



## **EXTENDING COVERAGE: SOCIAL PROTECTION AND THE INFORMAL ECONOMY**

Experiences and ideas from researchers and practitioners



Funded by  
the European Union



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The RNSF project is led by ARS Progetti in consortium with  
Lattanzio Advisory and AGRER Consulting

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## Foreword

This book is a rich collection of current knowledge and experiences about the challenges of expanding social protection coverage to workers in the informal sector. Compiled during a workshop by a mixed group of scientists and practitioners, it addresses a diverse range of policies and practices. It comes to the distressing conclusion that despite the Millennium Development Goals, Sustainable Development Goals and numerous international agreements enshrining a right to social protection, appropriate social protection remains in many countries an exclusive legal privilege for individuals in the formal sector. And this in places where the majority of workers are in informal and agricultural employment, without any real chance of formalisation.

The authors list numerous reasons for their findings and come up with a range of recommendations. Drawing on experiences and pilot projects from different countries, they argue that social protection systems can be designed to be more flexible, and they illustrate how the underlying idea of social protection can be made operational for the informal sector. All contributors seem to follow a convergent pattern of interpretation of what counts as good evidence, good practices or promising approaches.



The findings presented in this book relies on individuals' knowledge of studies and literature on the topic, supplemented by institutional and personal experiences and observations, and confirmed as relevant, persuasive and actionable through debate by the contributors.

Admittedly, this type and quality of knowledge does not intend to generate new evidence resulting from empirical, theoretical or explorative research. Unmistakably, research complying with such high standards of evidence is absolutely necessary and represents an essential component of developing and assuring more evidence-informed policy and practice.

However, one size will not fit all purposes and perspectives. We should therefore remain realistic about the extent to which what kind of evidence will actually shape decision-making on the ground. For translation into action, decisions may at best be based on demand and come at the right time.

With this in mind, the book provides multiple hints and proposals for making social protection inclusive for the informal sector, in particular in settings where more formal coverage mechanisms for public and private sector employees fail to reach large parts of the population. The reader requires interest, readiness and courage to embrace change and innovation. There is no need to belabour the importance of the topic.

**Juergen Hohmann**

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## Preface

A book written by many hands, the hands of persons with direct experience in their positions as government officials, national researchers, managers in international organisations and in NGOs. They met for 5 days and discussed **their own experiences**, practical rather than theoretical, at the level of policies and strategies concerning social protection for informal workers.

This was the process that we, as implementers of the project “Research, Network and Support Facility – RNSF”, used to elicit innovative approaches and ideas from the field about this theme. This exercise was successful, and we plan to repeat it to address other aspects of the informal economy. The three books produced in this way will be integrated in the final output of this European Commission-funded project. We aim to generate a corpus of research on innovative approaches to enhance livelihoods, equity and inclusion of people who depend on the informal economy.

Actually the whole RNSF project aims to support innovation as the most effective approach to addressing the informal economy. Innovation is investigated along the axis of the much-needed inclusion versus the current exclusion of the large share of humanity who make a living by informal work. Innovation may be about new ideas, such as a scientific



discovery, or about new ways that current ideas are put together and related with each other. While the former are rare in the socio-economic field, the latter encompass the true scope of investigation for the RNSF project and for this book on social protection in the informal economy.

The theme “inclusion/exclusion” is perhaps the main challenge of our time. Social protection is both a crucial issue and an indicator to measure this challenge. In this area, the European Union is uniquely placed to contribute to international cooperation, as a result of the experience of its member countries, where a complex model of universal social protection has been developed progressively since the end of the Second World War. This has provided a solid foundation for citizenship and social stability.

The experience of EU countries is here supplemented with documentation, research and inputs from the contributors to this book. This exercise has resulted in a new way to identify successful approaches to strengthening social protection among people dependent on the informal economy.

**Daniele Fanciullacci**

*Chief executive of ARS Progetti S.P.A. and RNSF project director*

## Acknowledgements

This book would not have been possible without the enthusiastic participation of the people who attended a regional workshop on how to extend social protection to people who depend on the informal economy. This workshop was organised in Kenya in February 2017 by the EU-funded project “Research, Network and Support Facility”. We had the pleasure to host 25 representatives of civil society organizations, public authorities, regional experts and academics who engaged in co-authoring, and eventually revising, the present book. They are listed in the “Contributors” section; brief biographies at the end of the book shows the richness of their backgrounds and experiences.

In the thinking process and in the revision of the text we could also count on the support of Luca Pellerano, Chief Technical Advisor - Social Security, ILO Lusaka, Tapera Muzira, Chief Technical Advisor, Zambia Green Jobs, and Marielle Goursat, Social Health Protection, ILO Lusaka.

We would also like to express our gratitude to Juergen Homann, social protection expert at the European Commission, for his advice, assistance, and useful critiques, which have helped to improve this book. Special thanks to Pierre Ghilain, also of the European Commission, who supported our team along the whole process. The expert technical advice of Jacques

Charmes (RNSF research expert) and Mei Zegers (RNSF senior consultant and former team leader) was invaluable.

The following RNSF team members provided inputs and logistical support before, during and after the workshop: Daniele Fanciullacci, Serena Bove, Paolo Carlini, and Alessio Lupi (ARS Progetti), and Pierre Berman and Nicolas Giubbini (Lattanzio Advisory).

Pierre Berman and two professional videomakers, Marco Bombetti and Ekaterina Volkova, interviewed the workshop participants and produced the videos on the RNSF YouTube channel: <http://tinyurl.com/rnsfvideos>.

Finally, we wish to thank John Belt (Royal Tropical Institute), who facilitated the writeshop process, and Paul Mundy, editor of this book, who was able to shape so many different contributions in a coherent way and provided extremely helpful comments during the review process.

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## Introduction

This book tackles the complex question of how to extend the benefits of social protection to workers in the informal economy. Difficult questions rarely have simple answers, and solutions must be designed for each country and situation. That is why this book casts its net widely: it draws on a wide variety of experiences with social protection schemes run by the government, development projects and communities from around the world. It does not attempt to provide definitive answers; instead it makes suggestions and offers recommendations that readers can adapt to the situation in their own country or particular group of workers.

### **The Research, Network and Support Facility**

The Research, Network and Support Facility is a European Union-funded project to improve knowledge on ways to enhance the livelihoods of people in the informal economy and to increase the social inclusion of vulnerable groups. Finding ways to increase social protection is an important part of this. The project conducts research, identifies best practices and facilitates information sharing and networking on this theme.

It supports 17 projects in 14 countries funded by the EU Thematic Programme “Investing in People”:

- Latin America and Caribbean: Bolivia, Colombia, Haiti, Peru



- Africa: Côte d'Ivoire, Egypt, Kenya, Morocco, Rwanda, Senegal, Somalia, Tanzania, Zimbabwe
- Asia: India.

## **Writing this book**

The RNSF project organised a regional workshop in Kenya in an effort to answer the question: “How can we use social protection mechanisms as a tool for promoting social inclusion of people dependent on the informal economy?”

This workshop was a collective effort to share experience and perspectives on how to enhance economic opportunities for socially excluded groups, while improving their access to essential social services. The rationale was to engage a variety of stakeholders coming from different backgrounds to get their perspectives on how to improve social protection for vulnerable groups dependent on the informal economy.

The workshop was held at Lake Naivasha from 6 to 10 February 2017. Participants included academics, public officers, regional experts, and civil society organisations implementing projects funded by the EU Thematic Programme “Investing in People” in Egypt, Kenya, India, Rwanda, Somalia, and Tanzania.

The workshop used the “writeshop” methodology in collaboration with the Royal Tropical Institute ([www.kit.nl](http://www.kit.nl)). A “writeshop” is an innovative methodology that allows a group of researchers, policymakers and practitioners to present their experiences to their peers and write up the results of these discussions.

Before the writeshop we conducted an in-depth literature review and analysis. We also asked the participants to write a brief contribution highlighting a best practice on how to extend social protection to the informal economy. During the workshop participants presented their experience to their peers and received feedback.

We then divided participants in three key thematic groups:

- Legal and institutional framework

- Access to social protection for informal workers
- Community-based social protection.

The three groups shared ideas, best practices, and approaches and, with the support of the RNSF team, structured their work in a written form. This book is the result of this process.

This book is part of the Research, Network and Support Facility's efforts to identify and share best practices on the theme of social protection from the perspective of the informal economy. Two similar workshops are planned to address other aspects of social inclusion and the informal economy.

### **In the rest of this book**

**Chapter 1** presents a review of critical aspects related to the extension of social protection to informal workers (key concepts, risks covered, and possible approaches) along with key statistics and trends. It thus sets a framework for the topics analysed in the following chapters.

Chapters 2, 3 and 4 present the results of the three workshop thematic groups. They present critical issues trying and suggest solutions based on case studies from different stakeholders and different countries. Each chapter concludes with a section suggesting key future directions

- **Chapter 2** focuses on the question of whether, and to what extent, existing legal and institutional frameworks cover populations dependent on the informal economy.
- **Chapter 3** illustrates the main barriers faced by informal workers in accessing social protection, and how these barriers can be overcome.
- **Chapter 4** analyses the strengths and weakness of community-based social protection.

The **References** section lists documents and websites cited in the text, as well as other sources that are particularly reading on the informal economy and social protection.

The **Participants' profiles** give contact details and a brief biography of the people who contributed to this book



*Subhadra, one of millions of informal workers in India, makes beedis (a type of cigarette) in the alley outside her house in Ahmedabad. Photo: WIEGO*

# I. Review of critical aspects

## 1. The informal economy and social protection

### *1.1 The informal economy*

Defining the “informal economy” can be very complicated: there are both conceptual considerations (What do we mean by “informal”?) and practical concerns (How can it be measured and included in statistics for planning and budgeting? How to deal with the enormous variation in employment types within and among countries?). The following is based on ILO (2003, pp. 47–52).

Both enterprises and workers may be “formal” or “informal”. **Informal enterprises** are micro-businesses that are not registered, have less than five permanent employees and keep no formal accounts. Formal enterprises do not have these features. Degrees of informality exist; an enterprise with more than five workers may not be registered and may keep only rudimentary accounts. National statistics may fail to capture such distinctions, and there is little consensus from country to country as to what constitutes an informal enterprise: some countries have a different threshold for the number of workers, for example.

**Informal workers** are those who lack formal contracts, do not have social protection because their employers do not pay social contributions, and they do not pay work-related taxes

(though they may pay other types of tax). Again, there are degrees of informality. A worker may have a formal contract and pay income tax but have no social protection. The types and coverage of social protection vary widely. Salaried workers typically have more job security and social protection than wage earners, for example.

Informal workers may work for themselves, in informal enterprises, or in formal enterprises. Some formal enterprises do not provide labour contracts or ensure the social protection coverage of at least some of their workers.

The **informal economy** can be broadly defined as comprising all workers – both wage-earners and self-employed – who are not covered by social protection. Addressing the issue of social protection for informal workers is therefore a way to promote the transition from the informal to the formal economy (ILO 2014). In much of the developing world, the informal economy covers by far the largest number of workers and is the most important part of the economy.

Employment in the informal economy is comprised of (ILO 1993, 2003):

- People (wage-earners or self-employed) working in informal enterprises
- People working in formal enterprises who are not covered by social protection
- Domestic workers who are not covered by social protection
- Workers who produce goods exclusively for their household use (such as subsistence farmers).

This definition does not include **unpaid domestic services** (housework, child care, etc., which are usually done by women), though there is pressure to have this type of work included in the definition.

The **agricultural sector** is part – and often the most important part – of the informal economy. However national statistics often exclude farmers and farm workers in reporting



numbers of workers in the informal economy. Different methods are needed to count them, and different policy measures are required for the farm sector. For these reasons, international recommendations suggest identifying workers in agriculture separately.

The informal economy does not include **illegal activities**, such as the production and trade in illegal drugs, people trafficking, smuggling or commercial sex work (where this is illegal). While the employment arrangements in the informal economy may not comply with certain rules, the products and services that it produces may be legal. Goods that are smuggled across borders may end up being sold in informal markets. **Child labour** is widespread and is an important part of the informal economy, though it is illegal in many countries. Nonetheless, social protection measures still need to cater to people involved in activities. In some cases, such as in child labour, this means providing social protection mechanisms to families so that they do not turn to child labour for an income. And the vast majority of informal workers deal with legal goods and services, produced in legal ways.

Across the world, most informal workers are **self-employed**. They may work alone (as own-account workers) or run micro-businesses, often using family labour (who are often not paid).

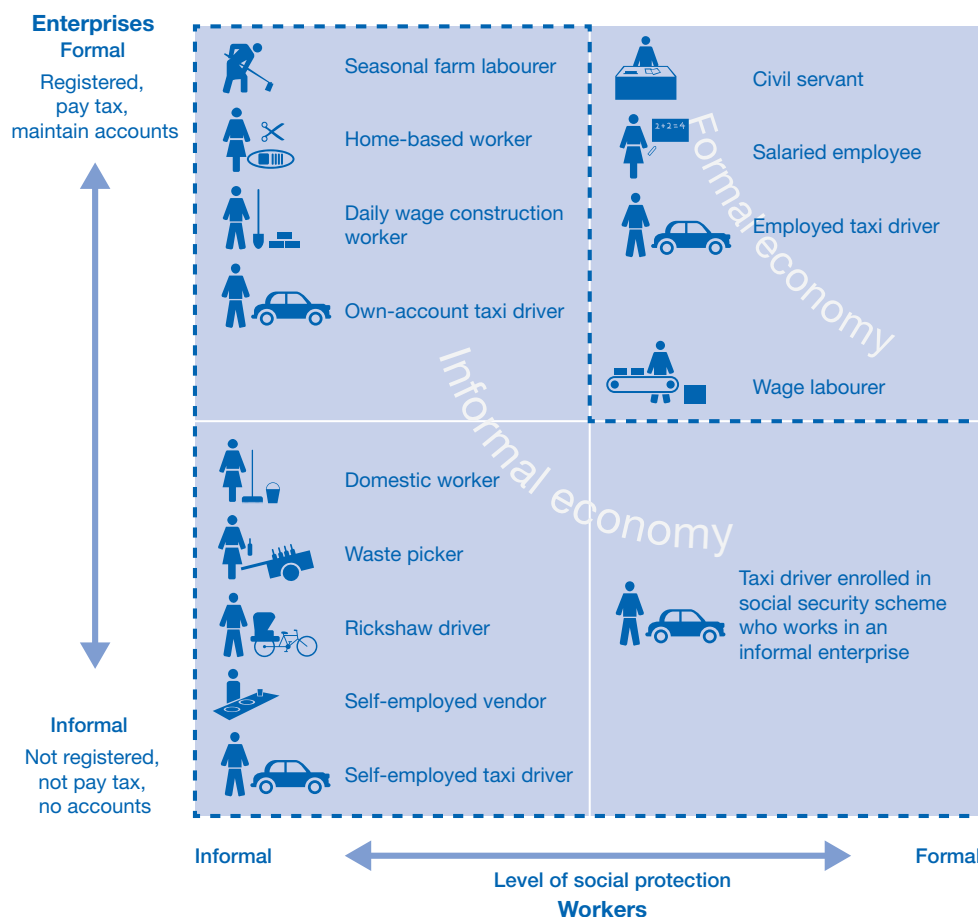
People working in the informal economy often hold **several jobs at the same time**. People may move from informal to formal employment and back again: during that person's lifetime, seasonally, or even within the same day. In the dry season, a farmer may make handicrafts or go to town and look for work. A government employee may operate a small business in the evening and at weekends.

The informal economy is very diverse. Examples include:

- Street vendors, hawkers
- Waste collectors and recyclers
- Day and seasonal labourers
- Domestic workers



- People who process farm products to sell or for their own use
- People who are sub-contracted by formal manufacturing firms but who work at home.



**Figure 1.** The informal economy  
**Source:** RNSF

**Employment situations** vary widely. A taxi driver may be a formal employee of a taxi company (top right quadrant of Figure 1), work for a taxi company but not have any social protection (top left), be self-employed (bottom left), or work for a microenterprise but be enrolled in a health and disability insurance scheme (bottom right). All four do the same job – driving passengers from A to B – but their employment situations are very different.

This book focuses on workers on the left side of the diagram, and how to move them towards the right side, whatever their status in employment: the self-employed should have access to a form of social protection without having to become paid employees.

In general, people in the informal economy face a greater range of risks than those in the formal economy. They are more likely to be poor, more likely to work in unhealthy or dangerous environments; more likely to lose their income because of illness or unemployment, and more likely to suffer from a disability. They may have turned to informal work because they became unemployed. They need social protection more than people in the formal sector, but in fact they have less of it.

Not all informal workers are poor. Some earn relatively high incomes and are better off than many formal workers. Their income may be highly seasonal as they switch from subsistence farming during the growing season to work in the city during the off-season. They may also hold several jobs at the same time – one of which may be formal. In this sense, informal jobs can also help formal workers to earn a living.

