on the financial risk of the insured person. In case the insured person faces a risk such as hospitalization, theft, and so on, the insurance provider pays for the financial losses. By compiling historical information on the occurrence of risks among a large pool of insured people, insurance providers are able to predict the probability of a risk and thereby estimate the average cost of the risk. This average cost serves as the basis for the calculation of the premium. Insurance is based on the assumption that not all insured will claim for benefits at the same time. The contributions paid by all insured members are used to compensate for the financial consequences of those few who are experiencing the risk.

Labour productivity: amount of goods and services produced by an employed worker in a year.

Law of large numbers: a theorem in probability theory that describes the result of performing the same experiment a large number of times. According to the law, the average of the results obtained from a large number of trials should be close to the expected value and will tend to be closer as more trials are performed. The law of large numbers is important because it "guarantees" stable long-term results for the average of random events. While individuals may experience different exposure to risks, the law of large numbers states that for a very large group of people (theoretically infinite), the expected risk faced by each person is almost the same as the average of all the risks faced by the group. For example, we may not be able to predict the health care expenditure of an individual, but we can predict the health care expenditure of a very large group. This law forms the basis for expected loss, based on which insurance premiums are computed.

Major risks: contingencies that have a low probability of occurrence and entail considerable expenses, such as surgical operations, devastating fire, and so on.

Maternity protection: maternity protection at work encompasses many components, such as maternity leave, cash and medical benefits, health protection at the workplace, employment protection and non-discrimination, and breastfeeding arrangements at work. Its goals are to preserve the health of the mother and her newborn child, and to provide a measure of job and income security (protection from dismissal and discrimination, the right to resume work after leave, and maintenance of wages and income during maternity).

Microinsurance: an insurance scheme designed to meet the priority social protection needs of people excluded from formal social security schemes, particularly, informal economy workers and their families. Membership is not compulsory and members pay, at least partially, the necessary contributions in order to cover the benefits.

Minor risks: contingencies that have a high probability of occurrence and entail moderate expenses, such as consultation with a general practitioner or the purchase of generic drugs.

Mitigation strategies: mechanisms or strategies aiming at reducing in advance the potential financial impact of an adverse event even though the risk may still occur. As with prevention strategies and precautionary measures, mitigation strategies are employed before the risk occurs. While preventive strategies reduce the probability of occurrence of the risk and precautionary measures reduce exposure to risk, mitigation strategies reduce the potential impact of the risk if it were to occur.

Moral hazard (or risk of over-consumption): phenomenon according to which insured persons are more likely to take risks and be careless about safeguarding themselves from risky situations. This is because the person knows that they will be covered from financial losses by the insurance provider. Their utilization of health care exceeds the standard used as an input for determining premiums. Some authors consider moral hazard to include prescription abuse by health care providers, or the risk of over-prescription.

Poverty line: the level of income defining the border between the groups of poor and non-poor in a society. If a person/household has less than this amount at his/its disposal, the person/household is defined as being poor.

Poverty rate (or poverty headcount index): the proportion of people in a group or the population with income under the poverty line.

Precautionary measures: mechanisms or strategies which reduce exposure to a risk by avoiding risky situations.

Premium: a fixed amount paid periodically by a member of an insurance scheme, against which the insurer takes on the financial risk of the insured person. The amount of the premium paid by an insured person may depend upon their characteristics (age, sex, place of residence, occupation, income level) and the number of dependants. It is imperative that the amount of money collected for the pool must be sufficient to make all the promised payments to those participants who have valid claims.

Prevention strategies: mechanisms or strategies which reduce the probability of a risk. These behaviours are introduced before a risk occurs. Reducing the probability of an adverse risk increases the expected income of people and reduces income variations.

Probability: likelihood that an event will happen, e.g. that an individual in a given population will fall ill at least once in the course of a year (probability of falling ill) or use a particular health service at least once in the course of a year (probability of utilizing a service). The probability of an occurrence is always greater than or equal to zero and less than or equal to one. The closer the probability of an event is to zero, the rarer is the event. A probability of one indicates certain occurrence.

Public works programmes: programmes that involve the regular payment of money (or in some cases, in-kind transfers such as food) to individuals by government or non-government organizations, in exchange for work, such as developing local infrastructure and protecting the environment, with the objective of decreasing chronic and shock-induced poverty, providing social protection, addressing social risk, or reducing economic vulnerability.

Rapid Assessment Protocol: RAP is a costing tool developed by the ILO and used to calculate the cost of introducing further social protection provisions. It uses a simple methodology based on estimates of population and labour force; basic economic indicators such as GDP growth, labour productivity, inflation, minimum wage, poverty rates; and government revenues and expenditures. The RAP follows a logical sequence and allows for flexibility in the design of benefits, adaptable

projections depending on the data available, and estimates of future costs of cash and in-kind transfer elements. The results of the costing exercise are simplistic, but they provide a basis for discussion of policy options.

Risk: refers to the probability that an uncertain event will occur, and, by extension, to an uncertain event that, when it does occur, may have adverse financial consequences. This is why individuals seek insurance against the financial consequences of certain risks. Insurance cannot prevent risks from occurring, but it can reduce their financial impact. The main social risks are ill health, maternity, sickness, work injury, disability, old age, unemployment, and death.

Risk management: an approach that consists of taking certain precautionary measures and organizing oneself in order to deal with the future occurrence of a risk. Risk management strategies include prevention, precaution, mitigation, and coping.

