

ASEAN Seminar on Unemployment Insurance, Income Security Measures and Active Labour Market Policies

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Outline

- The Poverty Discussion
- Human Rights
- SPFI
- ASEAN and SPFI
- ICSW's Work
- Way Forward

The Story of Poverty*

Date culled from various UN sources

- About 5.1 billion people or **75 per cent of the world's pop** (Economic and Social Council) do not have adequate social security.
- Poverty in middle-income countries
- ESCAP(Asia-Pacific) data shows that **more than a quarter in the Asia-Pacific**, are poor(less than US \$1.25 per day), that is, 0.9 billion people.
- Highest levels of poverty in South & South-West Asia (36 %); **SEA(21 %)** East and North-east Asia (13 %) and North and Central Asia (8.2 %)

The Story of Poverty(Cont'd)

- Poverty and Women – remain vulnerable to exploitation, discrimination, limited access or none at all to healthcare, poor sanitation and pushes them to extreme levels of survival
- Poverty and Food – rising food prices etc **925 million people affected (2010)**
- Poverty and Sanitation - **38 per cent** or 2.6 billion , no clean water
- **Poverty and Employment** – jobs were lost and slow recovery – Occupy Wall Street movement
- Poverty Gap – Gini Coefficient; income inequalities; rural versus urban; **richest 20 per cent in the world account for 75 per cent of the world income.**
- **Poverty and Disasters and Conflicts**

ASEAN - The Human Development Index (HDI)

Source: <http://hdrstats.undp.org/en/indicators/default.html>

ASEAN Member States	General National Income (2008 US \$PPP)	Life Expectancy	Expected years of schooling	HDI Index	HDI Rank
Brunei	10.8	77.4	14.0	0.846	37
Cambodia	7.5	62.2	9.8	0.805	124
Indonesia	8.3	71.5	12.7	0.744	108
Laos	7.8	65.9	9.2	0.654	122
Malaysia	9.5	74.7	12.5	0.6	57
Myanmar	7.4	65.9	9.4	0.638	132
Philippines	8.3	72.3	11.5	0.572	97
Singapore	10.8	80.7	14.4	0.497	27
Thailand	9.0	69.3	13.5	0.494	92
Vietnam	8.0	74.9	10.4	0.451	113

Contribution rates for social security schemes in ASEAN countries

(Social Security Programs In Asia and Pacific, U.S. Social Security Administration)

Country	Old Age, Disability & Survivor. Contribution rate Insured Person	Old Age, Disability & Survivor. Contribution rate Employer	Old Age, Disability & Survivor. Contribution rate Total	Rate of Contribution for other Programs Insured Person	Rate of Contribution for other Programs Employer	Rate of Contribution for other Programs Total
Brunei	5.00	5.00	10.00	-	-	-
Myanmar	-	-	-	1.50	2.50	4.00
Indonesia	2.00	4.00	6.00	2.00	7.00	9.00
Laos	4.5	5.00	9.50	--	-	-
Malaysia	11.00	12.00	23.00	0.50	1.75	2.25
Philippines	3.33	6.07	9.4	4.58	8.32	12.90
Singapore	20.00	13.00	33.00	-	-	-
Thailand	3.44	3.44	6.88	5.00	5.20	10.20
Vietnam	5.00	10.00	15.00	4.00	6.00	10.00
Cambodia	na	na	na	na	na	na

ASEAN - Challenges

- **Total population of ASEAN is estimated to be 600 million** with a large young population aged between 15 and 60 years.
- **Literacy rate** of young population in Singapore, Malaysia, Brunei, Vietnam is about 90%, while Thailand and Indonesia is about 80%.
- **Universal health services** is available in terms of free immunization programs. TFR varies – averaging 2.15 in countries like Indonesia (2.37), Malaysia (2.93), Laos and Philippines (3.22); and below in Singapore (1.35) and Thailand (1.93). (Source United Nations Population Statistics, 2005).
- Most of ASEAN is **still rural with industries** supported by agriculture except for Singapore and Brunei
- **Migration** is a huge issue s- internal and transborder
- **Informal sector - 10 years ago - more than half of the labour force was engaged in the informal sector in Thailand (52.6 percent), while in Malaysia and Philippines it was relatively lower at 31.1 percent and 43.4 percent respectively. Singapore's informal sector is small, and therefore only 13.1 percent of the labour force was engaged in the informal sector. In the other countries especially Laos, Cambodia, Vietnam and Myanmar the rate exceeds 65%.**