## *1.2 Types of risk and related social protection*

**Illness** and **injury** are not the only risks that workers in the informal economy face (Table 1). **Unemployment** may strike at any time, earnings may be lost and opportunities from contractors may be lacking at any time: a small business may run out of orders; the city government may clear vendors from the pavement where they sell their wares; once a building is built, the labourers must look for another construction site, perhaps in another city. Daily wage earners may have periods of no work. **Disabilities** may make someone unable to continue doing the same type of work, or may make him/her permanently unemployable. **Older people** may be unable or unwilling to continue to work.

People dependent on the informal economy are particularly vulnerable to such risks. Even though they may be the majority, they are often marginalised in society. Informal workers are generally excluded from – or have no access to – social security mechanisms. They are often dependent on other programmes targeting vulnerable groups: programmes that depend on the political commitment of governments.

**Table 1.** Risks and related social protection responses

Risks	Responses
Illness (medical expenses, loss of income)	Health insurance
Maternity	Maternity coverage
Family responsibilities	Family allowances, childcare
Disability	Disability insurance, programmes for disabled people
Old age	Pensions
Occupational injury and illness	Work injury insurance
Death	Life insurance, survivor's pension
Extreme poverty	Social safety nets, guaranteed employment, cash and in-kind transfers
Unemployment	Unemployment benefit, skills training
Climate, natural disasters, war and long-term fragility	Emergency relief

Source: RNSF

### *Social protection measures*

Social protection may be provided through a complex network of institutions. We can also think of social protection as a set of guarantees that help people deal with the risks they face in life (ILO, 2012: recommendation 202 on national social protection floors). It is those policies and actions that (European Commission 2012):

- Enhance the capacity of people (especially the poor and vulnerable) to **escape from poverty**, avoid falling into poverty, and manage risks and shocks.

- Provide **income security** and **access to essential services** (especially health and education) throughout their lives: during active and inactive periods and times of need.

Social protection includes both social security and social assistance:

- **Social security** provides benefits to formal workers and their dependents. It is based on contributions that employers, their employees, and some of the self-employed pay. The best-known of these are unemployment benefit, health insurance and pensions.
- **Social assistance** provides cash and in-kind support in various circumstances for various reasons (for example, if they are not covered by social security). **Safety nets** are funded by taxes and provided by the government. Examples are cash transfers, cash-for-work schemes and school-feeding programmes (World Bank 2014). Self-help groups, families and other traditional support mechanisms provide **community-based safety nets**. They include savings groups, social funds and mutual-support groups. Civil society organisations often help set up such groups.

Social protection is closely related to other types of public services. Some organisations define social protection to include **social services** such as health care, education, access to clean water, sanitation, housing and skills training. Many development organisations that focus on **livelihoods** and **community organisation** also include a social protection component. A project promoting savings-and-loans groups for investment in small businesses, for example, may include a social fund to help members cope with illness and injuries.

Most countries have a more-or-less elaborate system of social security: unemployment benefits, occupational injury and illness benefit, health insurance, pensions, etc. These systems may be run by private companies, cooperatives, or the government. But such systems are usually open only to

workers in the formal sector, who (and whose employers) pay work-related taxes and contribute to social security funds or insurance schemes.

Such schemes vary widely from country to country. Formal workers who fall ill may continue to be paid all or part of their income and have all or part of their medical expenses covered. Pregnant workers may receive paid maternity leave and have the right to return to their jobs afterwards. When they retire, at an age set by the government, formal workers receive a pension for the rest of their lives. High-income countries have elaborate, universal unemployment-benefit and health schemes; many poorer countries have only partial schemes covering only a small proportion of the population and a limited number of risks. Some countries, including failed states, have no government social protection system at all.

People may qualify for social protection through their **work**, or as a **citizen or resident** of a country. People who earn an income above a certain level may be required to pay into a fund to cover their social protection needs; higher earners must usually pay more. Workers who earn less than this level, and people who do not earn anything, are not required to pay in (but may not qualify for protection).

Employment also provides the usual and effective way for governments or other providers to **collect the money** needed to pay for social protection. Tax or social security contributions may be deducted before a worker is paid. Employers may also be required to pay a certain amount per worker into the fund.

A social protection scheme may cover only the worker, but in some cases his or her family might as well be entitled to benefits.

### ***1.3 Approaches to ensuring social protection***

How can we extend social protection mechanisms to include people who depend on the informal economy? Various possibilities exist:

- **Contributory social insurance**, such as health, pensions, unemployment, and long-term care.
- **Non-contributory social assistance**, such as conditional or unconditional cash-transfers, social pensions, stipends and in-kind transfers.
- **Labour market measures**, such as skills promotion and labour-intensive public works (food- or cash-for-work), and technical vocational education and skills training.
- **Traditional safety nets** provided by families and communities – such as care for relatives and neighbours.

The public and private sectors play a key role in defining different social protection approaches and legal frameworks. While there is a tendency towards achieving universal social security in developing economies, the role of the public sector and the extent of the coverage (universal vs. targeted) are at the centre of an intense debate.

### ***1.4 Expanding social protection to informal workers***

Governments used to regard the informal economy as a problem: as a large group of workers and small enterprises which do not pay work-related tax, which are seen as competing unfairly with formal, tax-paying enterprises, which impose burdens on the state, and which are hard to manage.

But attitudes are changing, especially after the International Labour Conferences in 2014 and 2015 and the adoption of the International Labour Organization's Recommendation 204 (ILO 2014, 2015a, b). Governments are now giving more emphasis to social policies. The reasons for this are outlined below.

#### ***Recognition of the role and potential of the informal economy***

More and more governments are now coming to see the potentials of the informal economy: as a major source of employment and contributor to the economy, and full of



innovation and dynamism. They are also coming to realise that they have a responsibility to ensure that social protection is extended to informal workers. Not to do so risks depriving large numbers of voters of welfare, reducing their living standards and fuelling social unrest.

### *International commitments*

Many governments have signed up to international agreements to ensure certain minimum standards of social protection to all (Box 1). Expanding social protection is a key part of policies that encourage the transition from the informal to the formal economy, as outlined in the ILO Recommendation 204. Regional organisations such as the African Union also broker agreements among governments to ensure the rights of informal workers. Several countries have the right to social protection built into their constitutions, so are committed to designing laws and implementing schemes to provide at least a minimal level of social protection to their citizens.

### *Financial and political pressures*

Existing formal systems of social protection are showing symptoms of instability. Populations are ageing: there are fewer workers to pay into the system at the same time as demand for benefits is rising. In developing countries, the informal economy is expanding as populations grow and workers move into the cities. In high-income countries, workers are being pushed out of the formal sector as employment relationships change. At the same time, national political movements and civil society are putting governments under increasing pressure to expand the scope and coverage of social protection.

For a long time, some types of work – such as that done by home-based workers and domestic workers – was not recognised as actual work before social protection could be addressed. Domestic workers were recognised as workers by the International Labour Organization only as recently as 2011 (ILO 2013a).

## Box 1.

### International agreements on social protection

The most important international agreements have been made under the auspices of the United Nations and the International Labour Organization. Regional organisations such as the European Union, African Union and Southern African Development Community have also brokered agreements.

#### **Universal Declaration of Human Rights, 1948**

- Articles 22 and 25 recognise the right to social security

#### **UN International Covenant on Economic, Social and Cultural Rights, 1966**

- Article 9 commits governments to ensure social protection for all workers in the informal economy

#### **Sustainable Development Goals, 2015**

- Goal 1 sets a target for implementing nationally appropriate social protection systems and measures for all. Goal 3 sets a target for achieving universal health coverage. Goal 10 requires adopting fiscal, wage and social protection policies to progressively achieve greater equality.

#### **ILO Convention 102, Social Security (Minimum Standards), 1952**

- Sets minimum standards for social security for medical care and benefits for sickness, unemployment, old age, employment injury, maternity, invalidity and survivors.

#### **ILO Recommendation 198, Employment Relationship, 2006**

- Calls on governments to guarantee effective protection to workers in all kinds of employment relationship.

#### **ILO Recommendation 202, Social Protection Floors, 2012**

- Calls on governments to ensure that over their life cycle, all in need have access to essential health care and to basic income security.

#### **ILO Recommendation 204, Transition from the Informal to the Formal Economy, 2015**

- Calls on governments to facilitate the transition of workers and economic units from the informal to the formal economy.

#### **African Union, Social Protection Plan for the Informal Economy and Rural Workers 2011–2015 (SPIREWORK), 2011**

- Calls on governments to make of social protection for the informal economy and rural workers the backbone of any strategy towards the formalisation of the informal economy.

#### **SADC Code on Social Security**

- Calls on governments to adopt strategic direction and guidelines in the development and improvement of social security schemes in order to enhance the welfare of the people of the Southern African Development Community.

## 2. Social protection around the world

### 2.1 *A few statistics*

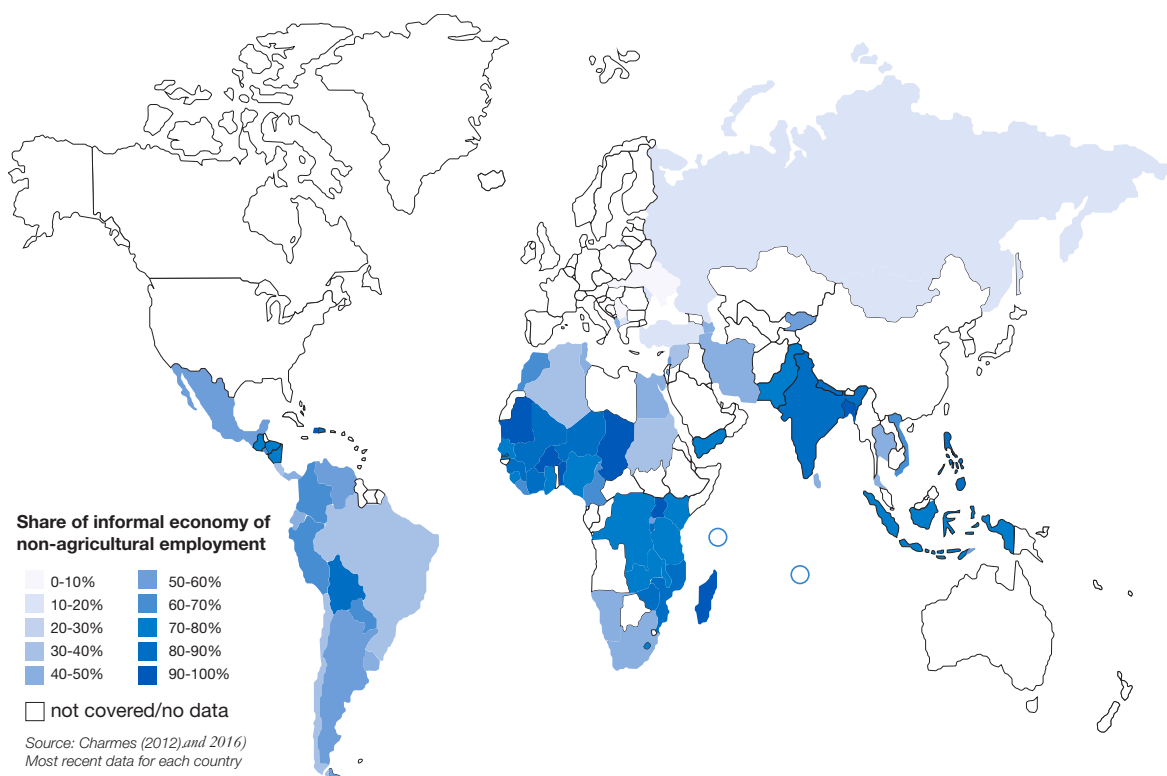
Systems of social protection are well-established in high-income countries. Most workers in these countries are in the formal economy and have unemployment and health coverage. But not everyone: large numbers of people in particular sectors – domestic work, construction and agriculture – fall through the cracks. In many sectors, increasing numbers of workers are losing their social protection as companies outsource work or convert staff into subcontractors.

The **informal economy** is far more important in the developing world, and social protection is far less established, all the more so as the self-employed make up the bulk of it. Estimates vary depending on the definitions and sources of statistics used. A study by Charmes (2016) of 61 countries found that the informal economy accounts for:

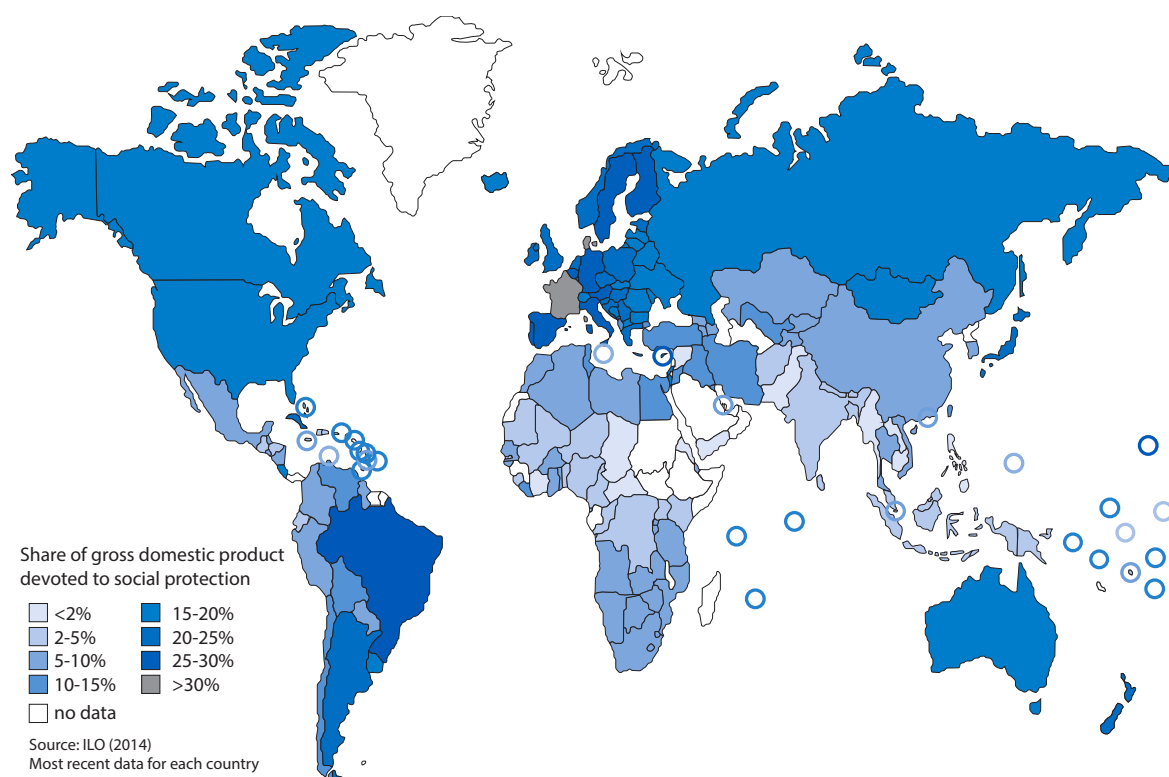
- 74% of non-agricultural employment in sub-Saharan Africa
- 65% in Asia
- 57% in Latin America
- 48% in the Middle East and North Africa
- 25% in transition countries of Eastern Europe and Central Asia (Figure 2)

According to the same source, the informal sector (including agriculture) accounts for more than 65% of total GDP in Sub-Saharan Africa and 54% in India, against 29% in Latin America and 19% in transition countries.

An ILO-WIEGO study (ILO 2013c) found that in more than half of the 47 developing countries covered, over 50% of all non-farm workers were informal. In about one-third of the countries, at least 67% were informal.



**Figure 2.** Share of informal economy as percentage of non-agricultural employment



**Figure 3.** Share of gross domestic product devoted to social protection

Informality is higher among women than men: a 2008 study by ILO of sub-Saharan Africa found that 84% of women non-agricultural workers were informally employed, compared to 63% of men.

**Social protection** measures in the developing world are poorly developed, inadequately funded, and serve only a small part of the population – those with formal employment in the civil service, the military and the tiny formal private sector. ILO (2014) estimates that only 27% of world's working-age population (and their families) have access to social security. Some 8.6 % of global GDP is allocated to social protection expenditures:

- 5.1% in Africa (and 4.2% in Sub-Saharan Africa)
- 5.3% in Asia and the Pacific
- 13.2% in Latin America and the Caribbean
- 19.4% in North America
- 26.7% in Western Europe (Figure 3)

Workers in the informal economy are poorly served by social protection. The National Social Security Fund, which is supposed to cover all non-government employees in Tanzania, has over 350,000 members; only 2,000 are in the informal economy. According to the ILO, 84% of the labour force are excluded from social security coverage, while those who are covered receive benefits that fall below their basic needs.

Approaches to social protection vary widely, even among developing countries. Countries with a large farming sector and a broad informal economy necessarily have different approaches from those with a large, urban middle class.

The Sustainable Development Goals set in the 2030 Agenda (United Nations 2015) emphasise the role of social protection in reducing poverty and inequality and enabling human development. But for many multinational agencies and donors, social protection is a relatively new approach, guided

by their historical mandate, objectives and operational niche. In many cases, donor-funded social protection programmes serve agency-specific goals and so are applied selectively. The World Food Programme and FAO, for example, orientate social protection towards food and nutrition security; Unicef promotes the human rights of children and families, ILO focuses on income security, decent work and equality; UNHCR aims for international protection of forcibly displaced people; the World Bank aims for poverty reduction with economic growth (European Commission 2017).

