

## Global Social Protection Week

# “Achieving SDG 1.3 and Universal Social Protection (USP2030) in the Context of the Future of Work”

### Stream 1

Achieving universal social protection, covering the uncovered and reducing inequalities

#### Technical session 1.1

**Covering the missing middle:** extending protection to informal economy workers

**Wednesday, 27 November 2019**

**10:45am – 12:00pm**

### BACKGROUND

Despite significant global progress in extending social protection during the last decades, in many countries, a large share of the population still remains excluded from social protection coverage. More than 60 per cent of the global workforce, equivalent to 2 billion workers, is still in informal and vulnerable employment, and the large majority of those people face serious decent work deficits, including a lack of social security.<sup>1</sup> In fact, many of these workers are among the 55 per cent of the global population who do not enjoy access to social protection at all.<sup>2</sup> Workers in the informal economy are often neither covered by social insurance mechanisms, be it due to limited capacity to regularly pay contributions, administrative barriers or simply because they are not covered by the applicable legislation. Yet, these workers are also facing difficulties in accessing poverty-targeted social protection programmes because they are deemed to be not “poor enough”. This means that a large share of workers, the so-called “missing middle”, is excluded from social protection coverage. Such a lack of protection is a significant source of vulnerability for workers, as they cannot rely on at least a basic level of income security and access to health care. This does not only constitute barriers to their individual welfare and their enjoyment of human rights (in particular the right to social security), but also for their countries’ economic and social development.

The extension of social protection is part of the 2030 Agenda for Sustainable Development which commits to nationally appropriate social protection systems and measures for all, including floors (SDG target 1.3). Extending protection to so far uncovered workers is also one of the recommendations of the Global Commission for the Future of Work (2019) as part of a human-centred approach to the future of work. A number of countries have identified the extension of social protection to uncovered workers as one of their main policy priorities and made impressive progress

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<sup>1</sup> ILO, 2018. *Women and Men in the Informal Economy: A Statistical Picture* (Geneva: International Labour Office).

<sup>2</sup> ILO, 2017. *World Social Protection Report 2017-19: Universal Social Protection to Achieve the Sustainable Development Goals* (Geneva: International Labour Office).

in covering larger groups of workers. These experiences offer a growing knowledge base that can provide useful lessons learnt and inspirations for other countries. The ILO is currently finalizing a policy resource package, consisting of a guidebook<sup>3</sup>, issue briefs and training material, which can serve as a tool for stakeholders to develop viable policy options to address the multi-fold challenges of extending social protection to workers in the informal economy and facilitating transitions to formality.

This session will bring together governments, social partners, international organizations and development partners to discuss the challenges to the extension of social protection, identify potential pathways to addressing these barriers and highlight country experiences in extending social protection to workers in the informal economy and facilitating the transition to formality.

This session is co-organized by the ILO Social Protection Department in collaboration with the OECD Development Centre and Women in Informal Employment: Globalizing and Organizing (WIEGO).

## OBJECTIVES

This technical session has the following objectives:

- To discuss the barriers to the extension of social protection coverage to workers in the informal economy and how they can be addressed.
- To highlight successful examples of countries that have extended social protection to workers in the informal economy, also with a view to achieving universal social protection.
- To draw lessons learnt and key success factors for the extension of social protection.

## FORMAT

This technical session will consist of a moderated discussion, where the moderator will ask one or two rounds of questions to the panel members. The panel members will not be required to deliver any power point presentation.

### Joint launch of the ILO Policy Resource Package and the joint OECD/ILO report

Following the technical session, a technical briefing will take place from 12:00-13:00pm to launch the ILO Policy Resource Package on “Extending social security to workers in the informal economy and facilitating their transition to the formal economy” and the joint OECD/ILO report on “Tackling Vulnerability in the Informal Economy”<sup>4</sup>.

The ILO Policy Resource Package serves as a practical tool for policy makers, workers’ and employers’ organizations and other stakeholders to develop viable policy options to address the multi-fold challenges of extending social protection to workers in the informal economy and facilitating transitions to formality. It offers evidence on good practices, challenges and constraints, and addresses a broad range of relevant aspects, including analysis of needs, adapting social security legislation, compliance and enforcement mechanisms, administrative procedures, benefit design, contribution schedules, service delivery and monitoring mechanisms.

The joint OECD/ILO provides an in-depth diagnosis of informality and the vulnerability prevailing in the informal economy. It explores new ideas to improve the lives of workers in the informal economy

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<sup>3</sup> ILO, forthcoming. *Extending Social Security Coverage to Workers in the Informal Economy: Lessons from International Experience* (Geneva: International Labour Office).

<sup>4</sup> OECD and ILO, 2019. *Tackling Vulnerability in the Informal Economy* (Paris: OECD Development Centre).

based on the ILO indicators of informality and the new OECD key indicators of informality based on individuals and their households.

### **MODERATOR AND PANELLISTS**

Moderator: **Luca Pellerano**, Senior Social Security Specialist, ILO Regional Office for Arab States

- **Kalaba Mwimba**, Manager, Extension of Coverage to the Informal Sector (ECIS), NAPSA, Zambia
- **Pham Truong Giang**, Director of Social Security Department, MOLISA, Vietnam
- **Marcelina Bautista**, Secretary General, National Union of Workers and Domestic Workers, Mexico
- **Yazmina Isabel Banegas Ortega**, Oficial de Asesoría Legal, Consejo Hondureño de la Empresa Privada (COHEP), Honduras
- **Alexandre Kolev**, Head of Social Cohesion Unit, OECD Development Centre
- **Laura Alfars**, Director, Social Protection Programme, WIEGO