Safety net: social safety nets are non-contributory transfer programmes that seek to prevent the poor and people vulnerable to shocks and poverty from falling below a certain poverty level. Safety net programmes can be provided through donor aid, by the government, NGOs, private firms, charities, and informal household transfers. Safety net transfers include:

- cash transfers;
- food-based programmes such as supplementary feeding programmes and food stamps, vouchers, and coupons;
- in-kind transfers such as school supplies and uniforms;
- conditional cash transfers;
- price subsidies for food, electricity, or public transport;
- public works programmes;
- fee waivers and exemptions for health care, schooling, and utilities.

Social safety nets are different from social protection floors in that they are a targeted set of non-contributory transfers, usually as a transitory or short-term response to a crisis. SPFs, on the other hand, constitute universal entitlement to social security through a defined benefit package and with a rights-based approach.

Social assistance: the provision of social security benefits financed from the general revenue of the government rather than by individual contributions, with benefits adjusted to the person's needs. Many social assistance programmes are targeted at those individuals and households living under a defined threshold of income or assets. Social assistance programmes can focus on a specific risk (for example, social assistance benefits for families with children), or on particularly vulnerable groups (for example, poor elderly people).

Social insurance: the provision of social security benefits financed by contributions, which are normally shared between employers and workers with, perhaps, government participation in the form of a supplementary contribution or other subsidy from the general revenue.

Social health protection: a series of public or publicly organized and mandated private measures against social distress and economic loss caused by the reduction of productivity, stoppage or reduction of earnings, or the cost of necessary treatment that can result from ill health.

Social protection: there are many definitions of social protection. It is considered to be a set of risk management measures that aim at preventing, managing, and overcoming situations that adversely

affect the well-being of people. For some, social protection describes measures addressing only the needs of the most vulnerable and excluded populations. For others, the concept of social protection includes three types of interventions: social insurance, social assistance, and active labour market programmes that help people to secure employment (e.g. skill development, cash- and food-for-work programmes).

Social protection education: refers to the process of providing information and instruction on social protection to people. This helps people to improve their understanding and awareness about different risks faced across the life-cycle, know and exercise social protection rights and responsibilities as citizens, be informed about the social security services available and use them effectively, and acquire skills and capabilities to make informed choices and take effective actions to improve social security coverage.

Social protection floor: SPFs are nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability, and social exclusion.

SPFs should comprise at a minimum the following nationally defined sets of goods and services or basic social security guarantees:

a) Access to essential health care, including maternity care, at a nationally defined minimum level that meets the criteria of availability, accessibility, acceptability, and quality;
b) Basic income security for children at a nationally defined minimum level, including access to nutrition, education, care, and any other necessary goods and services;
c) Basic income security at a nationally defined minimum level for persons of active age who are unable to earn sufficient income, in particular in the case of sickness, unemployment, maternity, and disability; and
d) Basic income security at a nationally defined minimum level for older persons.

Social security: the protection which society provides for its members, through a series of public measures, against the economic and social distress that otherwise will be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age, and death, and also including the provision of medical care and provision of subsidies for families and children.

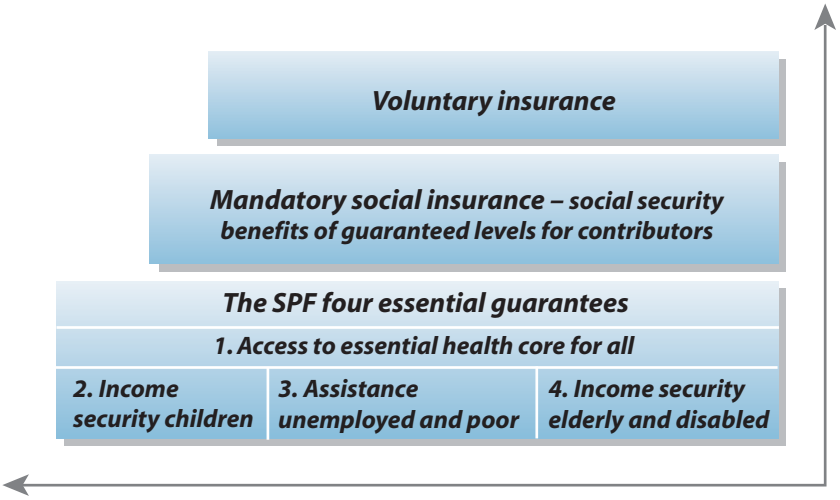
Sometimes social security is seen as a select, and thus non-universal, component of social protection reserved only for those in a formal employment relationship. Social protection has often been used to convey a broader institutional notion of risk management than that offered by social security, with the potential to reach out to those people thus far not covered, or thought to be incapable of being covered easily, by social security. As highlighted by Hagemejer and McKinnon in their introduction to the ISSR's special double edition on extending social security coverage, the wording of the Social Protection Floors Recommendation, 2012 (No. 202) finally puts to rest perceptions of 'social protection' and 'social security', establishing that they "are actually part of the same social policy concept".

Social security staircase: ILO's approach for the extension of effective social security coverage, is as follows:

- The horizontal dimension should consist of the rapid implementation of national social protection floors, i.e. a minimum package of transfers, rights, and entitlements that provide access to essential medical care and sufficient income to all those in need of such protection.

- The vertical dimension should seek to provide higher levels of social security at least in line with the coverage and benefit requirements of the ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102) or more recent Conventions providing for higher levels of protection.

The objective is to progressively develop higher levels of protection, rather than just the basic level. The metaphor that emerged is that of a "social security staircase". As economies grow and fiscal space is created, social protection systems can and should move up the 'staircase', extending the scope, level, and quality of benefits and services provided.