## ***2.2 Inclusive policies: trends towards formality***

We can identify several major trends in the provision of social protection in the developing world. These trends are not present everywhere: they may be stronger or weaker in certain countries or economic sectors.<sup>1</sup>

### *Increasing universal insurance-based coverage*

Some countries have introduced social protection measures that aim to cover the whole population. These have achieved a great deal in a short time. **Thailand's** Universal Coverage Scheme, dealing with health, launched in 2002, covers 76% of the population: it is not a health insurance scheme, but a health service funded through general taxation; other public schemes cover almost all the rest (Vilcu et al. 2016). Similar health-insurance schemes now cover large parts of the population in **Ghana, Rwanda** and the **Philippines**.

In **China**, a longstanding health-insurance programme covers workers in urban areas. The government is now extending this to rural areas and economically inactive people. The rural health scheme covered 97.5% of the rural population in 2012, up from only 3% in 2003 (Wang et al. 2014). China has also launched two pilot pension schemes, covering the rural and urban population respectively.

Some countries offer universal coverage that is not based on contributions, as in **Cape Verde** and **Mauritius**.

<sup>1</sup> This section is based in part on Olivier et al. (2012) and Olivier (2017)



Many insurance schemes cover informal workers on a voluntary basis. But this is ineffective: few informal workers are interested in contributing to schemes that are unsuited to their situation and needs.

### *Targeting workers in the whole informal economy*

Another approach is to design schemes to cover the whole informal economy. This is difficult because of the wide range of employment types and working conditions under the label “informal”. A solution is a framework law that provides a broad structure covering the whole informal economy, within which tailor-made arrangements can be made for specific categories of workers. **India’s** Unorganised Sector Social Security Act of 2008 is one such law; it allows for schemes to cover specific sectors or types of provisions, such as pensions and health; a new Social Security Code is in the making.

Another solution is to create schemes that are flexible and adapted to the needs of informal workers. The **Ghana** Informal Sector Fund allows informal workers to contribute to a retirement fund on a voluntary basis; they may decide how much and how often to pay into the fund. In **Kenya**, the Mbao Pension Scheme is a voluntary retirement savings scheme aimed at workers in the informal sector. Workers can pay into this scheme using the M-Pesa mobile money transfer service.

To extend social protection on a wide scale, the schemes must be selected and designed carefully. They must be developed in consultation with the intended beneficiaries. There should be adequate financing, and the institutions to handle the schemes must be in place.

Incentives are important to encourage informal workers to sign up to such schemes. For example, they may become eligible for other social security benefits, such as family allowances and work-injury benefits. Lowering the level of contributions for low-income self-employed people makes it easier for them to enrol. Considerable public awareness work may be needed to inform people of the benefits and persuade them to sign up.



### *Targeting specific groups of informal workers*

It may be more appropriate to target specific groups of workers, for example by focusing efforts on formalising workers in a specific sector. It also makes it possible to tailor schemes to the situation and needs of a certain group. This approach may be a step towards more universal coverage.

One approach is to extend mandatory social-security schemes to certain groups of workers in the informal economy. **South Africa** has expanded unemployment insurance to domestic workers. **Algeria, Tunisia** and some countries in **Latin America** require self-employed individuals to sign up to social security schemes. The **Philippines** mandates coverage of self-employed people under 60 years who earn more than \$20 a month; coverage of informal workers tripled in 10 years to 5.6 million people in 2006 (MacKellar 2009).

Another approach is to design social-protection schemes specifically for certain categories of workers. In **India**, two such schemes cover construction workers and *beedi* workers. In **Sri Lanka**, schemes aim to cover fishers and farmers (MacKellar 2009). Some such schemes are funded by levies collected from employers and manufacturers. Others are funded from a levy charged on the aggregate output.

**Tunisia** has a very comprehensive system of social security that covers both the public sector (civil servants and employees in public firms), and the private sector (non-agricultural employees, agricultural employees, self-employed, and low-income workers). Contributions and benefits are flexible. The National Programme for Support to Needy Families is a social safety net that provides cash and in-kind transfers as well as free access to health care.

The **Philippines** Social Security System has adopted several flexible approaches to meet the needs of informal workers who lack bank accounts and can pay only irregularly into a fund. These schemes are run in partnership with informal-sector organisations and local governments. They include

the AlkanSSSyA Program (for self-employed workers in the services sector) and arrangements where cooperatives and municipalities can collect contributions from insured persons.

For such approaches to be successful, the affected group must be large enough and relatively homogenous. A clear need for better protection must exist, and the scheme must be developed in consultation with the clientele and concerned civil society organisations.

### *Extending the coverage of social assistance*

Making social security schemes universal is difficult, leading to increased attention on social assistance. Several middle-income countries have established large-scale, non-contributory social-assistance programmes that provide money to people in need. These may be **conditional** (they require the recipient to fulfil a requirement, such as ensuring that children are vaccinated), or **unconditional** (the benefits go to everyone who falls below a certain income level or to specific categories entitled to the programme).

**Conditional** cash-transfer programmes include **Brazil's** Bolsa Família and **Mexico's** Oportunidades (now known as Prospera) programmes; these pay poor families a cash sum if they keep their children in school and take them for regular health checks. "Bolsa Familia" is credited with dramatically lowering the national poverty rate (World Bank 2015).

The Dibao programme in **China** is the world's largest **unconditional** cash-transfer programme, reaching about 78 million individuals. It provides an income to households that fall below an income threshold. Similar schemes exist in **Gabon, Mauritius and Seychelles**. In **South Africa**, old age grants and child support grants cover 30% of the population.

In **Bangladesh**, BRAC, an NGO, runs a programme called "Targeting the Ultra-Poor". This identifies the poorest people in a community, then provides them with assets such as a goat, chickens or a cow, along with a weekly allowance of cash and food. It also offers them training in technical skills, literacy

and health, as well as tailored health services. Slightly less-poor people qualify for a similar package of services, but get soft loans so they can buy their own assets. This approach is now being adapted as “graduation” programmes in various other countries; evaluations have shown its effectiveness (Banerjee et al. 2015, CGAP 2016).

Social assistance programmes in many other countries are less well developed. A few, such as old-age pension schemes in **Namibia** and **Nepal**, try to cover the whole population. But most are targeted at particular groups in society, relying on means-testing to ensure that they reach the poor.

Paying for social assistance schemes can be a challenge because the beneficiaries do not pay into them. Governments must find the money from tax revenues. **Lesotho** uses income from customs duties; **Bolivia** uses money from taxes on mining.

Making a scheme universal has the biggest effect on coverage, but it is expensive and may be wasteful by including people who do not need assistance. Targeted schemes, on the other hand, may actually be regressive: they may exclude the most vulnerable or poorest people or certain categories of informal workers. In general, there is an international consensus that basic provision is affordable to certain categories of people even in low-income contexts. Means-tested schemes may be better adapted. A comprehensive mix of instruments is best.

### *Decline of family support*

Family ties in much of the developing world are still strong. In many cultures, children feel obliged to look after their elderly parents and younger siblings, and help them during times of need. In **sub-Saharan Africa**, such assistance may account for a similar proportion of the beneficiaries’ income as does government support in Europe (Charmes 2003).

Remittances from family members who migrated abroad play a major role in this respect (Magunha 2012, Ambrosius and Zeeb 2009).

But as people move into the cities, family ties and mutual obligations are becoming looser. A worker in the city may not know about a problem back home – or feel obliged to do anything about it.

Counteracting this, however, communications are becoming ever easier with the expansion of mobile phones even in remote rural areas. It is now easier to call on a relative for help, and money-transfer systems such as M-Pesa in **East Africa** make it possible to transfer money to the person who needs assistance. In addition, rising incomes mean that some people have the money to support their relatives.

As kinship systems decline, people are coming to rely more on other types of social protection, in particular that provided by the state.

### *Development of community schemes*

The term “community” includes both people who live in the same locality and people who have something in common – such as employment in the same industry. The inhabitants of a village may form a community, and so may the workers in, say, the construction industry.

NGOs and community organisations have established numerous self-help groups around the world. Laws often support them, or even mandate that workers in certain industries (such as transport) belong to such an organisation. Savings-and-loans organisations require their members to save a small amount each week or month; they pool this money and lend it out to members to invest in a business. Many savings-and-loans organisations also require their members to contribute to a social fund that members can draw on in an emergency, such as illness or death.

Some of these organisations are very large. SEWA is a trade union and a set of cooperatives with 2 million members in **India**. It provides its members with a wide range of services, including credit, training, child care, health care, pensions, and life insurance. It has become an influential actor at both the

national and international level. BRAC, based in **Bangladesh**, is the world's largest developmental NGO, with 100,000 employees; it serves 126 million people around the world.

### *Expansion of microinsurance*

Microinsurance, an offshoot of microfinance, is where individuals pay small amounts of money into a fund that insures them against specific risks – such as illness, injury, death, and damage to or loss of property. Participants pay a small premium, and payouts are correspondingly small – but may still be enough to be of assistance.

However, most local microinsurance schemes lack the scale and management capacity to be viable unless they are linked to national initiatives.

### *Employment creation*

**Guaranteed employment** schemes provide people with an income in return for work that society deems useful. Cash-for-work and food-for-work schemes are commonly used in emergencies (such as drought) or with refugees, as well as to provide an income for people below a certain income level. People typically do manual labour on public works such as road construction and repair, digging canals, clearing vegetation and cleaning public areas.

The most prominent such scheme is **India's** Mahatma Gandhi National Rural Employment Guarantee Scheme, launched in 2005. This provides work and income for 100 days to one person from 55 million poor households. In **South Africa**, the Extended Public Works Programme aims to create 6 million work opportunities by 2019. **Ethiopia's** Productive Safety Net Programme combines cash and food support for up to 6 months; to qualify, able-bodied members of the household must work on projects such as building roads, schools and clinics.

Such schemes provide temporary employment and income, but they do not create long-term jobs. **Skills training** aims to

help people qualify for particular types of jobs, or help them build their own small enterprises. Such programmes are not usually regarded as part of the social security system.

### *Involving workers in designing schemes*

Traditionally, social protection mechanisms have been designed and implemented by governments. Employers have an input through chambers of commerce and lobbying groups; trade unions represent the workers' interests in designing the scheme.

As informal workers become better organised, it is possible, and desirable, to involve their organisations in designing and running social protection schemes. Indeed, social protection may be the issue around which informal workers decide to become organised so they can formulate demands to employers and government. Governments are starting to recognise these organisations and consult them in the design of social protection measures. ILO Recommendation 204 (ILO 2015b) calls on governments to do so.

Such consultations enable workers' representatives to influence the coverage and design of schemes, press for improvements in the delivery of services, monitor performance and find ways to enhance their impact. They also act as a channel for individual and collective grievances and redress.

### ***2.3 Trend towards exclusion***

Most of the measures described so far extend social protection to new classes of people. But there is a major movement in the opposite direction: increasing numbers of people are becoming informal workers or are losing their social protection. Governments are trimming social protection budgets; farmers and farm workers are giving up agriculture, and workers are leaving the formal economy. We can recognise several major trends.



### *Budget cuts*

Fiscal adjustment since 2010 has forced many governments to limit their expenditures – just when their populations are most in need. Persistent unemployment, lower wages and higher taxes have depressed incomes, consumption and demand, and have slowed economic recovery. This has not just affected high-income countries: some middle- and low-income countries are currently grappling with dwindling economic growth. Increases in food and fuel price, the global economic slowdown, a recovery that has generated few jobs, and cutbacks in public expenditure, have taken a toll on families in developing countries.

### *Urbanisation*

As the world urbanises, workers are moving away from the countryside and into cities, where they often end up living in informal settlements and seeking employment or creating activities in the informal economy. Some of this movement is seasonal, with the workers returning to their villages at regular intervals, often to plant or harvest crops. In some countries, it is the young men or husbands who migrate, leaving women, children and older people in the village; in other places, young women make up a large proportion of the migrants. Migration may become permanent, with people giving up farming (or agricultural labour) altogether and moving with their families to the cities. The most rapidly urbanising countries are in Asia and Africa (Latin America is already predominantly urban) (United Nations 2016).

Because farming is not usually included in the statistics on the informal economy, this trend entails a large increase in the number of people counted as being in informal employment.

People in the cities are usually better off than those in the countryside (otherwise they would not choose to move). But leaving the land permanently may also mean cutting themselves off from a source of food, employment and social support. Urban workers may thus become more dependent on the



authorities during difficult times. They are also more visible to the authorities, and more able to organise and put pressure on the government to provide some form of social protection.

### *Externalisation*

Companies are finding that it is cheaper to convert employees into self-employed subcontractors. A retailer that employs a shop assistant must contribute to that person's pension scheme and health insurance. The shop assistant may enjoy a certain degree of job security and rights to vacation and maternity leave. Turning the shop assistant into a self-employed vendor who earns a commission on sales relieves the company of such obligations. The vendor becomes responsible for his/her own pension and health care, saving the company money. It is also easier to hire or fire such workers. For companies, such an approach is attractive because it pushes costs and responsibilities onto the workers. This model is becoming increasingly common in industries ranging from construction to services.

Employees might also prefer this option – opting for short-term gain – as they get a higher income since they are not paying social contributions. Such short-term preferences stem in an attitude that “this will not happen to me, so why should I pay for others?”.

This trend is reinforced through advances in computer and communications technologies. It is now easier to manage work electronically. For example, Uber, a ride-hailing service, has a mobile phone app that passengers can use to call a taxi. The drivers drive their own cars and are notionally self-employed. Uber takes a share of the fare in return for bringing the passengers and drivers together. The company avoids the costs and responsibilities of owning vehicles and employing drivers; the drivers must take care of their own social protection arrangements.

Such organisation of work has long existed in the informal economy, for instance in farming, hairdressing or

tailoring, where various forms of “shared turnover” (similar to sharecropping in agriculture) prevail. The owner pays the worker with a share of the turnover earned from the field, seat or sewing machine (see Charmes 1987). This model is also very common in the construction industry.

In 2006 the International Labour Organization recognised the existence of “dependent workers”: workers who are self-employed but are in reality economically dependent on, though not recognised as employees of, a firm (ILO 2007).

As this business model spreads into more industries, other companies are increasingly complaining about unfair competition: they say that firms such as Uber dodge rules and obligations that their conventional competitors are forced to follow. Some governments try to protect the incumbents by banning some forms of externalisation; others have permitted it or turn a blind eye to it.

### *Casualisation*

Companies are replacing standard employment arrangements with cheaper, temporary or part-time workers or interns, who enjoy fewer benefits.

### *Integrated supply chains*

Companies increasingly source their supplies through an interconnected series of contractors, subcontractors and sub-subcontractors. The workers at the bottom of the chain often do not know for whom they are actually working or even what for end-product they are making components (Box 2). The business at the apex of the chain retains control but is not responsible for social protection of the people producing what it sells. This trend is also prevalent in the developed world, and is not confined to the private sector: governments are also increasingly outsourcing tasks that they used to perform themselves.

The **British** government has recognised the dangers of worker exploitation and has passed a law to fight it (Box 3).

#### Box 2.

### The bottom of the chain

An increasing number of informal workers produce items that end up in high-value goods, often traded internationally.

- Women in West Africa produce shea butter, an ingredient that goes into expensive cosmetics.
- Home-based workers in Asia are subcontracted to produce garments that are sold under brand names in the developed world.

#### Box 3.

### UK law on responsibility along the supply chain

The Modern Slavery Act, made law in the United Kingdom in 2015, combats slavery, forced labour and human trafficking. The Act's "transparency in supply chains" clause targets companies that tolerate abuses in their businesses or supply chains.

This clause has been described as a potential game changer because of its global reach: it applies to every company with a turnover of more than £36 million that is registered in or operates in the UK. This includes some 12,000 companies.