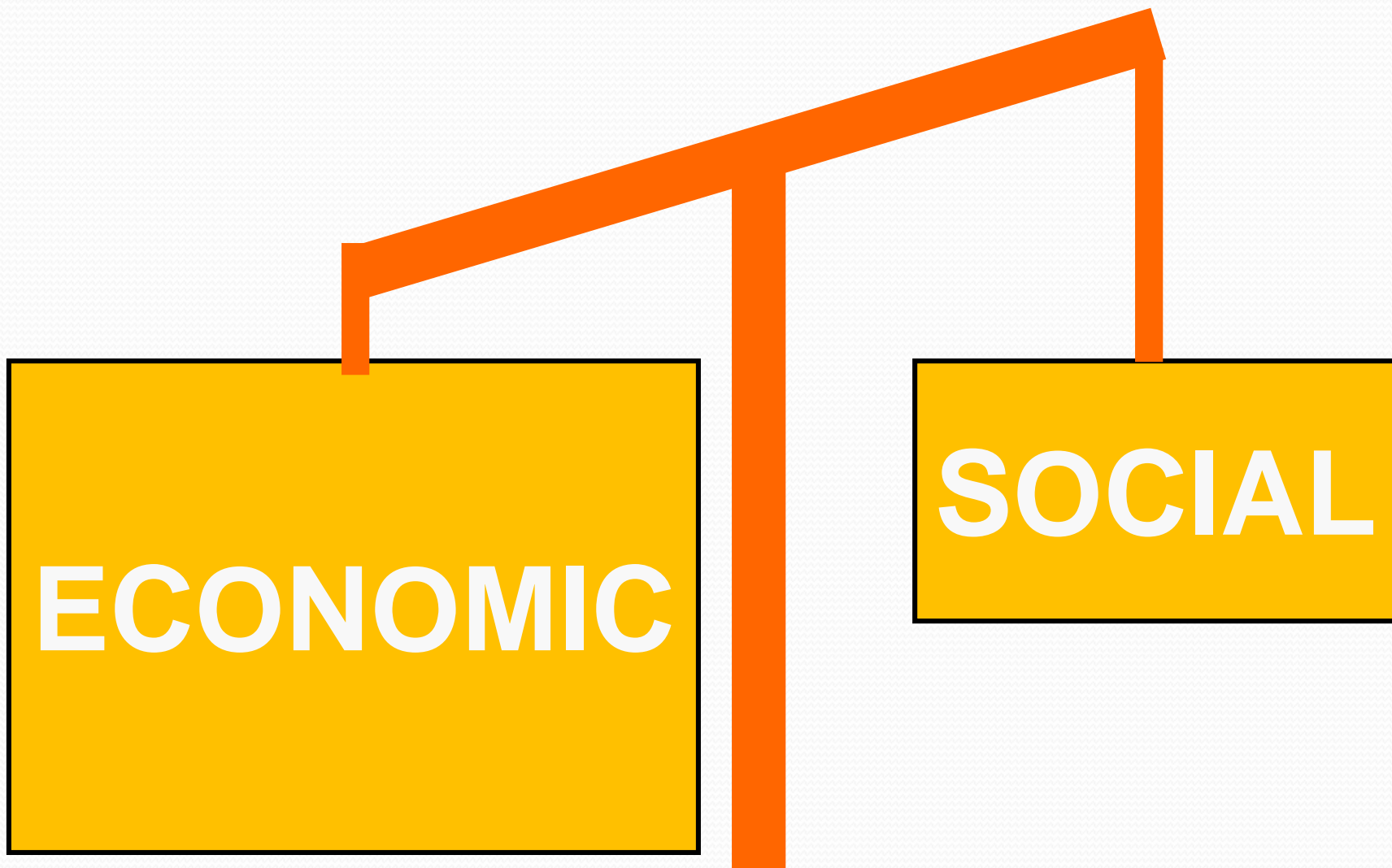
Challenges (Cont'd)

- ASEAN countries, while developing economically and recovering from the financial institutions crisis of the late 1990's, are nevertheless generally **facing the pressures of globalization and ageing.**
- **Increased competition**
- ASEAN countries deal with **cushioning the burden of restructuring;**
- Increasing governance, legitimacy and acceptability of economic reforms;
- countering the effects of workforce mobility, urbanisation and migration of labour which tend to break down traditional, family and community based social protection systems.