Social transfers: benefits provided by social security are called "social transfers". Social transfers can be contributory (financed by the contributions of workers, their employers, and, in some cases, the State) or non-contributory (financed by taxes). Contributory schemes include mandatory social insurance (e.g. compulsory membership for all private sector workers) and voluntary insurance (e.g. some microinsurance schemes, social insurance schemes for informal sector workers, among others). Non-contributory schemes can be targeted to the poor, categorical (e.g. targeted to the elderly over a certain age, to children of 0–3 years of age, and so on), or universal. These categories are a simplification of reality in which partial contributory schemes also exist. A large share of the contributions is paid by the government in a partial contributory scheme. This is the model for the social security scheme targeting workers in the informal economy in Thailand. Private insurance schemes that do not rely on the principles of solidarity are not part of social transfers.

Uncertainty: the state of having limited knowledge about the existing situation, possible future outcomes, and probability of those outcomes.

Unemployment protection: consists of measures to ensure income security and enhance the employability of those who are without jobs or looking for more decent and productive jobs.

Universal schemes: consist of non-contributory transfer schemes, which cover all residents, and provide benefits for all, whether working or not and irrespective of their incomes. Often the only condition attached to the receipt of the benefit is that the person must be a long-term resident or a citizen of the country. Such schemes are mostly put in place to guarantee access to health care. They are generally tax-financed, but may require a co-payment by users of health services. The poor are sometimes exempt from the co-payments and may alternatively use vouchers.

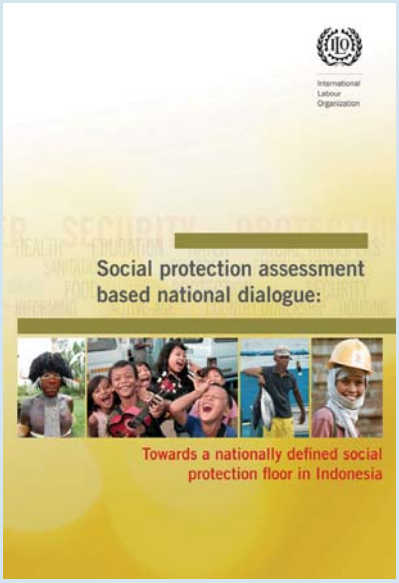
ANNEX 3
Additional reading

Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Thailand

From June 2011 to March 2013 the UN-Royal Thai Government Joint Team on Social Protection engaged line ministries, UN agencies, social partners, civil society organizations, academicians, and other relevant stakeholders to assess the social protection situation in Thailand, identify policy gaps and implementation issues, and make suitable policy recommendations for the achievement of a comprehensive social protection floor in Thailand. The final report was launched in May 2013 at the Government House.

Complete report available at:
http://www.social-protection.org/gimi/gess/ShowProjectWiki.do?wid=1422

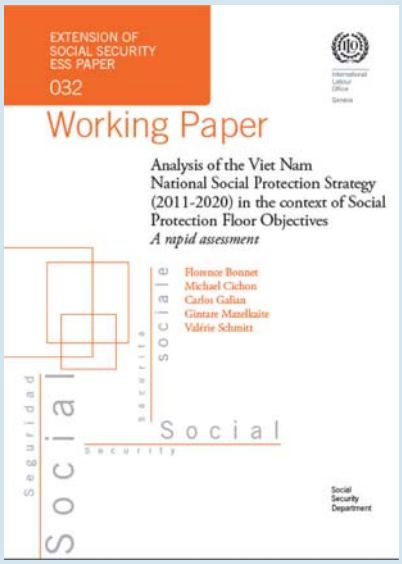
Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Indonesia



The report was the result of the ABND process which was conducted in Indonesia by the ILO in close collaboration with the Ministry of National Development Planning and the UN sub-working group on the SPF during 2011-12. The ABND exercise aimed to find out what had to be done in order to make the SPF a reality for the population of Indonesia. Despite the relatively advanced state of social protection in the country, which includes contributory and non-contributory schemes for workers and their families in the formal and informal sectors, many policy and implementation gaps were identified and specific policy recommendations were made to establish a comprehensive social security system in Indonesia.

Complete report available at:
http://www.social-protection.org/gimi/gess/ShowRessource.action?ressource.ressourceId=37678

Analysis of the Viet Nam National Social Protection Strategy (2011–2020) in the context of SPF objectives



The Viet Nam study was launched to support the implementation of the draft Social Protection Strategy (2011–2020) in Viet Nam. The ILO, on behalf of the UN SPF Initiative, assessed the existing social protection system of Viet Nam and used the Rapid Assessment Protocol to estimate the cost of closing the SPF gaps. For each benefit, the impact on poverty was estimated using a microsimulation at the household level. Taking into account some fiscal space considerations, the study estimates that the SPF gap could be closed progressively, over the next 10–15 years, without a major increase of overall revenues compared to pre-crisis levels.

Complete report available at:
http://www.social-protection.org/gimi/gess/ShowRessource.action?ressource.ressourceId=30497

Assessment based national dialogue exercises and Social Protection Floors in East and South-East Asia: Methodology and findings

The paper describes the methodology for conducting ABND exercises. The methodology was developed by the ILO in the Asia and the Pacific region and tested in Cambodia, Indonesia, Thailand and Viet Nam. It is now being applied systematically throughout the region with a second round of assessments underway or planned in Lao PDR, Mongolia, Myanmar, Philippines, the Solomon Islands, and Vanuatu. The paper also provides an overview of the four completed ABND exercises and the resulting recommendations for achieving basic health care and income security for children, the working age population, and the elderly. The results of preliminary calculations of the cost of implementing proposed policy options are also outlined.

Paper available at:
http://centres.smu.edu.sg/lien/social-space-20132014/

or http://www.social-protection.org/gimi/gess/ShowRessource.action?ressource.ressourceId=41897

The Social Protection Floor Initiative


The Social Protection Floor Initiative

This factsheet describes the social protection floor initiative, which promotes universal access to essential social transfers and services and is driven by a coalition of UN agencies and development partners. The factsheet is designed as a promotional tool to popularize the social protection floor to a broad public and is available in several languages.