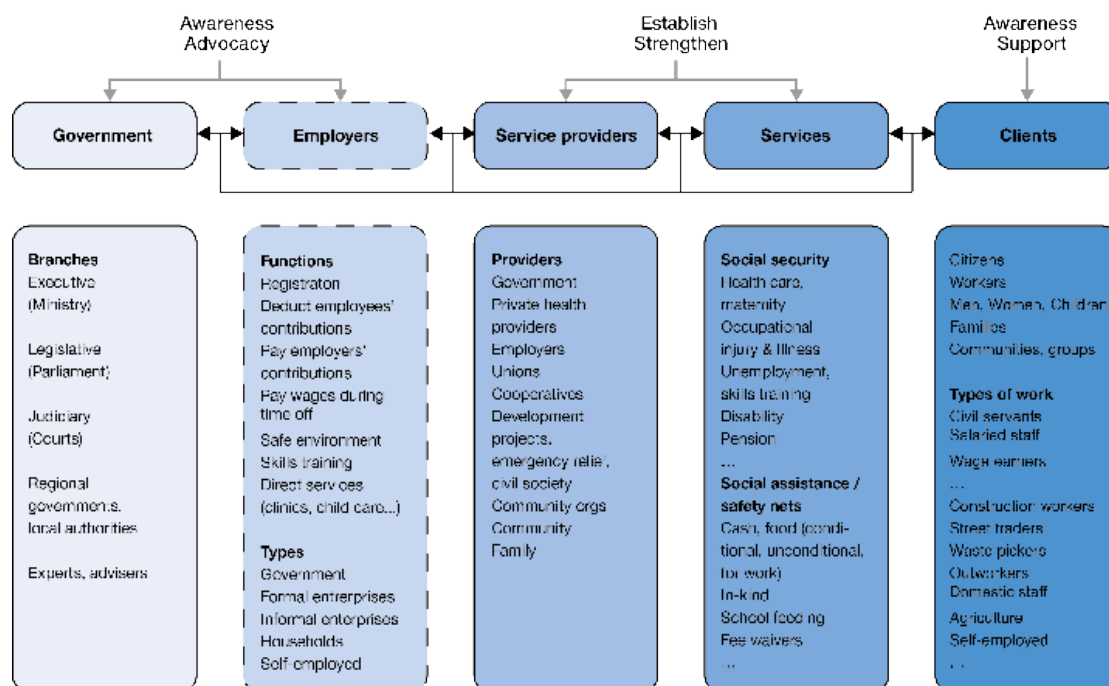
Such companies must to publish an annual "slavery and human trafficking statement", setting out what the company is doing to ensure there is no slavery or human trafficking in its supply chains and business operations. The company must publish the statement on its website.

If a business fails to produce such a statement, it may be taken to court and made to pay an unlimited fine.

More information: <http://services.parliament.uk/bills/2014-15/modernslavery.htm>

## *2.4 Actors and services*

The social protection system includes four major types of actors: the **government**, **employers**, **service providers**, and **clients** (including formal and informal workers). In various combinations, the government, employers and clients pay the service providers to provide a range of services to the clients. In the informal economy, employers are less prominent than in the formal economy.



**Figure 4.** A framework for social protection in the informal economy-  
**Source:** RNSF

### *Government*

Governments play various roles in social protection: they set and enforce the rules governing social protection, collect contributions from clients and raise funds from other sources, design programmes and services, and allocate funds. They may provide services directly (as in government-run clinics), outsource service provision to the private sector (private clinics or schools), or regulate the provision of services by the private sector (oversight of private clinics). Various branches and levels of government play particular roles.

### *Executive branch*

Within the executive branch at the national level, responsibility for social protection may be divided among various ministries: mainly those concerned with



health, labour and social security, along with departments dealing with the economy, industry, small enterprises and finance. These propose and implement laws, develop and implement policies, manage and regulate service providers, allocate funds, regulate small businesses, and provide services such as health care. Tax officials collect workers' contributions; the task of the police is to enforce the law. All too often, however, laws are inappropriate and enforced arbitrarily and with little sensitivity to the informal enterprises and workers affected.

### *Legislative branch*

Parliaments make laws relating to social protection, approve budgets, and guide the executive branch. Parliamentary committees develop and discuss laws in detail; members of such committees are important audiences for lobbying by civil society and other stakeholders in social protection.

### *Judicial branch*

The courts interpret the law in case of dispute. Organisations and individuals can appeal to the courts to enforce their rights to social protection. In some countries, court decisions have been important in extending social protection to workers in the informal economy.

### *Local governments*

In most countries, social protection is a mandate of national government. In federal countries (such as India) and where government is decentralised (as in Indonesia), the province or state plays an important role. Municipal or district authorities have many functions that affect the security and protection of informal workers. They manage the use of public space; local bylaws regulate micro and small businesses, i.e. on the areas that street traders may use. Municipalities provide basic infrastructure and services such as street lights, public toilets and garbage removal, all of which have an impact on the health and well-being of informal workers.

## *Experts and advisors*

Ministries and policymakers draw on the advice of specialists to formulate policies. These experts may be attached to ministries, or they may work for independent organisations such as universities. They are also an important audience for advocacy.

## *Employers*

For workers in the **formal economy**, employers are a major actor in social protection systems. Depending on the country, the law may make them responsible for contributing to social protection in various ways. For example, they may be required to:

- Register their workers in social security schemes
- Deduct social-security and tax contributions from the employees' wages
- Make employers' contributions to the social security fund
- Continue to pay wages during holidays, illness or maternity
- Provide a safe workplace and ensure that employees comply with safety requirements
- Provide skills training for employees
- Provide various other forms of social protection.

### **Employers**

#### **Functions**

Registraton  
Deduct employees' contributions  
Pay employers' contributions  
Pay wages during time off  
Safe environment  
Skills training  
Direct services (clinics, child care...)

#### **Types**

Government  
Formal enterprises  
Informal enterprises  
Households  
Self-employed

In the **informal economy**, however, employers play a much smaller role in social protection. Where the employment relationship is less visible or even does not exist, it is difficult for governments to force an employer (or a self-employed person) to fulfil his or her social protection responsibilities.

This is the case for domestic workers, for example. Many enterprises are too small to handle the administrative and financial burdens of complying with social protection laws. The same is true of household enterprises and for the self-employed.

Employment relationships may be too short-term for an employer-based scheme to be practical, as with construction workers who are hired on a daily wage basis. This does not make such schemes impossible: in India and Zambia, for example, the government requires a percentage of the value of a contract to be set aside to provide social protection to such workers.

Employers may still play a role, however. Even without social security systems, laws or collective-bargaining agreements with unions may impose responsibilities on employers. Some larger employers provide a wide range of services to their (formal) workers: clinics, child care, training, housing, transport, electricity, water supplies and sewerage.

The owners of smaller enterprises often know their workers well, and may be related to them. Employers may treat domestic workers well – for example, paying for their health care or loaning them money. Or, of course, they may treat them badly, expecting them to work long hours without time off, and even harming them physically or exploiting them sexually.

### *Service providers*

A range of organisations provides social protection. In most countries, the **government** is the main provider, though recently more emphasis has been put on **private-sector** health and insurance providers. **Employers** in the formal

#### Service providers

##### Providers

Government  
Private health  
providers  
Employers  
Unions  
Cooperatives  
Development  
projects,  
emergency relief,  
civil society  
Community orgs  
Community  
Family



economy may provide health services at the workplace as well as child care and other services (see above). **Unions and cooperatives** may also provide social protection for their members. In low-income countries, **development projects** and **civil society organisations** or development agencies may provide similar services to community members. Traditional **self-help groups** exist in many countries, and families and networks of relatives and friends support each other.

### *Services*

Here we discuss two types of social protection: social security and social assistance. Under social security we include schemes that help workers and their dependents cope with a range of risks: illness, injury, unemployment, maternity, etc. Under **social assistance** we include other measures that help people who require assistance.

### *Health coverage*

Health coverage is the most basic component of a social protection scheme. If a worker in the formal economy is injured or falls ill, the social security system will cover at least part of the cost of medicines, hospital stays and doctor's fees, and will continue to pay the person's wages for a certain period. The same is true if a close relative falls ill, forcing the worker to take time off work.

Informal workers have no such support unless the country where they live has free or affordable health services. They must cover the medical expenses themselves, and lose any earnings they would have made from work. Illness or injury can push them into poverty, or make it impossible for them to climb out of it.

#### Services

##### **Social security**

Health care,  
maternity  
Occupational  
injury & Illness  
Unemployment,  
skills training  
Disability  
Pension

##### **Social assistance / safety nets**

Cash, food (condi-  
tional, unconditional,  
for work)  
In-kind  
School feeding  
Fee waivers

Universal health coverage is a target of Sustainable Development Goal 3 adopted by the UN General Assembly in 2015. Many countries have enshrined it in their policy agenda. Health coverage is most commonly based on social contributions that employers and employees pay as part of conventional social security schemes. Many such schemes are also open to the self-employed. But other systems also exist; in Brazil, South Africa and Thailand, primary healthcare is funded through general taxation and is freely available.

Health coverage is the type of domain that the formal private sector can easily cover, provided that there is profit to be made. Contributions can be collected in various ways: the worker may pay directly, or the employer may deduct the worker's contribution from his or her wages. The employer may also be required to contribute an additional amount on top of this. Microfinance and microinsurance schemes collect small sums of money from their members and use them to cover medical and other expenses. Participation in such schemes may give members the right to join more formal mutual insurance schemes. An example of this is in Côte d'Ivoire: AVSI (a partner in the RNSF project) has helped small cooperatives of artisans to use their savings to join a pre-existing mutual fund. Such mutuality models are expanding rapidly across West Africa.

### *Occupational health and safety*

Informal workers often work in hazardous environments such as building sites and waste tips, and they are subject to a wide range of risks: accidents, injuries and long-term exposure to hazardous materials. And because they often work without any protection, informal workers are more prone to occupational injuries and diseases than most people in the formal economy. Insurance against such risks can be covered in the same way as for other health problems, but it can be difficult to persuade workers to invest money in such schemes.

Advocates of occupational safety generally stresses prevention: they distribute protective clothing and equipment

such as gloves, boots, masks and helmets, and persuade employers to provide such items, train workers in safety procedures, and make workplaces safer.

But the core problem is that legislation on occupational health and safety covers only formal places of work (offices, shops, factories, mines); it does not recognise informal places of work (roads, homes, landfills) as workplaces. This fact, along with the fact that there is often no employer, means that informal workers have to shoulder the burden of guarding their own health whilst at work. Because these workers are poor and need to keep productivity up, they will often neglect their health in favour of self-exploitation.

### *Maternity and child care*

Many countries lack provisions for health care and time off for women (and men) during pregnancy and after childbirth. The need to earn money forces many women to work throughout their pregnancy and return to work immediately after giving birth, relying on relatives or friends to take care of the infants. Or they give up work completely for several years when they have children, making it much harder for them to return to the labour force later. This is a problem in both the informal and formal economies, though women in the formal economy do tend to be treated somewhat better than those in informal employment. Around the world, few women have access to child care services (UN Women 2015).

### *Unemployment benefit*

Workers in the formal sector (and their employers) are required to pay into a fund that provides them with unemployment benefits should they lose their jobs. Employers are required to report when they hire or fire workers. Banks report on income paid into workers' accounts, making it easy to chase up people who are cheating.

For workers in the informal economy, such schemes are voluntary at best. And for most of them who are self-employed,

they do not apply. Unemployment benefits are difficult to manage in the informal economy. Informal enterprises are unlikely to report that a worker has been laid off (so qualifies for unemployment benefit), or that new workers have been hired (so should be taken off the rolls). Few informal workers have bank accounts. And they have an incentive to cheat: to draw unemployment benefit at the same time as working.

### *Skills development*

Skills development is an essential but oft-neglected aspect or adjunct of social protection programmes. Most informal workers are self-taught or learn on the job; few organisations train people in the skills they need to qualify for better-paying, formal jobs. Even where social protection programmes offer short-term employment (such as in cash-for-work schemes), they use them as unskilled labour; they rarely try to build the workers' skills to make them more employable.

Some programmes help young people get education and training: for example, they provide allowances for formal secondary and tertiary students or for training in technical skills. They may also offer training to adults in the informal economy who have a specific vulnerability - such as women heads of households, people with disabilities and those with chronic health conditions such as HIV.

### *Pensions for old age or disability*

Once someone stops working, they become dependent on other sources of income: their savings and accumulated assets (such as property), relatives and neighbours, or a social protection scheme. People in the informal economy are particularly vulnerable: they have few opportunities to save or accumulate assets, and they are rarely enrolled in pension schemes. Many must continue working until they are no longer physically able to do so. They then become dependent on their families, unless non-contributory pension systems exist (as in Southern Africa and Kenya).

### *Social assistance*

Social security is aimed at workers (who can be expected to contribute to a fund) and their dependents. Social assistance, or safety nets, generally helps people who cannot afford to contribute to pay contributions – the very poor, disaster victims, and refugees. Such programmes are generally run by governments and development and relief agencies: the private sector has little incentive to get involved. A big problem with cash grants is that they are often aimed at the poor, and not at informal workers who are not “vulnerable” or poor enough to qualify. So there is a “missing middle”: informal workers are excluded from formal social protection systems, and from the social assistance schemes, which cater to the very needy.

A wide range of safety nets exists (World Bank 2015): cash transfers, cash for work, food for work, guaranteed employment schemes, school-feeding programmes, fee waivers, subsidised staple foods, and various in-kind transfers (equipment, inputs or livestock).

#### Box 4.

#### The PPP+T social protection framework

The PPP+T (protective, preventive, promotive, transformative) framework is a way of classifying social protection measures.

- **Protective** measures provide relief from deprivation. Examples are social assistance programmes such as disability benefits, orphanages and services for refugees. This corresponds to the social assistance category in Figure 4.
- **Preventive** measures seek to avert deprivation: to prevent a fall in living standards through ill health, accidents and old age. They include pensions, health insurance, maternity and unemployment benefits, savings clubs and funeral societies. This corresponds to the social security category in Figure 4.
- **Promotive** measures aim to enhance incomes and skills: to improve living conditions and help people overcome deprivation. Examples are microcredit, the granting of property rights, and crop diversification.
- **Transformative** measures seek to improve social equity and overcome exclusion. They include collective action for workers' rights, and campaigning for the rights of minorities.

More information: Devereux and Sabates-Wheeler (2004)

Many development projects have used such transfers to encourage farmers and others to adopt new technologies. But this is becoming less common: it is unsustainable, distorts the market for food, and reduces farmers' incentives to grow food and traders to bring it to market. Its effectiveness is also questionable: farmers all too often revert to their former practices after outside support ends. Work programmes normally involve unskilled labour; few include any training that helps people learn skills that will help them find a job.

On the other hand, experiments with cash transfers shown this can be an effective way for people to raise themselves out of extreme poverty. Such cash transfers are not enough to live on: they typically cover only about 10% of the average consumption of the poor (World Bank 2015 p. 43).

Some social assistance programmes are **conditional**: recipients must do something (such as ensuring their children are vaccinated or attend school) to qualify. Others are **unconditional**: everyone (or everyone below a certain poverty line) qualifies – though this can be expensive and mean poor targeting (see section I.2.2).

In some cases, **in-kind transfers** are preferable to cash transfers. They generally consist in the provision of small items of equipment, raw materials and livestock to provide the basis for a sustainable, independent income.

### *Clients*

“Clients” or “beneficiaries” are the individuals who receive support from the social protection system; in contributory schemes they also pay into it directly. The system may cover just the workers (e.g., for unemployment or work-related injury) or

**Clients**

Citizens  
Workers  
Men, Women, Children  
Families  
Communities, groups

#### **Types of work**

Civil servants  
Salaried staff  
Wage earners  
...  
Construction workers  
Street traders  
Waste pickers  
Outworkers  
Domestic staff  
Agriculture  
Self-employed  
...



their immediate family too (health care, survivor's pensions). Social assistance schemes may be universal or aim at certain categories of people, based i.e. on age, geographical origin, health or disability status.

The clients must not be seen in isolation from their family and community. Factors such as family ties, ethnicity, gender, caste, migration, social exclusion and wealth have a major bearing on whether someone requires support at all and the type of assistance that may be needed.

### *Types of informal work and consequences for social protection*

Formal workers tend to work in a restricted range of jobs: most work for a single employer such as the government, a company or a professional organisation. Informal workers work in a much wider range of situations: different employers may hire them on a daily basis (construction workers), they may work for themselves or a family enterprise (street vendors, waste-pickers, farmers), or be employed in someone else's household (domestic servants).

Social security systems and health and safety rules often rely on the worker having a single, fixed workplace, such as a shop, office, factory or mine. They do not cover places where many informal workers operate (construction sites, public sidewalks, informal markets, private homes, backyards and refuse dumps), or mobile workers (porters, taxi and rickshaw drivers).

There is a continuum between wholly informal and wholly formal employment. The dividing line is not always evident, and this has implications for initiatives that try to extend social protection to informal workers. An example is a construction worker who has no contract but is employed in a formal construction company. It is in principle relatively easy to integrate such workers into existing social protection measures such as unemployment insurance, as has happened in Brazil and South Africa.

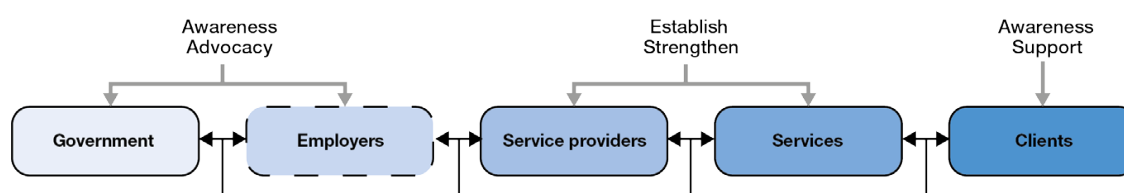
People may receive social protection benefits through their identity as citizens, rather than as workers. For example, a



woman working informally may receive a child support benefit if her income is so low that she qualifies. A disabled person may sell newspapers on a street corner while at the same time receiving a disability grant from the state.