Why haven't We Made Poverty History?

- Inadequacy – a lack of consistent, dedicated commitment at the political level
- Comfort level with and an over-reliance for too long on other social security systems
- Stresses that were NOT recognized as flashpoints early enough - changing demographics, structural problems with economic policies, over-reliance on the market forces
- Blaming the poor
- Inadequacy – a lack of a committed inclusive participatory processes to include the affected communities
- CSOs – capacity building and unaware of new initiatives
- Corruption
- Changing leadership and ideologies
- Disasters – natural and Man-Made
- UN's advocacy

BUT: During 25 Neoliberal years*



At Stake - Human Dignity

- The UDHR makes no distinction among human beings – inalienable, indivisible and universal
- Article 1 - “All human beings are born free **and equal in dignity** and rights....”
- Article 2 “Everyone has the right to life, liberty **and security of person.**”
- **Article 4** – “No one shall be held **in slavery or servitude**; slavery and the slave trade shall be prohibited in all their forms”
- **Article 13.** – “(1) Everyone has the **right to freedom of movement and residence** within the borders of each state. (2) Everyone has the right to leave any country, including his own, and to return to his country.”
- **Article 22.** –” Everyone, as a member of society, **has the right to social security** and”
- **Article 23** – “(1) Everyone has **the right to work**, to free choice of employment, to **just and favourable conditions of work and to protection against unemployment**; (2) Everyone, without any discrimination, has the right to equal pay for equal work; (3) Everyone who works has the right to **just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity**, and supplemented, if necessary, by other means of social protection; (4) Everyone has the right to form and to join trade unions for the protection of his interests.”

At Stake - Human Dignity (cont'd)

- **Article 24** ‘ “ Everyone has **the right to rest and leisure**, including reasonable limitation of working hours and periodic holidays with pay.”
- **Article 25** – “ (1) **Everyone has the right to a standard of living** adequate for the health and well-being of himself and of his family, including **food, clothing, housing and medical care and necessary social services**, and the **right to security** in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control; (2) Motherhood and childhood are **entitled to special care and assistance**. All children, **whether born in or out of wedlock**, shall enjoy the same social protection.”
- **Article 26** – “ (1) **Everyone has the right to education.**

Sustainable development (Rio92→)

= balanced development

The diagram illustrates the three pillars of sustainable development. It features a central vertical orange line that branches into two horizontal orange lines at the top, forming a T-shape. Below the left horizontal line is a yellow rectangular box with a black border containing the word 'ECONOMIC'. Below the right horizontal line is a yellow rectangular box with a black border containing the word 'SOCIAL'. At the bottom of the central vertical line is a wide yellow horizontal bar with a black border containing the word 'ENVIRONMENT'.

ECONOMIC

SOCIAL

ENVIRONMENT

DECENT WORK FOR ALL (ILO)

= bridging the ECON/SOC divide

**Employment,
Enterprise,
Distribution**

SOCIAL
-rights
- protection
- dialogue
& gender equality

**Green Jobs – Climate adaptation -
Livelihood protection**

Three Pillars – Current Approaches

- **First pillar – the social assistance, safety net tier**

- Is universal rights based, **social assistance** programs which are **non-contributory** being financed from tax revenues.
- Means-tested to target at the most vulnerable and needy
- **publicly managed** or administered by the government or its agencies.
- Egs include social assistance or social welfare payments, small pensions

- **Second pillar – the social insurance tier**

- **social insurance** or **savings pillar** - individuals contribute a portion for benefits in kind for the contingencies of unemployment, sickness, maternity, employment injury and pensions for the long term contingencies of old age, invalidity and survivorship
- **Mandatory and cost-sharing** between individual and employer or community or government
- Usually only **the formal sector of the economy** is covered as the administrative structure can only cover this group. Self employed, farmers and fishermen are generally not covered under existing social insurance schemes due to a lack of formal administrative structures to reach such groups.
- Egs include Provident health cover is generally provided through separate insurance schemes, annuity or pension.