Factsheet available at:
http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=30430

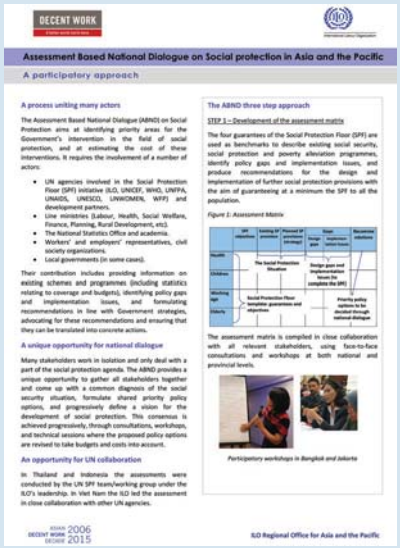
National Social Protection Floors in Asia and the Pacific


National Social Protection Floors in Asia and the Pacific

The factsheet describes the social protection floor and its four guarantees, and its inclusion in national social strategies and regional policy agendas. It also talks about the Recommendation concerning National Floors of Social Protection, which was adopted by the International Labour Conference on 14 June 2012.

Factsheet available at:
http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=30293

Assessment Based National Dialogue on Social protection in Asia and the Pacific


DECENT WORK

Assessment Based National Dialogue on Social protection in Asia and the Pacific

A participatory approach

A process uniting many actors

The Assessment Based National Dialogue (ABND) on Social Protection aims at identifying priority areas for the Government's intervention in the field of social protection, and at estimating the cost of these interventions. It requires the involvement of a number of actors:

- UN agencies involved in the Social Protection Floor (SPF) initiative (ILO, UNICEF, WHO, UNFPA, UNAIDS, UNESCO, UNWOMEN, WFP) and development partners.
- Line ministries (Labour, Health, Social Welfare, Finance, Planning, Rural Development, etc).
- The National Statistics Office and academia.
- Workers' and employers' representatives, civil society organizations.
- Local governments (in some cases).

Their contribution includes providing information on existing schemes and programmes (including statistics relating to coverage and budgets), identifying policy gaps and implementation issues, and formulating recommendations in line with Government strategies, advocating for these recommendations and ensuring that they can be translated into concrete actions.

A unique opportunity for national dialogue

Many stakeholders work in isolation and only deal with a part of the social protection agenda. The ABND provides a unique opportunity to gather all stakeholders together and come up with a common diagnosis of the social security situation, formulate shared priority policy options, and progressively define a vision for the development of social protection. This consensus is achieved progressively, through consultations, workshops, and technical sessions where the proposed policy options are revised to take budgets and costs into account.

An opportunity for UN collaboration

In Thailand and Indonesia the assessments were conducted by the UN SPF team/working group under the ILO's leadership. In Viet Nam the ILO led the assessment in close collaboration with other UN agencies.

The ABND three step approach

STEP 1 – Development of the assessment matrix

The four guarantees of the Social Protection Floor (SPF) are used as benchmarks to describe existing social security, social protection and poverty alleviation programmes, identify policy gaps and implementation issues, and produce recommendations for the design and implementation of further social protection provisions with the aim of guaranteeing at a minimum the SPF to all the population.

Figure 1: Assessment Matrix

The assessment matrix is compiled in close collaboration with all relevant stakeholders, using face-to-face consultations and workshops at both national and provincial levels.

Participatory workshops in Bangkok and Jakarta

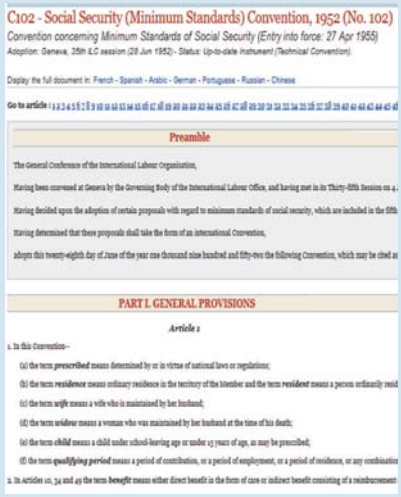
ASIAN DECENT WORK DECADE 2006 2015

ILO Regional Office for Asia and the Pacific

The factsheet describes the assessment based national dialogue exercise and the three steps of the process. It explains how ABND can be used as a first step to building nationally defined social protection floors.

Factsheet available at:
http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=30171

C102 Social Security (Minimum Standards) Convention, 1952


C102 - Social Security (Minimum Standards) Convention, 1952 (No. 102)

Convention concerning Minimum Standards of Social Security (Entry into force: 27 Apr 1955)

Adoption: Geneva, 35th ILC session (28 Jun 1952) - Status: Up-to-date instrument (Technical Convention).

Display the full document in: French - Spanish - Arabic - German - Portuguese - Russian - Chinese

Go to article

Preamble

The General Conference of the International Labour Organisation,

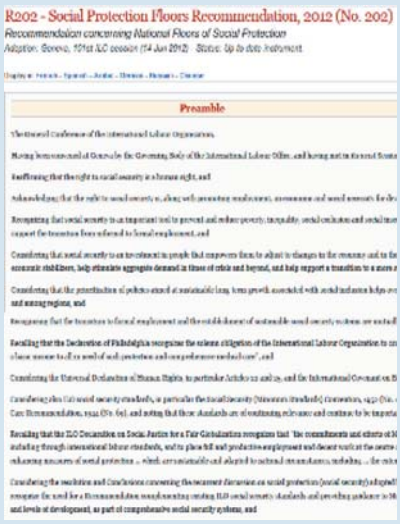
PART I. GENERAL PROVISIONS

Article 1

The Social Security (Minimum Standards) Convention, 1952 (No. 102), is the flagship of all ILO social security Conventions, as it establishes minimum standards for all nine branches of social security, namely medical care, sickness benefit, unemployment benefit, old-age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit, and survivors' benefit, which have been agreed worldwide.