### *International organisations and agreements*

International organisations (such as the International Labour Organization) and regional groupings (such as the African Union) play a major role in developing norms, guidelines and strategies on social protection and labour issues. They broker agreements among countries (such as the Sustainable Development Goals and ILO Recommendations) and then monitor governments' compliance, cajoling (and if necessary, naming and shaming) them into action. They employ specialists who advise governments on how to develop and implement social protection programmes .



### *Civil society and development assistance*

Civil society and development organisations intervene in the social protection system in three main ways.

They raise the **awareness** of government and **advocate** for social protection to be extended to people in the informal economy. They press the government to pass laws and design policies that bring informal workers under the social protection umbrella. They press employers to include their workers in such schemes.

They help **establish and strengthen** social protection services tailored to the needs of people in the informal economy. Such schemes may be run by the government, the private sector, or by non-government organisations and local groups. Such efforts may include increasing the number and types of

people covered, expanding the range of risks covered, expanding the level of coverage, improving the efficiency and effectiveness of services, and improving their accessibility.

They work directly with the clients, actual or potential, of social protection schemes. They raise **awareness** about their rights and **support** them to get the services they need – for example by helping them register with the appropriate government scheme. They also help workers organise to pressure the government to set up or expand social protection services to cover them.



*Porters in a vegetable market in Kenya waiting for an assignment.*

*Photo: Marco Bombetti*

## **II. Legal and institutional strengthening**

### **1. Legal frameworks for informal workers**

Informal work may be defined as work that is without legal and social protections. Informal workers do work, however, within a country's legal and institutional framework, which includes the body of laws, institutions and policies. This chapter focuses on those parts of the framework that regulate labour, social protection and provision of health services.

But do these laws, institutions and policies cover the population dependent on the informal economy entirely, adequately, partially or not at all? Are they even concerned with them? At one end of the spectrum are countries where the law is comprehensive, the institutions that apply them are efficient, and they are supported by adequate policies and infrastructure so that the people benefit from their rights. At the other end of the spectrum are countries where there is no law (or laws are weak, punitive, unimplemented or ignored), and institutions are inadequate or inefficient.

The starting point of an assessment on social protection and the informal economy is to identify what exists and is accessible to informal workers, with what degree of coverage. Can the existing system be expanded or reformed to reach the excluded, and if so, how? Are new or reformed policies,

laws and institutions possible? Can such a reform be achieved from the top, or does it need a bottom-up approach with contributions from informal workers, trade unions and other civil society organisations? How can implementation and monitoring make reforms more appropriate and enable informal workers to claim their entitlements?

Social protection schemes are normally the mandate of the national (or in federal countries, state) government. But they cannot be isolated from the many other legal and institutional factors that affect workers. Such factors may be the responsibility of lower levels of government, and addressing them is important to prevent informal workers from becoming dependent on social protection safety nets.

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#### *Scheme design*

The design of a social protection scheme plays a big role in determining whether it will be effective in serving workers in the informal economy. Most social protection schemes simply ignore these workers: they focus only on protecting workers in the formal economy. To benefit informal workers, new thinking is needed. The scheme design must take into account

the specific features of the informal economy and the needs of informal workers.

### *Governance*

Improving or reforming systems depends on good governance. A well-functioning system would include at the least three elements:

- Isolation of the scheme from political interference
- Clear routes of accountability
- Participation of multiple stakeholders in governance.

But in too many countries – both developed and developing – social protection benefits are used to “buy” votes, lines of accountability are opaque and confusing, and stakeholder participation is narrow or lacking completely.

### *Representation and voice of informal workers*

This chapter includes a discussion of the representation of informal workers in policy and legislative design and reform. A necessary but not sufficient condition for representation is the recognition of informal work as “normal” work. There are many examples worldwide of informal workers engaging with those who control their work places and conditions. These range from local meetings negotiating about an urgent issue, to consistent and enduring representation on national bodies and commissions.

### *Formalising informal wage workers*

Informal workers may be categorised as waged workers or as self-employed. Recent discussions at the annual International Labour Conference have taken the theme “Formalising the informal economy” (ILO 2015). This chapter identifies actions (mostly involving employers) needed to move towards formalisation.



## 2. Why extend social protection to informal workers?

**Social protection is a right.** The citizens and residents of a country are entitled to certain types of protection; these rights may be guaranteed by national constitutions, laws and by-laws, or by international treaties.

**Social protection benefits workers.** Social protection promotes healthier, more productive, and empowered lives for informal workers. When good health care is easily accessible, for example, workers can get early and effective treatment. If not, easily treatable diseases may become more serious; the workers can no longer work, support their families or take part in community life. When women workers can get maternity benefits, they can take time off to care for their babies. Without this, they may have to keep older daughters out of school to provide care or send them to work in their place.

**Social protection benefits everyone.** By helping people in need, social protection avoids the disruption, loss of productivity and social unrest that would otherwise occur. That benefits society as a whole. The cost to society of not providing social protection is greater than the cost of providing such services.

**Workers pay for it.** “Informal workers and enterprises don’t pay tax.” But they do! While they may not pay income tax, they still contribute to the government’s coffers in other ways: through sales tax or value-added tax on purchases, fees for water, electricity and sewerage, school fees, public transport fares, and so on. Informal workers contribute to the broader economy by producing goods and services that others consume (see section I.2.1). Ensuring they have social protection is a way of ensuring they benefit from these contributions to the common good.

**Social protection promotes social and political stability.** A fair social protection system creates a conducive environment for sustainable growth, helps reduce inequalities and eases tensions among communities and social classes.

**It is in the clients' own interests.** Throughout life, we all face a range of hazards: illness, injury, disability, unemployment, death. When one of these hazards strikes, it can be devastating to us and our families. It is in each person's interest to spread the risks onto as many other shoulders as possible. That is what social protection does.

**Social protection contributes to economic development,** by promoting skills development and productive investment among beneficiaries. Access to social protection strengthens households' ability to invest and to take productive risks. It boosts livelihoods and increases national economic resilience.

### **3. Improving the design of social protection schemes**

#### ***3.1 Why no protection?***

##### *Schemes designed for formal workers*

Social protection programmes are generally designed in a top-down manner by politicians and technocrats, behind closed doors, and without broad-based consultation and participation. They are often modelled on the equivalent programmes in the developed world. This has its advantages: the programmes are likely to be reasonably efficient and financially sustainable. But it also brings with it some major disadvantages:

- The programmes focus only on the formal part of the economy: the government and larger enterprises; skilled, salaried, better-off workers; and urban areas. They neglect the informal economy – small enterprises, informal workers and rural areas – and they fail to cater to their needs.
- The designers of social protection schemes do not necessarily understand the situation and needs of people in the informal economy. The potential clients have little opportunity to make their voices heard in key design decisions, such as who the scheme should serve, what types of benefits it should offer, and what contribution levels should be.

- A design based on a context different from the one the scheme is meant to serve may be inefficient and financially unsustainable.

Most social protection schemes aim to serve workers in the formal economy; they may neglect to cover informal workers, or they may exclude them deliberately. And even where they are mandatory, many informal workers do not pay into such schemes.

### *Lack of rights*

Many governments fail to acknowledge that they have a duty to protect their citizens (after all, what else are governments for?) (World Economic Forum 2017). Where they provide social protection, it is often in the form of welfare schemes (social assistance) based on a concept of charity, not on the legal rights of the recipients.

Where a formal right to social protection exists, the issue of realising it is key. Although informal workers may have a constitutional right to social protection, it may not have been codified in law or policy. And even where policies and programmes exist that cater to informal workers, a large gap often still exists between what the legislation says and the actual situation that informal workers face in accessing their rights.

### *Size and diversity*

In many developing countries, the informal economy is very large and diverse. The sheer numbers of people who need to be covered present governments with huge organisational, logistical and financial problems. It also limits the range and quality of benefits that can be offered: for the worker, a very small pension may not be worth having; for the government, it may cost more than it is worth to administer.

The diversity of the informal economy makes it difficult to design a scheme suited to all workers and situations.

### *Invisibility*

One of the defining features of enterprises in the informal economy is that they are not registered with the authorities. That makes it difficult for the government to identify them and their workers, and to require them to enrol in and contribute to a social protection scheme. Workers with no fixed workplace (e.g., taxi drivers, construction workers, mobile vendors), and the self-employed are particularly hard to identify.

Some enterprises and workers deliberately conceal their existence from the authorities to avoid controls and taxes. This is particularly true of enterprises that employ people illegally (illegal immigrants, children) or that have dangerous working conditions.

### *Multiple jobs*

Workers in the informal economy may hold several jobs at the same time (Box 5). Common situations include the following:

- A single job does not pay enough to make ends meet (for example, if it is part-time, or it is full-time but pays a low wage).
- Jobs are seasonal: a security guard may work as a taxi driver in the tourist season.

#### Box 5.

#### **Multiple jobs in Madagascar**

In many developing countries, between 5 and 20% of the employed population have more than one job. But in Madagascar, more than 70% of workers do so: nearly 2 out of every 3 farmers, 3 out of 10 civil servants and 6 out of 10 teachers. Farming accounts for 40–50% of the additional activities.

Low wages and poverty are the main reason for people balancing two or more jobs. The poverty rate in Madagascar is around 75%, and only 35% of the population are urban. Many people still own farmland or have close ties to rural areas, so farming is an obvious source of extra income to them.

More information: Charmes, Jacques. Estimates based on the results of the Labour Force Survey (INSTAT (2013), National Survey on Employment and Informal Sector ENEMPSI 2012.

- Formal workers supplement their incomes by doing additional part-time work, but may want to avoid the tax and hassle of registering it.

Such multiple jobs make it hard to decide how much each worker should contribute to a scheme and who is eligible for assistance.

### *Official attitudes*

“When are you going to get a proper job?” is a question that many young people must endure from their parents or grandparents. Older people do not seem to count youngsters’ part-time, irregular or seasonal jobs as real work.

The same is true of informal work: many governments do not count it as “normal” employment. Several attitudes contribute to such a view:

- **“Informal work is trivial”.** The authorities may regard informal work as unimportant. In this view, part-time work, for example, produces little for the economy; someone with a full-time job is more productive. This view ignores the role that part-time work plays in supporting the livelihoods of huge numbers of people. Such attitudes are most marked when it comes to women: many work at home (or in other people’s houses as domestic workers). Their contribution to the economy is largely ignored. Their unpaid domestic work (cooking, cleaning, washing, child care) is still not regarded as employment at all.
- **“Informal work is undesirable”.** Officialdom may see informal employment as undesirable or even illegal: something to be either ignored or suppressed. Generating lots of high-paying factory and office jobs is a vote-winner; making life easier for street vendors who clog traffic is not.
- **“If you can’t measure it, it doesn’t exist”.** Informal employment is hard to measure because it is largely

hidden from official view. Although statistics have improved in the last two decades, two major sources of information (data from income tax authorities and social protection agencies) fail to pick up informal employment. As a result, the numbers that appear in official statistics are fuzzy at best, and many categories of informal workers do not appear at all. If policymakers have only a hazy idea of how many informal workers exist, they cannot design policies that cater to their needs.

### *Inadequate legislation*

Many countries lack a legal framework to address the social protection needs of workers in the informal economy (WIEGO 2017). Laws and policies are aligned to the formal economy, even though the informal economy may be much larger and employ more people.

### *Coverage*

Social protection schemes may aim to be universal (to cover all residents, citizens or workers), or they may be targeted (specific to a particular group, such as waste-pickers). Many are focused on workers in the formal economy, discriminating against informal workers or ignoring them altogether. Gaps may result from the rules being applied unevenly. Unscrupulous administrators may favour specific applicants and reject others, or demand additional payments for services that should be free.

Non-contributory social-assistance schemes are targeted at the poorest – those with tiny incomes or none at all. They exclude people who earn slightly more, which means most workers in the informal economy: they form a “missing middle” that is not covered by any form of social protection.

### *Complexity, fragmentation and overlap*

Many disparate and poorly organised schemes provide social assistance to specific categories of the poor. These schemes may be the responsibility of various departments and layers of government: India’s central government has at least 44 relevant



laws (Government of India, undated); the states have many more. Schemes may be inadequately funded, non-statutory in nature, and subject to frequent changes. Labour rules are often complex and confusing.

Sector-based schemes often deny certain clusters of workers the opportunity to enjoy some benefits, and many workers fall through the cracks. Employers and workers may have to register with several different organisations, each with its own forms to fill in and time-consuming procedures to follow. Inefficiency, confusion, unnecessary expenses and gaps in services are the result.

#### *Administrative inefficiency*

Procedures to register enterprises and workers and to disburse benefits may be lengthy: it may be months before a scheme pays out money that a worker is owed.

#### *Penalties for non-compliance*

Workers or employers who do not contribute to mandatory schemes face stiff penalties. Rather than pay contributions or a fine, many prefer to conceal the employment relationship from the government.

#### *Lack of incentives to comply with social protection*

Most contributory social protection schemes provide long-term benefits that do not appeal to most people dependent on the informal economy. Even if they could afford contributions, many workers prefer to meet their short-term needs than put money in social security scheme.

### ***3.2 How to include informal workers***

#### *Recognise informal work*

Changing attitudes among policymakers and officials is vital. They must accept that informal work is normal work, and that it is vital to a large segment of the population. This is necessary in designing social protection schemes and providing source of livelihoods to cover people in informal employment.

Governments must recognise that the informal and formal economies are different, and that different policies are needed to deal with them. The policies must be sensitive to the needs of informal workers and employers.

### *Recognise rights in theory and practice*

Some countries do not yet recognise the right to social protection. If so, the focus will be on changing the law to create such a right. Where rights exist in theory but not in practice, the focus is for the government to change its policies, implement its own laws, and employ practical measure to facilitate increased access to social protection services among informal economy.

### *Identify need of the informal economy and what already exists*

To cover informal workers, social protection schemes must be designed specifically to include them and to suit their needs. It is necessary to first assess the legal framework, existing social protection services, whether informal workers can access them, and whether the existing system can be expanded or reformed to reach the excluded. To what extent can new or reformed policies, laws and institutions be proposed and designed? Pension rules, for example, should cater for different categories of informal workers. Regulations should allow for the wide range of employment situations in the informal economy: small enterprises, family enterprises, self-employed, irregular earnings, etc.

### *Aim to cover everyone*

Poverty should not be a reason to exclude people from a social protection scheme – after all, it is the poorest who need social protection the most. Governments should aim to ensure that social protection adequately covers everyone. Three general approaches exist:

- Make **publicly funded schemes universal**, extending them to those not currently covered. Doing this is

expensive, so strong political will and a commitment to find the money are needed. Zanzibar's Universal Pension is an example of how this can be done (Box 6).

- Design a **framework law** to cover the whole informal economy, within which sector-specific schemes can be implemented progressively. This is the approach used in India's Unorganised Sector Social Security Act of 2008.
- Develop **piecemeal schemes** for each sector and try to ensure that there are no gaps. This is the easiest option as it allows an industry-by-industry approach, but may end up with incompatible systems that are difficult to knit together.

#### Box 6.

### The Universal Pension Scheme in Zanzibar

The Zanzibar Universal Pension Scheme of 2016 shows that with determination and political will, it is possible to offer non-contributory universal social protection even for those with very low or no income at all.

Very few of the elderly in Zanzibar qualified for pensions under existing schemes as they had never been part of the formal labour market. High rates of poverty have left them in a precarious position.

The Zanzibar government put the universal pension plan into effect after a sustained campaign by groups of elderly people and non-government organisations. Evaluations of a pilot scheme run by an NGO in northwestern mainland Tanzania showed that a pension would have positive impacts on older people and their families. A feasibility study in the mainland and a review of expenditure showed that a universal scheme would be practicable. A detailed implementation plan and operations manual helped show how the scheme would operate in practice. Media campaigns made people aware of the needs and possibilities; "champions" were found to raise the issue in the Zanzibar parliament.

All Zanzibar citizens over 70 qualify for a pension, as do other residents who pass age and residency criteria.

The pension of TZS 20,000 (about USD 9) a month is modest: it is equivalent to about half the food poverty line. On its own it cannot lift recipients out of poverty. But it is a valuable additional income for people who have few assets and little or no way to earn money.

The government has earmarked TZS 6.5 billion (USD 2.8 million) for the scheme, or about 0.24% of Zanzibar's gross domestic product. This makes it the cheapest universal pension scheme in Africa.

Source: Gbadamosi and Knox-Vydmanov (2016)

### *Discuss with stakeholders*

It is important to involve representatives of the informal economy in the design or revision of a scheme. This ensures that their concerns are met, generates political buy-in, and results in a programme that is more likely to serve their needs.

The degree of involvement may vary from consultations to a full bottom-up, participatory approach with representation from informal workers, trade unions and other civil society organisations. The type of involvement will depend on the situation and the nature of the changes under consideration.