- **Third pillar – the voluntary, top-up tier**

- **voluntary, private insurance** pillar designed to provide additional coverage to those who can afford the premiums.
- Policies are often tailored to the needs of the individual and in accordance with their financial capacity.
- **A regulatory body generally licenses**, oversees and controls the providers through guidelines and reporting requirements. Governments provide the regulatory and often also provide tax concessions

A Possible Solution - SPFI

- Definition - a global and coherent social policy concept that promotes nationally defined strategies that **protect a minimum level of access to essential services** and **income security for all** in the present economic and financial crisis and beyond.
- A **National Social Protection Floor** is a basic set of rights and transfers that enables and empowers all members of a society to access a minimum of goods and services and that should be defended by any decent society at any time.
- Based on the list of services and transfers of the Universal Declaration the main elements of the **SPF-I have been defined as:**
 - (1) **essential services: i.e. geographical and financial access to essential services (such as water and sanitation, adequate nutrition, health and education, housing, and other services including life and asset saving information); and**
 - (2) **essential social transfers: i.e. social transfers, in cash and in kind, paid to the poor and vulnerable to provide a minimum income and health security**

Why Social Protection ?

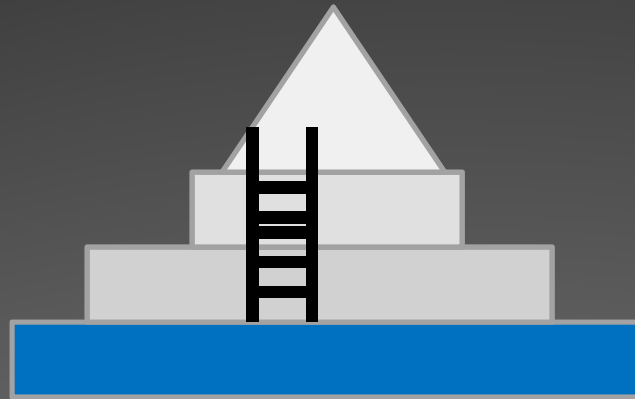
Pro-poor growth

- helps avoid shocks that derail growth
- promotes innovation, risk taking and entrepreneurship
- broadens participation in economic growth
- broadens asset accumulation + tax base
- counteracts irreversible asset depletion

Rights-based

- MDGs, basic needs
- human development
- global socio-economic 'floor' / 'compact' (minimum standards)
- promotes human agency and broad democratic participation
- lifecycle and inter-generational thinking

- Element of comprehensive social policy:
- Solid floor → ladder to climb higher!!



Human right... for everybody to
participate in, contribute to and benefit
from development...

What and How? The Social Protection Floor Initiative (SPF-I)*

Next 6 slides from ILO presentation slides shared at ICSW prep meeting

- **A story of supply and demand**
- **A set of basic social rights, services and facilities** that each member of society should be guaranteed
- A SPF should consist of:

Availability of **essential services**:

- Housing,
- Education/skills,
- Health care supply,
- Food/Nutrition,
- ...

Accessibility of these services through basic **transfers in cash or in kind**:

- Subsidized health insurance / health cards,
- Scholarships & school buses,
- Minimum income support to families (family/child benefits), the working poor (cash transfers and PWP) and the elderly (minimum pensions) ...

- Notion of **availability** and **accessibility** – *both work hand in hand, are articulated (from Ilo)*

The SPF is NOT a safety net

Criteria	Safety Nets	Social Protection Floor
Overall Objective	Poverty reduction	Giving effect to the Human Right to Social Security
Type of interventions	Targeted set of non-contributory transfers, depending on government priorities	Universal entitlement to protection through a defined basic package for all in need
Benefit levels	Minimum	National poverty lines
Role	SNs as transitory response measures/ short term (crisis, reforms)	Rights-based, systemic “insurance” against poverty for all residents

Process - Social Protection Floor: from conceptual to practical implementation

AWARENESS RAISING

NATIONAL SPF TASKFORCE, UN SPF TEAM SET UP

SP STOCKTACKING & MAPPING
PRELIMINARY ANALYSIS
PRIORITY AREAS FOR INTERVENTION

IDENTIFICATION OF POLICY OPTIONS
DESIGN & COSTING

FISCAL SPACE ANALYSIS – LT FINANCIAL SUSTAINABILITY
RECONSIDER DESIGN IN LIGHT OF FISCAL SPACE

LEGISLATION

IMPLEMENTATION

MONITORING, EVALUATION, COST-BENEFIT ANALYSIS, IMPACT

TIME



3/26/2012

vietnam.ilo.org

Therefore - Implementing and Extending SPFI....