Convention No. 102 available at:
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C102

Recommendation concerning National Floors of Social Protection, 2012 (No. 202)


R202 - Social Protection Floors Recommendation, 2012 (No. 202)

Recommendation concerning National Floors of Social Protection

Preamble

The 101st Session of the International Labour Conference (ILC) adopted, on 14 June 2012, the Recommendation concerning National Floors of Social Protection by an impressive tripartite consensus vote: 452 votes in favour, zero against, one abstention. Social protection floors are nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability, and social exclusion. This new international labour standard aims at extending essential health care and basic income security to millions of people.

Recommendation No. 202 available at:
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R202

UNDG Asia-Pacific Social Protection Issues Brief

Commissioned by the UNDG A-P to support UNCTs in their work on social protection, this Issues Brief on Social Protection:

- establishes a joint UN position on social protection in Asia and the Pacific;
- highlights potential entry points for UNCTs in supporting the development of national social protection strategies and the progressive and coordinated implementation of social protection; and
- contains concrete examples of ongoing work on social protection in the region.

Document available at:
http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=26321

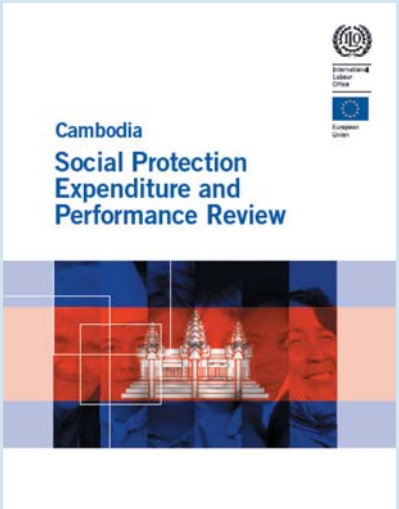
UN SPF Joint Team in Thailand: A replicable experience

This brochure describes how the Social Protection Floor Joint Team in Thailand was established and what it has done to support the Royal Thai Government in developing social protection schemes which will lead to a just society. The brochure also talks about how this is a replicable experience for other countries.

Brochure available at: http://www.social-protection.org/gimi/gess/ShowProjectRessource.do?ressourceId=30388&pid=1325

A video on the UN SPF Joint Team in Thailand can be viewed at: http://www.youtube.com/watch?v=NfeS46KJ250

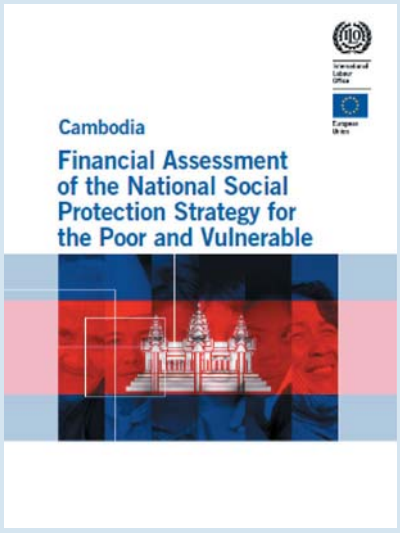
Cambodia. Social protection expenditure and performance review



The Social Protection Expenditure and Performance Review (SPER) provides detailed information on the main social protection and employment related schemes in Cambodia, their benefit levels, target populations, social expenditures, effectiveness, coverage and adequacy of benefits, and other relevant data. The SPER also talks about the challenges of building a comprehensive social protection system in a country where people have been excluded from social protection. This report is part of a series of technical cooperation reports produced by the ILO within the framework of the ILO/European Union (EU) project on "Improving Social Protection and Promoting Employment" in the countries of Burkina Faso, Cambodia, and Honduras.

Complete report available at: http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=34870

Cambodia. Financial assessment of the National Social Protection Strategy for the Poor and Vulnerable



This report provides a preliminary financial assessment of policy options in Cambodia's National Social Protection Strategy for the Poor and Vulnerable, and illustrates the implications of policy design on resource requirements. The NSPS-PV outlines a long-term vision and strategic framework for the development and extension of social protection by considering the different dimensions of social protection and risk profiles of the poor and vulnerable in Cambodia. This report is part of a series of technical cooperation reports produced by the ILO within the framework of the ILO/EU project on "Improving Social Protection and Promoting Employment" in the countries of Burkina Faso, Cambodia, and Honduras.

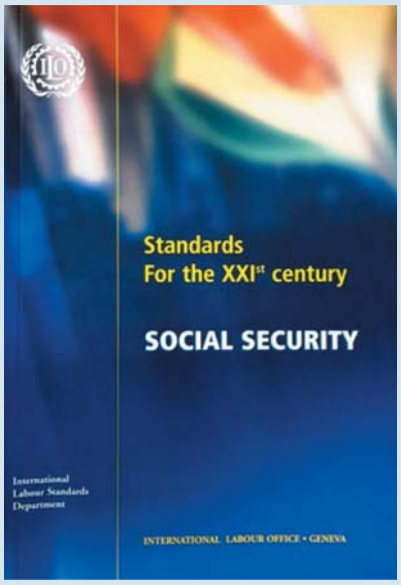
Complete report available at:
http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=34712

Introduction to social security

This is an introductory guide to social security and the role of the ILO in technical cooperation. It describes health service, health insurance, maternity benefits, employment accident benefits, old age benefits, survivors' benefits, disability benefits, unemployment benefits, and family benefits. Further it explains the institutional framework, methods of financing, and the economic implications of income redistribution. The guide also discusses special arrangements for migrant workers and summarizes ILO Convention No. 102 on social security.