Dialogue partners will include:

- **Informal workers in various categories.** Make sure to include women and young people: their interests are often different from those of men.
- **Employers.** The owners and managers of informal enterprises, formal enterprises that employ informal workers (such as construction firms), and employers of domestic workers.
- **Workers' representatives.** Leaders and representatives of informal and formal workers' organisations such as associations and unions (where these exist).
- **Other community leaders.** These include traditional and religious leaders, opinion leaders.
- **Local officials.** These are the people who are responsible for interacting with the clients.
- **Intermediaries:** Community organisations and non-government organisations that deal with informal workers and social protection.
- **Media:** Radio, television, newspapers and social media.

See sections III.3 and III.4 for more ideas on how to work with stakeholders.

Box 7.

### Involving workers in designing social protection schemes

**Homenet Thailand** (Homenet Thailand 2017), a member of the regional network of South East Asia Home Based Workers, has been involved for more than a decade with developing policy on and implementing universal health coverage (Box 21).

The **Alliance for Zambian Informal Economy Associations**, an affiliate of the Zambia Congress of Trade Unions, has street vendors among its members. It participates in Zambia's National Technical Working Group on Extension of Social Protection to the Informal Economy. This is a national government-led initiative, supported by the International Labour Organization. One of its initiatives is the Zambia Green Jobs Programme for the construction sector (Box 26).

#### *Provide a minimum level of social protection*

One approach is to provide a minimum “floor” of social protection for informal workers. An example of this is India's Unorganised Workers Social Security Act, passed in 2008. Such an approach should cover at least:

- Health and maternity benefits
- Disability benefits
- Old age pension
- Life insurance benefits.

#### *Give priority to short-term needs*

Informal workers have both immediate and long term needs. If it is not possible to cover both, their short-term needs should receive priority. Nevertheless, a balance of between short- and long-term needs is important: one objective should be to meet the needs that may arise in old age.

#### *Encourage enterprises to become formal*

Schemes should provide incentives for employers to register formally and not to conceal the employment relationship with their workers. Rewards for formality might include improved coverage (better quality and more benefits in return for higher contributions), an amnesty for unpaid contributions, easier registration procedures for businesses, and tax exemptions.

### *Provide incentives for workers*

Rather than focusing on sticks (penalties for non-compliance), governments should offer incentives to encourage workers to enrol in social protection schemes. One such carrot is financial: the government could match contributions made by workers into their fund. For each dollar, rupee, franc or shilling the worker pays in, the government could pay in an equivalent amount. This would be a powerful way to motivate informal workers to enrol in a scheme. Such measures depend on the government having the money to pay into the fund over the long term.

### *Enhance transparency and accountability*

Procedures and decisions should be made more transparent. Representatives of informal workers and employers should be involved in guiding the schemes and making decisions. Rules should be made clearer and explained to clients in a way they will find easy to understand. The programmes should be monitored regularly and the findings made public. Mechanisms should be created to allow clients to appeal decisions.

## **4. Improving governance**

Good governance is critical for the successful implementation of any social protection scheme. It includes the participation of stakeholders, consensus building, accountability, transparency, responsiveness, efficiency, effectiveness, equity, inclusivity and following the rule of law.

The responsibility for managing universal social schemes lies with various levels of government. Officials and structures at each level, from national policymakers down to local administrations, must ensure that the scheme enables clients to access social protection. Some aspects of universal schemes (such as health benefits) may be undertaken by private-sector or non-profit providers.



The government, private-sector institutions or development organisations may manage schemes that are targeted to specific segments of the population.

#### ***4.1 Problems in governance***

##### *Funding*

Because of the difficulty in obtaining contributions from employers and workers in the informal economy, many social protection schemes targeted to informal workers are publicly funded. But the financing of such schemes is often inadequate, leading to low coverage and inadequate benefits.

**“Benefits meant exclusively for the poor often end up being poor benefits”**

*Amartya Sen (1995)*

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##### *Lack of capacity*

A lack of administrative capacity poses a major challenge in managing social protection. Staff are poorly trained and lack the equipment and data they need to do their jobs. They may lack the budget and means to reach and serve large numbers of informal workers. Ill-equipped local offices are easily overwhelmed.

The assumption that governments have the capacity to deliver all the services implied in international instruments is greatly misleading. Many governments of developing countries lack the financial and human resources to do so, making it impossible to implement well-intended policies.

##### *Lack of transparency and accountability*

The reasons for decisions are often obscure and are not explained to clients. The clients have little room to appeal if a decision does not go their way. Clients also lack knowledge on how to appeal decisions or how to hold service providers accountable.

### *Political interference*

Publicly funded schemes attract a lot of political interest because they have far-reaching impact, control a lot of money, and touch on income stability – a concern for almost everyone. Politicians may see them as a source of power and a way to win votes. They may try to control the leadership of social protection institutions as well as favouring specific groups when targeting the schemes.

### *Corruption*

The possibilities for corruption in social protection schemes are many: scheme personnel, employers and workers all have incentives and opportunities to cheat. Officials may demand bribes from both employers and workers for ignoring violations. Managers may divert money intended for the poor into their own pockets, or may favour certain people (such as their own relatives or ethnic group). Employers and workers may wish (or be forced) to pay bribes to avoid harassment or the additional costs of complying with the rules.

A failure to tackle corruption reduces trust in government-run services, discourages workers and employers from signing up, and means that the poor do not benefit from measures intended for them.

### *Public image*

Social security institutions should bridge the gap between two worlds: that of financial institutions, and service to the public. They often are seen to be part of the former: remote, technocratic and elitist, with little understanding for their clients. This impression is reinforced through reports on their assets, investment portfolios and financial activities. They are governed and managed by people with a background in finance, management or politics. Media reports draw attention to mismanagement and corruption. The schemes fail to present themselves as a service that is clean and professional yet customer-friendly.

The inefficiencies in service delivery also contribute to creating a negative public perception of social protection schemes.

Even if services are available, it may be difficult to convince people to use them. For example, they may prefer to receive benefits from intermediaries rather than directly from the bank because they do not feel comfortable inside the bank.

## ***4.2 Ways to improve governance***

### *Ensure adequate funding*

Adequate funding is a necessary but not sufficient condition for good governance. A scheme that is short of cash will not be sustainable and will not be able to serve its clients. Governments must make sure that the scheme has enough funds to fulfil its undertakings. See section II.5 for details.

### *Build government capacity*

Governments should prioritise efforts to build their own capacity to deliver social protection services. There are many ways to do this: training staff, hiring new staff, providing equipment, developing management systems, opening more service offices, and digitising records and communications. Services might be delegated to private-sector providers operating under government supervision. Legislation is needed to ensure that social security funds are not abused.

Donors and non-government organisations can assist the government to build its capacity, particularly in designing management approaches and training staff. Officials could learn much by visiting other countries to observe best practices there.

### *Improve technology*

New technology can help improve social protection services in various ways:

- **Smartcards and biometric authentication** (fingerprints, face recognition) can improve the identification of clients and prevent benefit fraud.

## Box 8.

### Making data easy: Kenya's Single Registry

The screenshot shows the homepage of the 'Single Registry for Social Protection'. At the top, there is a navigation bar with the 'SOCIAL PROTECTION' logo and tagline 'enhancing synergies, improving lives'. The navigation menu includes 'Home', 'About Us', 'Social Protection Components' (highlighted), 'Partners', 'Information Center', 'Single Registry', 'National Safety Net Program', and 'Contact Us'. A search bar is also present. Below the navigation bar, the page title 'Single Registry for Social Protection' is displayed. The main heading is '1REGISTRY' in large green letters, with 'eSolution for social accountability' in red below it. A 'Background' section follows, containing text about the growth of social assistance in Kenya and the challenges of fragmentation and duplication of effort.

**SOCIAL PROTECTION** enhancing synergies, improving lives

Home About Us **Social Protection Components** Partners Information Center Single Registry National Safety Net Program Contact Us

Home > Single Registry

## Single Registry for Social Protection

# 1REGISTRY

eSolution for social accountability

### Background

Social Assistance in Kenya has experienced significant growth in the past few years; this includes the exponential growth in the number of beneficiaries households covered to the current over 600,000 in 2016 from all the counties. This growth, however, has been plagued by a number of challenges. The main challenge has been fragmentation and lack of coherent coordination mechanisms, which results in missed opportunities for ensuring efficiency of the investments made. Consequently, duplication of effort and parallel implementation structures do not optimize the limited capacity or support a coherent approach to capacity building across the sector.

Kenya's Single Registry for Social Protection aims to consolidate the country's fragmented social security schemes and help them scale up. It is a web-based, automated management information system that stores information from various social assistance programmes. Conceptualised in 2011, the registry shows at a glance the beneficiaries of the social security programmes, the assistance they qualify for, and how they can get it. The registry currently holds information on nearly 900,000 beneficiary households: about 2% of Kenya's population.

Individual social security programmes collect and update the data. The data can be authenticated by checking against the government's Integrated Population Registration Services, which maintains the national population register of 30 million people. Protocols define how the data may be used and shared.

In designing this registry, Kenya drew largely on a model developed in Brazil. A big challenge was to convince the individual schemes to agree to be included in the registry without compromising their autonomy or privacy.

Developing such a system requires a substantial investment in terms of time and money. Various donors have supported the government in establishing the system, but the government must now run it in the long term.

Kenya has ambitious plans to extend social security and health benefits to all citizens. The Single Registry will be a key part of this effort.

More information: Winnie Mwasiagi, [www.socialprotection.or.ke/single-registry](http://www.socialprotection.or.ke/single-registry)

- **Digitised records** can reduce errors, improve data storage and sharing, and speed up the processing of claims (Box 8).
- **Mobile phones** can be used to transfer contributions and make payments to beneficiaries.
- **Websites** can make information available easily and at no cost to both clients and scheme officials.

These technologies can speed up all stages of the social protection system, from registration to accessing benefits. By simplifying and automating procedures, they can cut out intermediaries and reduce errors and opportunities for corruption.

### *Improve statistics*

Attempts to improve social protection depend on having reliable data. Two levels of detail are needed:

- **Estimates for design and budgeting.** Estimates of the numbers, types and locations of informal workers, their income levels and their contribution to the national economy. These must be disaggregated by industry, occupational type, gender and location. They can be based on samples. Organisations such as WIEGO work closely with national statistical agencies to collect and analyse such data (Charmes 2012 and 2016, Vanek et al. 2014).
- **Data for targeting beneficiaries.** Information on individual workers is necessary to determine eligibility and deliver services. Such information can come from household and community surveys (conducted before people register with the scheme) as well as the registration procedure itself.

Improved data would reveal lots of useful information about the diversity, geographical spread and seasonality of the informal economy, along with attrition rates (as businesses are

set up and close down). Governments can use this information to plan not only social protection schemes but also facilities and services such as transport, health and education services.

### *Improve coordination between programmes*

Better coordination between the various elements in a social protection system, and with health and education agencies, would improve efficiency and the use of resources. For example, contributory and non-contributory schemes should work together to ensure that people in the informal economy are covered. Social assistance programmes could be expanded to cover informal workers who are able to pay little or nothing into contributory schemes. A single registry of workers could reduce duplication and wastage. Initiatives such as empowerment programmes and training in business skills and financial literacy could motivate informal workers and enterprises to join social protection schemes.

### *Fight corruption*

Corruption in social protection programmes must be taken seriously and strong efforts made to fight it. Measures include redesigning systems to reduce the opportunity for corruption, strict monitoring of staff and accounts, easing mechanisms for complaints, better targeting of beneficiaries, encouraging whistle-blowers, increased awareness, increased transparency, and heavier penalties for those found guilty.

### *Reduce political interference*

Clear rules are needed to prevent political interference. The roles and responsibilities of officials must be clearly stated in the legislation to protect them from such meddling. Procedures are needed to prevent and report attempts at undue influence.

### *Work with local government*

Local authorities (city, district, village, local chiefs...) are key intermediaries in social protection programmes. They play three major roles:



- **As the local implementers and enforcers of national government policies.** Local government offices may be where workers come to register for benefits; labour inspectors attached to the district council may be responsible for checking on violations; city police enforce rules (or may harass informal workers such as drivers and street traders).
- **As creators and implementers of local policies.** Local governments may create and enforce their own rules and bylaws relevant to social protection. Certain levels of government may set up their own social protection schemes.
- **As an interface with the community.** Local government officials can be key players in encouraging and supporting (or discouraging) community social protection initiatives. For example, they may allocate space for traders to sell, or provide washrooms that informal workers can use. The municipality of Belo Horizonte in Brazil has allocated space for child-care facilities for waste pickers (Moussié 2016).

But local governments have limited resources and staff with the appropriate skills to manage social protection programmes. Their knowledge of both the national government policies and programmes and of community needs and programmes may be weak. Coordination may be ineffective within the local government, with other levels of government and with the community.

Discussed below are some ways to help local governments improve their work with social protection for informal workers.

### *Assess needs of local government*

First, assess the status and needs of the local government staff and institutions. This should cover existing bylaws and local policies, the staff's knowledge and awareness of social protection issues, their abilities to translate policies into

implementation, their understanding of informal workers' needs, and their links with community organisations.

### *Train staff*

Once the needs have been identified, ways to fulfil them can be identified. This will probably involve training – through courses, workshops, cross-visits to other areas, etc. Because social protection is likely to be a new concept for many staff, the training should cover basic principles and mechanisms, as well as how to translate policies into action to serve informal workers. It should help the staff understand the strengths, weaknesses and needs of the communities they are supposed to serve. Other possible topics include understand basic human rights, and how to strengthen community saving groups and social funds, foster community business associations, organise remittances, and monitor social protection programmes.

Alongside training, other means to strengthen the awareness, knowledge and skills of local government staff might include meetings with senior government officials and civil society organisations and with community members.

### *Create coordination mechanisms in the community*

Local coordination committees or “stakeholder platforms” can improve coordination and ensure that the community, local employers and development organisations meet with the local officials regularly (Box 9). It may be necessary to train

#### **Box 9.**

#### **Joint Action Development Forums in Rwanda**

The Joint Action Development Forum is a district-level body in Rwanda that coordinates development interventions in a district. It is made up of members from the private sector, government organisations (including the Ministry of Local Government, which is responsible for social protection), and international and national non-government organisations. The forums hold regular meetings to learn about, discuss and decide on social protection issues. By improving coordination, the forums reduce duplication and increase the effectiveness of interventions.

More information: Rwanda Governance Board (2017)

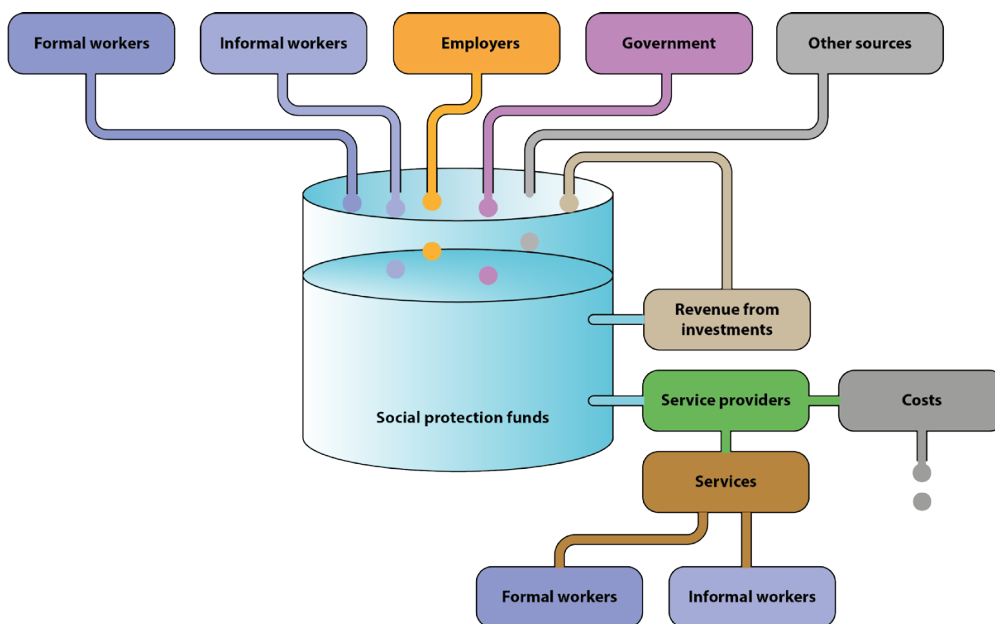
community groups in how to work with officials on social protection measures.

## 5. Financing

We can think of a social protection fund as a large vessel of money fed by pipes from various sources: contributions from formal workers, informal workers, employers, the government, other sources and investments from the fund itself (Figure 5). Out of this pot flows money to service providers, which provide services (health care, pensions, etc.) to clients.

Various entities may operate the fund. The government, the employer, a specialised private-sector firm (such as an insurance company), a non-government entity (such as an industry association, cooperative or trade union), fund managers, a community group, or a family may be involved.

### 5.1 Sources of funds



**Figure 5.** A simplified model of financial flows in a social protection fund.  
Source: RNFS

Six main sources of money may feed into the fund: formal and informal workers, employers, the government, donors and other sources, and revenues from investments from the fund itself.

## *Workers*

**Formal workers** pay into a social protection scheme either directly or by having their employers deduct a portion of their wages and paying it into the scheme on their behalf.