- Is feasible and affordable - ILO studies show that it is between 3 to 5 % of GDP
- Is a flexible and adaptable concept
- Shows many examples across the world
- Access to a SPF is/ must be a precondition for employment that is with such availability and access to **essential services** - Housing, Education/skills, Health care supply, Food/Nutrition – can a person become employable
- The SPF facilitates access to employment & training – removes barriers eg transportation costs
- The SPF, a tool for activating labour market policies

A Regional Response - ASEAN

- ASEAN GO-NGO – established by the former Regional President. Has been used to raise awareness to certain issues.
- The last two GO-NGO forums have been on SPFI – general introduction and the second one was about applying SPFI to Older Person , an ageing population discussion
- Recommendations have been accepted by ASEAN govts on SPFI eg Agreed on the need to strengthen cooperation amongst ASEAN Member States towards universal coverage of social protection to the peoples of ASEAN through the following actions:
 - 1. Ensure participatory and rights-based approach in designing, implementing and
 - monitoring social protection schemes in ASEAN Member States;
- Malaysian civil society sector will conduct a SPFI training and so will Singapore – own initiatives
- Other initiatives – Cambodia, Laos, Thailand, Indonesia – more with ILO

ASEAN Examples on SPFI

- **Thailand** – 100 per cent have free national insurance scheme; SPFI measure of social pension to reach out to the elderly aged 60 and above
- Public Works Programme such as short-term and do not address poverty but to meet emergencies. Nevertheless there are examples for eg in **Laos** where access to roads has reduced poverty. So ‘block grants’ as SPFI to improve roads, water , sanitation and reduce poverty
- Rural Microfinance – village banks in areas where there is high human trafficking in **Laos**
- Cash transfers – in **Philippines** cash transfers for transport to school etc conditional upon mothers attending post-natal classes etc and children attend regular preventive health check-ups
- National team for Poverty Reduction in **Indonesia** has three cluster programmes of poverty reduction, employment and community participation
- Health Insurance – **Philippines, Cambodia, Laos** etc – but still excessive direct Out-of-Pocket expenses for individuals if they fall ill; **Vietnam, Thailand** have offered universal coverage on health insurance

SPFI – Challenges in ASEAN

- Irregular Communication about 6th GO-NGO recommendations
- ASEAN countries still look to family and community support
- Conceptual understanding of SPFI is lacking – need to include empowerment
- Political Will is still lacking
- Resources
- Role of Stakeholders on SPFI
- Partnerships
- Is there a major shift in dialogue
- No significant coverage for the vulnerable communities
- Prioritized spending on infrastructure
- Emergency-oriented eg fuel subsidies
- Sectoral approach eg women, children
- Absence of universal social security coverage

Recommendations

- Form National Task force or Consultative Council on SPFI
 - Integrated approaches
 - Comprehensive
 - Best practices platform
 - Review 'needs' definition; what is the basket of needs for universal access
 - Consumerism
 - Prioritizing – identify the most excluded
 - Multi-sectoral and multi-lateral approaches
 - Increase stakeholdership with CSOs
 - Community Outreach
 - Participatory Approach – listening to those whom we were trying to offer SPFI too
 - Re-adjusting for what we means by universal and access

Recommendations(2)

- Capacity building on SPFI
 - governments to build their own capacity
 - CSOs
 - Monitoring and Evaluation Mechanisms
 - Rights-based approach
- Resources – budgets and setting aside funds; collaborations with private sector
- Declaration at ASEAN level on SPFI

ICSW's Work in ASEAN

- Research
- Capacity-Building
- Advocacy
- SPFI core work of ICSW
- ASEAN membership
- Partnership for ASEAN GO-NGO
- Recommendations for GO-NGO
- Newsletters
- Agenda for World Conference – Stockholm 2012
- UN Civil Society for Committee on Social Development



International Platforms

- G20 leaders have identified social protection as key response along with employment measures. They committed \$50 billion to support SPFI
- May 2011 Latin America and Caribbean countries and France have agreed to focus on consolidating on SPFI at the next G20 and have made a Declaration to this purpose
- Sept 2011 G20 and Employment Ministers also committed to SPFI as a resilience measure to financial crisis
- Nov 2011, G20 have made a stronger commitment to SPFI
- June 2012 – Rio +20 Campaign for SPFI