Guide available at:
http://www.ilo.org/public/libdoc/ilo/1984/84B09_34_engl.pdf

Standards for the XXI[st] Century: Social Security



This book describes the characteristics of the ILO's social security standards, highlighting their universality, flexibility, and common principles. Further, it examines the protection afforded in each of the nine branches of social security and also considers the treatment of migrant workers.

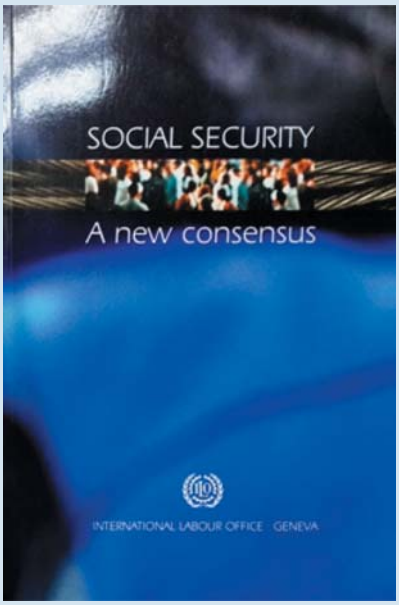
Book available at:
http://www.ilo.org/wcmsp5/groups/public/—ed_norm/—normes/documents/publication/wcms_088019.pdf

Social Protection Floor for a Fair and Inclusive Globalization

This report, prepared under the guidance of Ms Michelle Bachelet and members of the Social Protection Floor Advisory Group, shows that the extension of social protection through SPFs can play a pivotal role in relieving people of poverty and deprivation. In addition, it can help people adapt their skills to overcome the constraints that block their full participation in a changing economic and social environment, thereby contributing to improved human capital development and stimulating greater productive activity. The report also shows how social protection has helped to stabilize aggregate demand in times of crisis and to increase resilience against economic shocks, contributing to accelerate recovery towards more inclusive and sustainable development paths.

Complete report available at:
http://www.ilo.org/wcmsp5/groups/public/—dgreports/—dcomm/—publ/documents/publication/wcms_165750.pdf

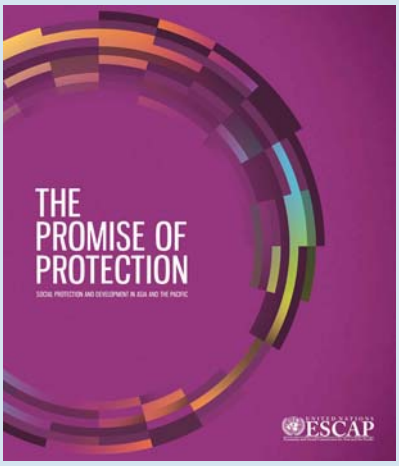
Social Security: A new consensus



At its 89th Session in June 2001, the International Labour Conference held a general discussion on social security. This book contains the conclusions of the Committee on social security from the ILC 2001, large extracts from the report of the Committee's discussions, and the whole report "Social Security: Issues, Challenges and Prospects", which was prepared as a basis for the Committee's discussions. With regard to extending social protection, it says that there is need for research, experimentation and innovation.

Volume available at:
http://www.ilo.org/gimi/gess/ShowRessource.action?ressource.ressourceId=104

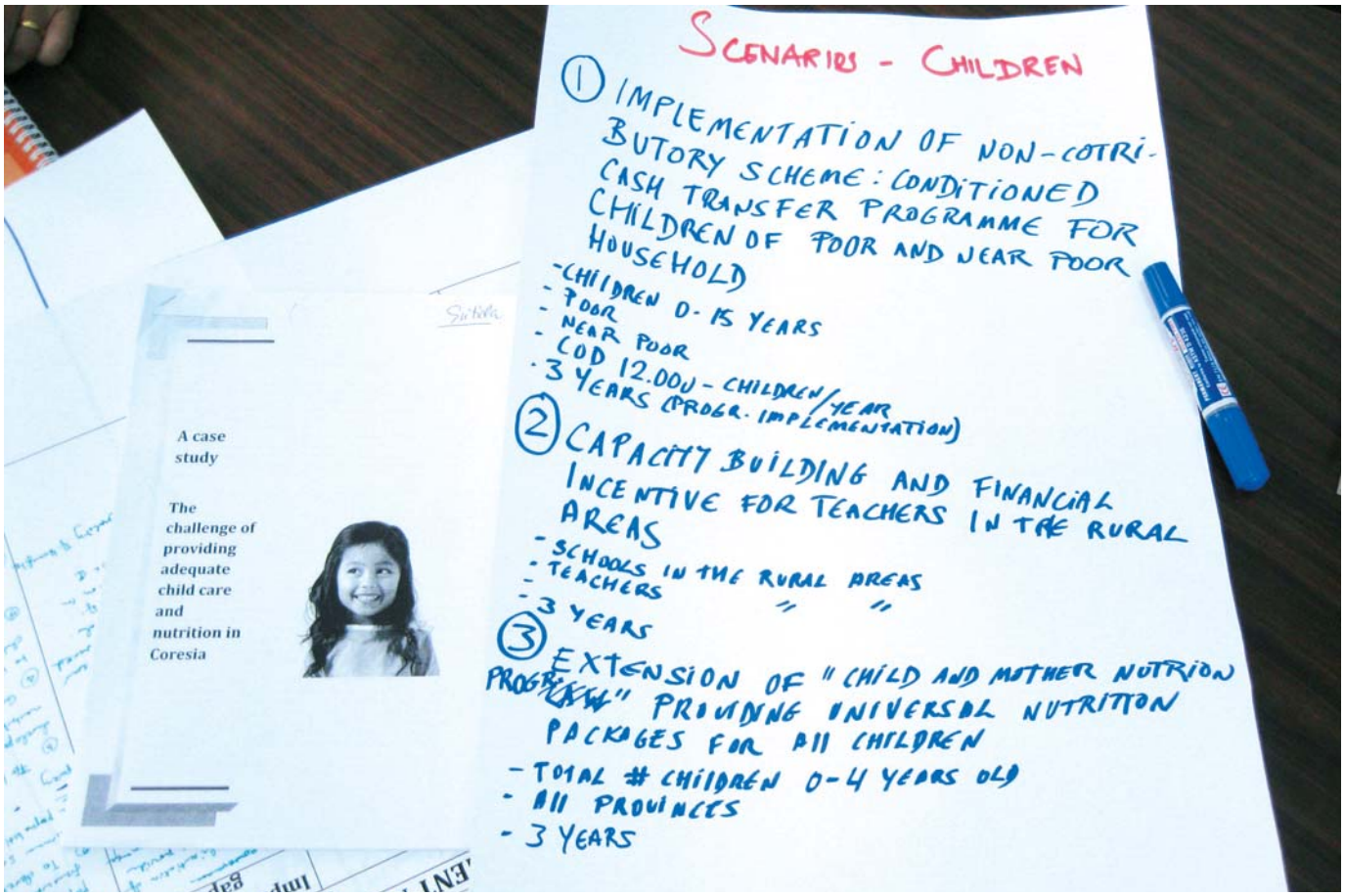
The Promise of Protection: Social Protection and Development in Asia and the Pacific