In principle, informal workers could do the same. But this may be difficult in practice: informal workers may have irregular employment and income or work for employers that are unable to handle the paperwork. Self-employed workers would have to take care of their own arrangements with the scheme. This is difficult for workers with little or no education and who are anyway poor.

One possibility is for social protection arrangements managed through trade unions, community groups and other bodies to be added to government-managed schemes. This would increase the size and sustainability of the pool of funds available to all. It would also help build trust and enhance the fund's reach, since the community groups can raise awareness about the fund, recruit members and liaise with service providers.

## *Employers*

Two main models exist for employers to contribute to a social protection scheme.

**Individual contributions.** When the employer hires a worker, this fact is registered with the authorities. The employer pays a certain amount into the social protection fund on behalf of the worker. (The employer may also deduct the worker's contribution from his or her wages and pay this into the fund too.) This arrangement is best suited for situations where the worker has a contract and the employer can do the paperwork – in other words, for employers in the formal economy.

Such an approach might be extended to situations where formal employers employ informal workers, or where the employer is high-status so can afford to pay and wishes to avoid penalties (such as the employers of domestic workers).

**Industry-wide fees.** A second approach is for the employer to pay into a social protection fund based on some criterion,

such as its turnover or number of employees operating in a specific identified sector. The employer may pay directly into the scheme, or indirectly through an industry association.

This arrangement avoids the employer having to register each worker individually. It is suited to situations where the work is short-term and workforces are constantly changing (as in a construction site with day-labourers).

### *Government*

The government may contribute to the social protection fund using the general public budget, in the same way as it allocates revenues to pay for other public goods such as infrastructure and defence. It may derive funds from general taxation, or may allocate a portion of revenues from sources such as customs duties and mineral exploration taxes.

The government also typically provides the money needed to administer the fund. This is kept separate from the fund itself.

### *Donors and other sources*

Donor funds could be used to set up a scheme, but it is unwise to rely on them to maintain it as they are likely to be inadequate and unsustainable in the long term. Another potential source of funds is corporate social responsibility programmes set up by companies or industry associations.

### *Revenues from investments*

Investments that the fund itself makes are an important source of revenue. Generally, funds invest in assets that are regarded as safe (such as government bonds) to safeguard capital and revenues over the long term. But such assets tend to have low interest rates, making it difficult to cover inflation, spikes in demand (for example, during an economic downturn or a drought, when lots of people need assistance), and demographic change (when rising numbers of retirees deplete pension funds).

## *5.2 Balancing inflows and outflows*

Any social protection scheme must be financially sustainable in the long term. Expanding protections to informal workers means additional expenses, both in the form of benefits paid out and in administrative costs.

Financial sustainability depends on the inflows matching the outflows over the long term. The more flows in, the greater the possible benefits that can be covered. Adding a large new set of beneficiaries (informal workers) requires adding new sources of income.

There are various ways to balance the inflows and outflows. We outline these below.

### *Maximise contributions*

The most obvious approach is to make the inflow pipes larger by maximising contributions into the fund:

- **Contributions from informal workers and enterprises.** One way to do this is for informal workers and enterprises to cover at least part of these expenses through contributions. But it is unrealistic to expect them to contribute as much as those in the formal economy, at least in the short term: contributions should be affordable for workers and enterprises in the informal economy.
- **Charging more.** A second approach is to move informal workers gradually towards higher levels of contributions. This becomes possible if workers earn more (because they are no longer dragged back into poverty by health or other emergencies) or by persuading them to join the formal sector.
- **Cross-subsidies.** A third approach is to use contributions from formal workers to subsidise informal workers. This is common practice in taxation: higher earners pay more income tax than people with lower incomes, and the poor



may be exempt. But it may encounter political resistance: formal workers are generally better organised and have more clout than people in the informal economy.

### *Find the money from other sources*

Governments often claim they cannot afford to set up social protection schemes for informal workers. “There is not enough money to go around” is one common excuse. One even hears arguments such as “most of the workers are in self-employed and informal categories” (as if such workers never fall ill or want to retire) or “the workers are poor”. This last is particularly perverse: it uses the workers’ poverty as an argument against institutionalising a measure that would make them less poor.

But the money is there, if only governments were to look for it. Some is intended for social protection (such as the interest generated from pension funds and life insurance) but has been diverted to other uses. Other sources of funds could be earmarked for social protection, such as the various indirect taxes collected from the informal economy. The costs of extending a minimum level of social protection to informal workers may be less than governments fear (Box 10).

Nevertheless, governments should be cautious about trying to fund everything themselves. They should seek to secure contributions from employers and workers as well – both for sustainability reasons and to ensure that these stakeholders have a say in how the funds are invested and used.

### *Exploit time-lags*

Another approach is to exploit the lag between contributions and benefits. There are three types of lag:

- **Delayed applicability.** When people start paying into the fund, they must generally wait for a certain period until they are permitted to draw certain types of benefits. For unemployment benefits, this may be several months; for a pension, it may be many years. In the meantime, the fund can use the accumulated money for other purposes.

Box 10.

## Resources to finance social security in India

India spends less than 3% of its gross domestic product on social protection – less than many African countries (ILO 2015c). The national government is responsible for guaranteeing a minimum level of social protection for the country's people, says the Right to Social Security Campaign, a network of over 150 trade unions, voluntary organisations, lawyers, academics and individuals from across country. The 29 state governments have limited fiscal capacities, so cannot be expected to handle the responsibility themselves, but they are welcome to provide additional services above the floor level.

The Right to Social Security Campaign has calculated that it would cost only USD 52.2 billion, or 2.3% of the gross domestic product, to extend a minimum level of social protection to informal workers. This is affordable because of several factors:

- **The demographic structure**, where the population is growing rapidly and there are many more young, fit workers than older, unhealthy, retired people.
- **Rapid economic growth**. The Indian economy is currently growing by 7.5% a year.
- **The modest level of benefits**. The pensions and maternity allowances for India do not attempt to provide a living wage for beneficiaries. Rather, they are set at half the minimum daily wage. They are intended to top up the client's own savings and other support mechanisms.

### *Costs of extending social security to informal workers in India*

Cost	Calculation	INR million
Identity cards	INR 20/card × 400 million	8,000
Old age pensions	19.9million women > 50 years 35.6million men > 55 years Pension = 50% of minimum daily wage of INR 170/day INR 85/day = INR 2,550/month = INR 30,600/year	1,698,300
Health benefits	430million informal workers and family members medical expenses, cash benefits and administrative costs	1,596,590
Maternity benefits	7.4million women/year Entitlement = INR 2,550/month for 9 months	169,830

Life and disability	INR 100,000 for death by natural causes or INR 200,000 for death or permanent disabilities due to accidents	10,000
Total requirement		3,482,720
GDP (2016–17)		150,650,100
Total requirement as % of GDP		2.31%

Source: Centre for Budget and Governance Accountability ([www.cbgaindia.org](http://www.cbgaindia.org)) and Vaibhav Raaj, Sandeep Chachra, Prakash Kumar and Chandan Kumar, Right to Social Security Campaign

Where could the money for better provision come from? Economists estimate that an average of USD 51 billion flows out of India in illicit channels each year (Kar and Spanjers 2015). Similar amounts of money are returned to the rich in India in the form of exemptions to corporate and personal income taxes and excise and customs duties. Tapping at least some of this money to serve the millions of working people who need it most would be a positive step.

Transfers from the central to the state governments are another potential source of revenues for social protection. These transfers increased by about USD 30 billion between 2014–15 and 2015–16. Allocating 10% of this amount to social protection would make USD 3 billion available.

Other sources include cutting subsidies, increasing taxes, increasing social security contributions, tapping into reserves, and restructuring debt.

The Right to Social Security Campaign conducts dialogue with the federal Ministry of Social Justice and Empowerment on ways to enhance expenditure for social protection. This ministry has held a first-ever inter-ministry conference with the federal ministries of finance and labour to discuss the proposals. The Prime Minister's Office is now considering a formal request from the social justice ministry. A parliament member and former minister for labour, Oscar Fernandes, has agreed to put the matter to a parliamentary committee.

More information: Chandan Kumar, Financial Proposal for a National Social Protection Floor for Informal Workers by the Right to Social Security Campaign, India (January 4, 2017)

- **Generational effects.** Young people are usually net payers including growing the fund because they fall ill less, so require less health care than older people. The money they pay in can be used to cover the costs of older workers.
- **Demographic dividend.** As the population rises, so does the labour force. Social protection schemes in most developing countries can expect more people to be paying into the fund in the future. (This has a downside: in the future, when the working-age population starts to fall, there are not enough young workers to pay the benefits of all the retirees. This is the situation that many social security systems in the developed world now face.)

### *Reduce expenditures*

Reducing expenditures is the third way to achieve financial sustainability.

- **Lower benefits for informal workers.** Keeping the level of benefits for informal workers low (but above a minimum floor level) reduces expenditures. Once enrolled in the scheme, they may wish to pay higher contributions that qualify them for more generous coverage.
- **Cutting costs.** Any social protection scheme costs money to run: it must pay for the staff and facilities needed to manage and deliver the benefits. The costs can be reduced by eliminating waste and fraud, removing duplication among agencies, improving efficiency and automating processes. Investments such as smart cards can also reduce costs.

## **6. Law enforcement**

Even where labour legislation exists, it may be poorly enforced, especially in the informal economy. Workers are not enrolled in social protection schemes, and health and safety concerns are ignored. Bylaws (for example on street trading) are enforced haphazardly. As a result, informal workers are at greater risk of illness, injury and loss of livelihood, and they have no social protection to fall back on.

### *6.1 Reasons for non-compliance*

Even with the best designed social protection programme, people may still fail to comply with the rules. This is true for both formal and informal workers. Possible reasons for this include:

- **Ignorance.** Both workers and employers may not know about the programme, or realise that it applies to them.
- **Cost.** They may not be able to afford contributions, or they may wish to avoid the extra expense.

- **Difficulties in compliance.** They may find it difficult to register or pay in contributions. Services may be far from workplaces, so inaccessible for many workers.
- **Restrictions.** Workers and employers may wish to avoid restrictions, such as limits on working conditions or the amount of time people may work.
- **Continuity.** They may not be able to continue contributions, for example if the work is intermittent or seasonal.
- **Fear.** Workers may fear losing their job if they enrol in a scheme; employers may fear government interference or opening the door to further demands from the workers.
- **Fraud.** Workers may claim benefits they are not entitled to – such as drawing unemployment benefits while continuing to work. Employers find ways of dodging the rules and avoid paying contributions for workers that they employ.

### *Poor enforcement*

Even in the best-designed and most attractive scheme, controls are necessary to avoid such problems and to enforce the rules. But enforcement is generally lax in developing countries, especially in areas such as child labour (see section IV.6). Reasons for non-enforcement include the following:

**Lack of personnel, skills and resources.** The number of labour inspectors who are supposed to enforce the law is very small, and they focus on formal workplaces. Rajasthan, a big state in India, has 39 positions for factory inspectors in the department responsible for enforcing the rules. Twenty of the positions are lying vacant. The remaining 19 each supervise 12,907 factories employing 479,141 workers. Each one must watch over the safety, health and welfare of 25,217 workers in 679 factories; in 2016 they carried out 424 inspections, or 35 per month (Scroll.in 2017).

**Complex rules and inadequate capacity in agencies.** The rules are often complex and hard to understand, even for

the officials who are supposed to enforce them. The inspectors and their support staff may be inadequately trained in the laws they are supposed to enforce, and in the techniques to enforce them.

**Corruption.** Poorly paid officials may see certain categories of workers as a source of extra cash rather than as a subject for monitoring or as a client to serve. Certain categories of workers, such as drivers and street traders, are frequent victims of shakedowns. Officials may demand bribes from workers to get services, or from employers to avoid harassment.

## ***6.2 Improving enforcement***

Enforcement is intimately bound up with the design of the social protection scheme. A well-designed scheme increases the incentives for compliance and reduces the opportunities for avoidance or corruption.

### *Make the legal framework and procedures strong and clear*

Clear rules are needed on the responsibilities of employers and workers (including the self-employed), the benefits they can derive, and the penalties for non-compliance. The procedures for registering and for accessing benefits should be simple and easy to understand.

### *Make registration compulsory*

Both employers and workers should be registered as a matter of course. Registration should be made easy and convenient. It is easier to control some types of enterprise (such as transport and construction) than others (such as domestic work). Employers should be made responsible for registering their employees.

### *Make benefits attractive*

The best way to get informal workers (and their employers) to enrol in a social protection programme is to make it so attractive that they want to do so. There are many ways to do this: for example, the government can top up a worker's



pension fund, ensure that clinics are well run, and allocate government contracts specifically to small-scale enterprises that comply with the rules.

### *Digitise records*

Digitising records can help eliminate the opportunity for fraud. Smartcards can be used to confirm the identity of workers. Transferring payments into the workers' bank accounts or mobile phones eases the payment process and eliminates the risk of officials redirecting part of the money into their own pockets.

### *Beef up the inspection system*

More, better-trained inspectors should be given sufficient resources to do the job. Inspections should be frequent and unannounced.

### *Promote awareness and compliance*

The inspections should promote awareness and compliance, not punishment. Only in the case of serious violations (such as child labour) should penalties be applied immediately; otherwise, the inspector should advise the employer and workers how to comply with the rules. Follow-up inspections should check that they have done so; only then should sanctions be applied if not.

### *Grievance mechanisms*

Both employers and workers should be able to submit grievances to the authorities. Workers should be able to submit complaints about their employers or against the social protection agency for non-delivery of benefits. Decisions and benefits should be transparent and made clear to all concerned.

## 7. Protection in emergencies

Disasters, crises or emergencies are events that pose serious and immediate risks and damage to health, property, life, environment, and livelihoods. A great variety of emergencies exists: they include natural disasters such as an earthquake or tsunami, or human-instigated such as armed conflicts. Combinations of events, such as a drought that leads to an armed conflict over shared resources, are called “complex disasters”.

Emergencies also vary in their chronological nature. Rapid-onset disasters are events that occur suddenly, such as an earthquake. Other crises, such as famine have a slow onset, with prolonged, severe drought conditions predating the famine. Complex, long-term crises are also called a protracted crisis. Examples are in Somalia and the eastern Democratic Republic of Congo, where large numbers of people are subjected to various types of disaster over a long period.

Emergencies require urgent intervention to prevent a further deterioration. In fact, some experts argue that disasters only occur when risks are poorly managed. However, developing countries often lack the capacity to adequately respond to these events. In combination with poor infrastructure, human population growth and the negative effects of climate change, which often leads to resource scarcity and conflicts, emergencies can seriously harm the local population. The situation is even worse in fragile states: those with a “fundamental failure of the state to perform functions necessary to meet citizens’ basic needs and expectations” (McCloughlin 2016). Such states cannot provide basic services such as education and health care, basic security, the rule of law or economic opportunities even under “normal” circumstances. Community-based support systems often fill the gap left by the failure of government.

Informal workers in developing countries and in fragile states, where they often constitute a large segment of the

workforce, are in particularly vulnerable and in need of social protection. They are excluded from structured income generating activities and lack access to social protection. Consequently, they are also particularly susceptible to a wide range of shocks, crisis and disasters that may destroy their livelihoods (Box 11). As the state has no fiscal space to provide formal social protection measures, these groups are left to fend for themselves. Since the state structures in developing countries and fragile states struggle to properly prepare, prevent and respond to emergencies, it is important to find a more community-based approach

**Box 11.**

**Drought in Puntland**

Livestock are a major source of income in Puntland, Somalia, with about 60% of the population working as pastoralists (Puntland in Somalia 2017). Prolonged droughts such as those in 2011 and 2017 leave pasture parched and kill many animals. While Puntland is relatively peaceful compared to other parts of Somalia, the government has no means to provide social protection, leaving herders to fend for themselves. Communities and donors are forced to step in to save lives and livelihoods.

Some emergencies (drought, famine) start slowly so there is time to prepare for them. Others (earthquakes, storms) are harder to predict and occur rapidly, so mitigation measures must be in place beforehand.

Even if state structures are weak, it is important to include government representatives at the local, regional and national level in emergency relief efforts. Other important stakeholders include local community members and leaders, support networks such as diaspora, community organisations, and humanitarian organisations such as international NGOs and UN agencies.

Each emergency is different: an earthquake destroys housing and infrastructure, while a drought kills crops, livestock and people. Each type of emergency produces a different set

of problems and requires a different range of solutions. Nevertheless, tend to have enough things in common for us to draw up some general guidelines.

### ***7.1 Five stages in emergencies***

The preparation and response to emergencies tend to fall into five stages: prevention, mitigation, preparedness, response and recovery. Table 2 gives examples for how to prepare for and deal with a drought in a pastoralist area. These are a combination of infrastructure (building clinics and clean water supplies), information (training, awareness, early warnings), financial interventions (savings, insurance, cash handouts), logistics (setting up camps, distributing food) and organisation (marketing, administration).