Over the past two decades, the Asia and the Pacific region has witnessed a number of economic crises that have threatened the progress towards reducing poverty and achieving the Millennium Development Goals. These crises reflect the increased risks associated with globalization, especially for the poor and those without voice. In addition, several countries in Asia and the Pacific have been profoundly affected by high-impact natural disasters which have exposed vulnerabilities and amplified the insecurities of many people's livelihoods. This has especially been the case for poor households located in rural areas. It is also known that poverty and exclusion magnify the effects of crises. Thus, in order to be truly effective and transformative, social protection must be linked to efforts to reduce poverty and exclusion and, in so doing, eliminate the structures that place people in situations of vulnerability in the first place. This report provides a compelling argument for advancing the social protection agenda in Asia and the Pacific along this direction.

Complete report available at:
http://www.unescap.org/commission/67/documents/theme-study-Promise-of-Protection.pdf

ANNEX 4
Media gallery



I. Videos on social protection

Human Right No. 22: Right to social security[1]

1:00

http://www.youtube.com/watch?v=1KccN79_ERw

A Social Protection Floor for all

6:49

http://www.youtube.com/watch?v=VhdfxHnJAI0

Building a Social Protection Floor in Thailand

26:26

http://www.youtube.com/watch?v=pgAPNHEDN3U

Why is social protection important to me? (A PSA in Thailand)

2:15

http://www.youtube.com/watch?feature=player_embedded&v=ZB40vKO5xSs

Launch of the ABND report in Thailand

2:39

http://www.youtube.com/watch?v=tyWTk8mshDI&list=PLZEI1tot_G0CVNYQF0vAuYD7WNXCGTnSg&index=2

A window of opportunity for social protection – talk by Michael Cichon

2:09

http://www.youtube.com/watch?v=RbzdbEWxb7k

[1] Video by the Youth for Human Rights International

II. General videos on the training course "Social Protection: Assessment, Costing and Beyond" held at Chulalongkorn University, Bangkok, 15–19 October 2012

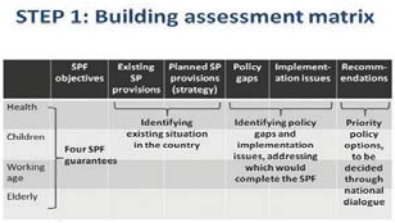
About the course

6:34

http://www.youtube.com/watch?v=1iCM3JtXS0A&list=PLZEI1tot_G0DR59Gt8ZuKNJGvrsFr9dJc&index=1

What is Assessment Based National Dialogue?

5:16



http://www.youtube.com/watch?v=8IGkjEpzswc&list=PLZEI1tot_G0DR59Gt8ZuKNJGvrsFr9dJc

Why is ABND relevant in ASEAN countries?

5:58

http://www.youtube.com/watch?v=vVSV0a8Dk-A&list=PLZEI1tot_G0DR59Gt8ZuKNJGvrsFr9dJc

Publicity video for the course

1:43

http://www.youtube.com/watch?v=e1KwCE3ZC3k&list=PLZEI1tot_G0DR59Gt8ZuKNJGvrsFr9dJc

III. Videos on the modules of the course (presentations and group activities)

Module 1: Determining expectations of participants from the course (group activity)

2:27

http://www.youtube.com/watch?v=PBbHPjuqUnM&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6&index=1

Module 2: Introduction to social protection (presentation)

6:31, 19:24, 12:58

http://www.youtube.com/watch?v=7x0-7vgafJ8&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq&index=1

Module 3: Theory of risk and insurance (presentation)

7:31, 11:05, 3:40

http://www.youtube.com/watch?v=elvVjolJZSU&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq

Module 4: Introduction to assessment based national dialogue (presentation)

17:10, 15:02, 12:42

http://www.youtube.com/watch?v=9TdwdfRI44U&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq

Module 5: "Jeopardy" (group activity)

2:06

http://www.youtube.com/watch?v=aOJ-eIX053w&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6

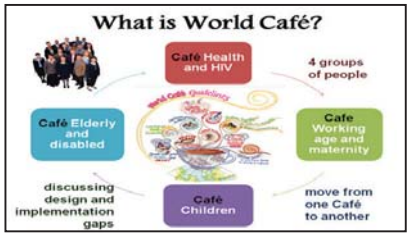
Module 6: Building the assessment matrix (presentation)

19:48, 27:47, 22:16

http://www.youtube.com/watch?v=zokWxo5OxJ8&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq

Module 7: World Café (group activity)

3:45



http://www.youtube.com/watch?v=f4qOt-vVBvY&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6

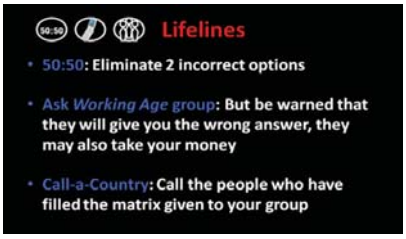
Module 8: Case study and filling the assessment matrix (group activity)

2:32

http://www.youtube.com/watch?v=JpEkwmEA41Q&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6

Module 9: "Who wants to be a protectionaire?" (group activity)

3:03



http://www.youtube.com/watch?v=M46Y448n5A8&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6

Module 10: Converting recommendations into policy options (presentation)

17:16, 14:09, 24:26

http://www.youtube.com/watch?v=CLqM0V3bzwE&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq

Module 10: Converting recommendations into policy options (group activity)

2:01

http://www.youtube.com/watch?v=zLbuQtyWtCg&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6

Module 11: Calculating the cost of benefits using the RAP (presentation)

16:33, 22:49, 12:24

http://www.youtube.com/watch?v=4FCP3G6Df0A&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq

Module 11: Calculating the cost of benefits using the RAP (group activity)

2:55

http://www.youtube.com/watch?v=KZ806IBaGI8&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6

Module 11: Presenting the results of the RAP exercises (group activity)

3:05

http://www.youtube.com/watch?v=8Q4HGhe4jhs&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6

Module 12: Understanding how to input data into the RAP worksheets (presentation and group activity)

19:46, 10:35, 28:33

http://www.youtube.com/watch?v=Fkji8ZM5b6Y&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq

Module 13: Assessing affordability and impact on fiscal space (presentation)

20:52, 17:14

http://www.youtube.com/watch?v=b-fdEEjtKoI&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq

Module 14: Advocating for the endorsement of policy options (group activity)

3:53

http://www.youtube.com/watch?v=y3GfsR0qeZc&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6

Module 15: Building of a social contract (presentation)

5:22, 9:59, 27:17

http://www.youtube.com/watch?v=S-a8OsQUeuM&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq

Module 16: Developing a communication strategy (presentation and group activity)

26:14, 6:24, 16:13

http://www.youtube.com/watch?v=X1ScMmgbYO8&list=PLZEI1tot_G0DtQfaG0XMQ5fk-x9XHkTXq

Participants giving feedback on the course

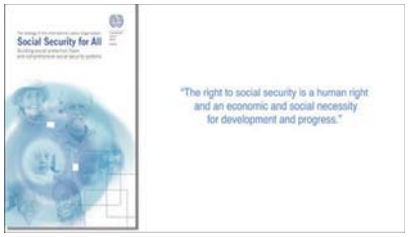
2:34

http://www.youtube.com/watch?v=hR3FU0bnvYU&list=PLZEI1tot_G0CkjKhhRD48joY6MstxmGx6

IV. Voices from the region

What role do various stakeholders play in ASEAN?

14:39



http://www.youtube.com/watch?v=oLZ0mSKCYoA&list=PLZEI1tot_G0CPkk—W65rEtIpHEkxLimB

Social protection in Cambodia: Where we stand

8:37

http://www.youtube.com/watch?v=7pdbvRzdoxw&list=PLZEI1tot_G0CPkk—W65rEtIpHEkxLimB

Social protection in Indonesia: Where we stand

6:15

http://www.youtube.com/watch?v=qt4ic-7jxJ4&list=PLZEI1tot_G0CPkk—W65rEtIpHEkxLimB

Social protection in Lao PDR: Where we stand

2:56

http://www.youtube.com/watch?v=l3Ddh09rPUM&list=PLZEI1tot_G0CPkk—W65rEtIpHEkxLimB

Social protection in Myanmar: Where we stand

0:56

http://www.youtube.com/watch?v=Gshh1u-p5fA&list=PLZEI1tot_G0CPkk—W65rEtIpHEkxLimB

Social protection in Philippines: Where we stand

3:07

http://www.youtube.com/watch?v=i75LfJF5Yn8&list=PLZEI1tot_G0CPkk—W65rEtIpHEkxLimB

Social protection in Singapore: Where we stand

2:39

http://www.youtube.com/watch?v=MkGYroIbHoM&list=PLZEI1tot_G0CPkk—W65rEtIpHEkxLimB

Social protection in Thailand: Where we stand

4:06

http://www.youtube.com/watch?v=jTIp87qMx2Q&list=PLZEI1tot_G0CPkk—W65rEtIpHEkxLimB

Social protection assessment based national dialogue: A good practices guide

This guide is a unique resource package that aims to provide the necessary knowledge and expertise for conducting assessment based national dialogue (ABND) exercises, which is the first step towards the implementation of nationally defined social protection floors. Designed by practitioners for practitioners, it is based on actual country experiences. Due to its standardized and systematic approach, it can be used for self-learning, delivering training workshops and conducting full-fledged ABND exercises at the national level. It is structured along the lines of the ABND approach, and includes several hands-on exercises to facilitate acquiring knowledge and skills, and for practical understanding.

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