**Table 2.** Stages in a drought emergency and social protection efforts in a pastoralist area

Stage	Action	Examples of social protection and other measures
Prevention	Action to prevent a hazard from turning into an emergency	Build water supply systems for humans and livestock Negotiate arrangements to permit migration to other areas in case of drought Diversify income sources to spread risk
Mitigation	Action taken before an emergency to minimise its effects	Raise awareness of drought risks and counter-measures Develop savings schemes Design livestock insurance scheme Build local organisations
Preparedness	Preparing to handle the emergency	Stockpile food and feed Broadcast early warning of drought Help herders sell surplus stock
Response	Responding to the emergency when it occurs	Manage camps for displaced people Provide food and feed Transfer cash to needy Facilitate remittances from diaspora
Recovery	Helping people recover from the emergency	Offer cash (or food or vouchers) for work Re-establish markets
Based on IIRR et al. (2004)		

### *Prevention, mitigation, preparedness*

It may be impossible to prevent a natural disaster such as a drought or earthquake. But it is possible to reduce its impact: earthquake-proof buildings can save many lives, for example. It may be possible to prevent a disaster that humans caused directly (such as conflict) by negotiating with the parties beforehand.

Helping informal workers to diversify their income sources spreads risk and reduces the number of people affected and the severity of the problem. Efforts to diversify may include skills training, capacity building, providing credit and improving infrastructure (Box 12).

### *Response*

Communities themselves are the first to respond to an emergency. A community that is strong before the emergency is likely to recover faster – so efforts go into raising awareness, building local organisations and establishing self-help groups, as well as helping them plan what to do if disaster strikes (Box 13).

During an emergency, informal workers are often unable to continue their regular work due to security constraints or because they themselves are affected – their families have been harmed or their houses destroyed. Their income drops drastically and many families cannot feed and care for themselves. Cash transfers and food rations can help them survive. Cash enables people to decide for themselves what they need, and it distorts local markets for foodstuffs less than food handouts. Unlike handouts of imported food, they give both local traders and farmers an incentive to continue producing and selling food. Clarity is needed about who is eligible for such transfers.

### *Recovery*

During the recovery stage, the emphasis is on rebuilding infrastructure and helping people restore their livelihoods.

### Vocational training for Maasai women in Tanzania



Photo: Francesca Lucchi

Pastoralists in northern Tanzania find it increasingly difficult to cope with recurrent drought, a shrinking expanse of rangeland and the deteriorating pasture quality because of poor management and climate change. At the same time, the government wants to promote the processing of hides and skins locally to increase their value and generate employment.

This is an opportunity for diversifying the incomes of local people and make them less vulnerable to drought and the loss of rangeland. Oikos East Africa has trained 50 Maasai women to tan hides and make handicrafts from leather, fabric, beads and paintings, building on traditional techniques and other trainings will be planned, on leather tanning and manufacturing. The resulting items are sold locally and to tourists, and an international market is being considered.

More information: Oikos East Africa (2017)

Mechanisms include cash transfers, food (or cash or vouchers) for work, and vital equipment and supplies (seeds and tools for farmers, livestock for pastoralists) (Box 14).

## 8. Key future directions

### *Adapting benefits to informal workers' needs*

By nature and definition, informal workers are very diverse. Self-employed people do not have the same needs and priorities as informal employees in the formal sector, or people who work for microenterprises.



Box 13.

### Community-based disaster risk management, Somalia

Somalia is beset by recurrent drought, chronic conflict, and a lack of a functioning central government. The Somalia Resilience Program aims to increase the resilience of chronically vulnerable people in 12 districts throughout Somalia. It targets pastoral, agro-pastoral and peri-urban areas.

The programme trains local people to identify the risks they face and how to mitigate them by preserving their resources (savings, credit, livestock, pasture and fodder, food and water) during times of stress, and improving their livelihoods without putting themselves at greater risk. The communities then plan how to meet their own needs in times of crisis.

Activities include strengthening animal health and husbandry, improving the management of natural resources, marketing and adding value to output, producing fodder, dialogue about access to dry season grazing, and support for dry-season water points.

The programme uses an early warning system to anticipate problems, then helps the communities respond in an appropriate way. It provides cash transfers and cash for work if required. The idea is that early action will minimise the effects of the crisis and the need for outside intervention.

More information: Somalia Joint Resilience Program (2017)

Box 14.

### Vouchers and cash transfers to rebuild livelihoods in Liberia

Forty dollars may not sound much, but it has made all the difference for Satta Sumo. She is one of hundreds of thousands of Liberian farmers struggling to recover from the Ebola epidemic. Her husband died of Ebola in 2014, leaving Satta and her two children destitute.

Economic Recovery from Ebola for Liberia, a programme led by Mercy Corps, gave Satta vouchers worth USD 40, which she could use to buy rice seed and equipment and to pay labourers to prepare her 0.8-hectare field for sowing. That meant she was able to grow enough to feed her family for a year.

As of April 2016, Mercy Corps and its partners had helped 6,400 households like Satta's with vouchers. Another 18,000 households have received cash transfers.

The project has shown that even with emergency support, it is important to have a clear sustainability plan to enable people to absorb shocks and climb out of poverty in the long term.

More information: Mercy Corps Liberia (2016)

. People who work in different economic sectors or locations have different interests. They do not have either the same willingness or ability to save for ill-health or old age.

- Design social protection schemes to address the specific needs of informal workers, adapting benefit packages to the situation and needs of informal operators and workers.
- Short- and long-term benefits should be offered. Short-term benefits might include death and funeral assistance, education for children, and support for housing, skill-building and the purchase of equipment for work.
- Consult with the actual or potential beneficiaries to ensure that the scheme meets their needs.

#### *Mobilisation of informal workers on policies and scheme design.*

- Institutionalise dialogue and develop or strengthen the representation of informal workers in policy, scheme design and reform processes. The need to improve the representation of informal workers in policy scheme design and in reform processes cannot be overemphasised.
- Ensure that informal workers' concerns are met to ensure that programmes are more likely serve their needs.
- Note that the degree of involvement may vary from consultations to a full bottom-up, participatory approach with representation from informal workers, trade unions and other civil society organisations. The type of involvement will depend on the situation and the nature of the changes under consideration.

#### *Supporting the formalisation of the informal economy*

Even though access to social protection schemes for informal workers does not mean *ipso facto* their transition to the formal economy, social protection schemes designed for informal workers constitute a way for such a transition and are a major step towards achieving universal health coverage.

- Promote and support formalising of work in the informal economy. Formalising entitles workers to access existing government social protection schemes and should be promoted in line with ILO Recommendation 204.

### *Supporting the rights-based approach*

- Promote the shift from social protection based on poverty or vulnerability criteria to the right to social protection for all citizens, including all informal workers.
- Advocate for the strong political will to implement a rights-based approach aimed at universal coverage.

### *Supporting a minimum level of social protection for informal workers*

Promote the design of a framework law to cover the whole informal economy, within which sector-specific schemes can fit. Ensure that this provides a minimum level of social protection for informal workers. Such an approach should cover at least:

- Health and maternity benefits
- Disability benefits
- Old age pension
- Life insurance benefits.

### *Designing sustainable and innovative financing modalities*

Design sustainable and innovative financing modalities which allow inclusion of informal economy workers.

- Subsidise contributions for low-income workers or those with limited contributory capacity, including for the poorest in the informal economy through linkages with social assistance programmes.
- Analyse the possibility of risk pooling, affordability, and accessibility and implement according to findings.
- Promote the provision of government matching contributions for informal economy members as they act as

motivators for members of informal economy to join social protection schemes.

- Encourage cross-subsidisation between formal and informal workers. Consider the possible conflict of interests between formal and informal organisations. The private sector can also play a critical role so should be involved in the design of financing mechanisms to extend coverage to the informal economy.



*Many workers in the informal economy are women, like this market trader.*

*Photo: Marco Bombetti*

### III. Improving access to social protection

The best-designed social protection scheme is of little use if workers do not enrol in it or cannot get the benefits they are entitled to. This chapter focuses on why social protection schemes are often poorly accessible to people who depend on the informal economy, and suggests ways to improve this access.

Part of the solution lies in the design of the scheme itself: the registration requirements, contribution levels and types of benefits offered. Another part lies in how the services are delivered: the location and opening hours of offices, the numbers and competence of staff, the possibility of getting information and conducting transactions online.

But a large part of the solution to poor access lies outside the scheme itself: it concerns working with workers and employers (where these exist) to raise awareness of their rights and responsibilities, to publicise the scheme, and to help them organise to use it and to influence it.

Many people are marginalised from society for one reason or another. They are often in the informal economy (or are not economically active at all). Special attention is needed to deal with their needs.



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## 1. Problems with access

Can clients get the benefits that a social protection scheme offers? This depends in part on the design of the scheme (see the previous chapter) and how it communicates with clients (see section III.3 below). This section discusses some additional obstacles.

- **Information.** Do potential clients know about the scheme?
- **Affordability.** Can clients afford to contribute to the scheme?
- **Type and quality of benefits.** Do they cater to the needs of informal workers?
- **Time and place.** What times are offices open, and where are they? Can the workers get there easily to register, get information and apply for benefits?
- **Processes.** Are the processes of registering, making contributions and applying benefits, receiving benefits easy to understand and do?

### *Difficulties in registering and contributing*

Bureaucratic structures and procedures can make it hard for informal workers and enterprises to enrol in (and stay enrolled in) social protection schemes. Many informal workers lack the identity cards and job contracts required.

In contributory schemes, the participant should be responsible for registering and paying monthly premiums.

This takes time, knowhow and wherewithal. Formal workers can rely on their employers to help or do this for them, but informal workers may have to do it all themselves. Many informal workers cannot take the time off to register, are poorly educated and do not know how to fill in the paperwork, and have no bank account through which to make or receive payments.

Small enterprises face similar problems. They may regard a scheme's requirements as costly and cumbersome. They cannot afford the dedicated staff needed to understand the rules and handle the paperwork. Intermediaries (tax advisors, consultants, agents) who can act as a bridge are few and expensive. The employers may fear that if they pay social security contributions, they will also have to pay other taxes and comply with a swathe of onerous regulations.

### *Contribution levels*

The level of contributions is commonly set with reference to what a formal worker on a regular wage can afford. But that may not be appropriate for many informal workers. As a result, they are priced out of the scheme (Box 15). Some people are unable to contribute at all, either because their income is too low or irregular, or because they have no income at all.

### *Irregular contributions*

Social security schemes generally rely on the client and employer making regular, fixed payments into a fund. But informal workers often have low, unpredictable and irregular incomes, making it hard for them to pay in a set amount each week or month. They may have seasonal jobs – working on their farms in the growing season and in informal jobs in the city for the rest of the year. They may skip from one job to another, often in different locations or in different types of activities: a day-labourer may be mending a road today, working on a building site tomorrow, and carrying loads as a porter the day after.

#### Box 15.

### The National Health Insurance Fund in Kenya

“Every person has the right to the highest attainable standard of health,” says Article 43(1) of the Kenyan Constitution. But the National Health Insurance Fund covers only 4.5 million Kenyans (11% of the population). Only 16% of informal workers are enrolled in the Fund, compared to 98% of formal workers.

Section 15:2(b) of the National Health Insurance Fund Act mandates the scheme to set a “special contribution” for the self-employed; Section 20 of the Act establishes a “voluntary contribution.” Informal sector workers can fall either within the either of these two types of contribution.

Voluntary contributions are currently set at KES 500 (USD 5) per month. But this fixed rate fails to consider the huge range of incomes within the informal economy – between USD 2 and 30 a day. The rate was set after an actuarial study and discussions between the government and trade union representatives. The views of low-income informal workers may not have been adequately represented. The poorest workers are effectively barred from participating.

This level of fixed contribution does not have to be. The law governing the Fund allows its board to determine the contribution rate for voluntary contributors: it is empowered charge a smaller amount (as low as USD 3 per month) to take into account the contributor’s total income. Setting a fixed rate therefore contradicts the provisions of the law. Making fees more flexible would greatly increase enrolment and access to social protection among informal workers in Kenya.

More information: <http://oxf.am/ZEzS>

#### *Poor customer service*

The organisations managing the schemes do not try to reach out to the informal economy: they have limited budget and staff, and inflexible procedures. Their few offices are in inconvenient places and are open at inconvenient times for informal workers. Queues may be long and the procedures lengthy and complicated. Service providers do not communicate well with their clients. Rules are written in bureaucratese; the benefits are unclear. Applications and complaints are left unaddressed.

#### *Inappropriate benefits*

Most social security schemes are designed to provide **long-term benefits**, such as a pension, and require workers to make regular payments over years to qualify. But many informal workers need benefits to cover **short-term, immediate needs** – such as illness, accident or theft. They find the benefits of existing schemes unattractive and unsuited to their needs.

Non-contributory social protection programmes are often aimed at people outside the labour force: the unemployed, the elderly, people with disabilities, refugees, etc. Informal workers are not considered vulnerable, so do not qualify for such assistance.

### *Transparency and accountability*

The rules for contributions and benefits in social protection schemes are frequently hard to understand, and the reasons for decisions that affect clients are often poorly explained. It is difficult to get errors corrected; clients find it difficult or impossible to appeal decisions.

### *Difficulties in receiving benefits*

Difficulties in obtaining benefits may discourage people from collecting them, or from registering in the first place. Problems may include remote offices with inconvenient opening times, complicated paperwork, the need for repeated visits, long queues, and unfriendly staff.

## **2. Improving access**

### *Adapt benefits*

Benefit packages need to be adapted to the situation and needs of informal workers (Box 16). They should offer both short- and long-term benefits: additional short-term benefits might include death and funeral assistance, education for children, and support for housing, skill-building and the purchase of equipment for work. Such items enable informal workers to meet their immediate needs, make it possible for them to invest in long-term benefits, and act as an incentive for them to join the scheme.

### *Adjust requirements*

Schemes should be made easier and cheaper for informal workers and enterprises to join. Here are some ways of doing this.

Box 16.

### Nairobi Urban Social Protection Programme: Social inclusion of vulnerable populations through a graduated approach

A social protection programme in two informal settlements in Nairobi covers both the short- and long-term needs of residents. Many of the clients are vulnerable, so cannot take advantage of long-term opportunities because they have immediate needs. The scheme combines long-term economic development with a government-backed social protection programme. It has three phases.

**Response.** The short-term component consisted of cash transfers to 5,000 vulnerable households in Korogocho, an informal settlement in northeastern Nairobi, and Mukuru, in the southeast. This cash aimed to help them cover their basic needs in the face of steep rises in food prices after successive droughts and social unrest following the 2007 elections. Mobile phones were used to transfer the cash.

**Recovery.** Cash-for-work and skill-building initiatives followed this to help the beneficiaries enter the labour market and start earning money.

**Exit.** A third stage is to promote microfinance so the beneficiaries can nurture their own enterprises, and to work with the Ministry of Gender, Children and Social Development to invest in social protection measures that will continue after the programme ends.

The programme was launched in 2009. Oxfam runs the programme in collaboration with Concern Worldwide.

More information: Mohanty (2011)

**Make contributions flexible and affordable.** Reducing the minimum contributions and making the amount and timing flexible would make it easier for informal workers on irregular incomes to contribute to social protection schemes (Boxes 17 and 18).

**Ease payment procedures.** Expanding the ways that people can pay in would make it easier for workers and enterprises to contribute. Post offices or convenience stores could accept payments; small enterprises could collect contributions on behalf of their workers; payments could be made by mobile phone (which can also be used to remind people it is time to pay). Smart cards can be used to deliver cash payments to beneficiaries.

Box 17.

### Flexible contributions in Tunisia

The Tunisian Social Insurance System recognises that different categories of informal workers face different situations. It sets different rates and types of benefits for various groups of workers: agricultural, non-agricultural, self-employed, fishing, etc.

Algeria has a similar flexible payment system.

More information: Charmes and Ben Cheikh (2016)

Box 18.

### Informal Sector Fund: Retirement savings in Ghana

Ghana's Informal Sector Fund was established in 2008 as the voluntary system mandated by the National Pensions Act (2008) to ensure that informal workers have access to a basic level of income security when they reach old age.

The fund is a long-term savings scheme with participants receiving a single lump sum, which consists of the value of their contributions, plus the accumulated interest, minus any administration fees. Participants can withdraw up to half of their savings after a period of 6 months. Contributions are made on a voluntary basis by workers and are split evenly between a savings scheme and a retirement scheme. No early withdrawals are permitted from the retirement scheme. There are no co-contributions from employers or the government.

The scheme permits a high degree of flexibility in the amount and frequency of contributions, which can be paid on a daily, weekly or seasonal basis, depending on individual earning capacity. The fund also provides members with access to a range of other financial services, including life insurance and loans, through partnerships with microfinance organisations. As a condition of receiving the loan, workers are required to pay 5% of the total value of the loan in informal sector fund contributions. Some reports suggest that workers who join the Informal Sector Fund are more motivated to participate in its loan component than in its savings aspect (Osei-Boateng 2012).

The Social Security and National Insurance Trust has overall responsibility for the scheme. Third-party providers, including custodians, trustees and fund managers, do the day-to-day operation and management of investments. The National Pension Regulatory Authority certifies and registers these providers and conducts outreach activities.

More information: Osei-Boateng Clara (2012), Dorfman Mark (2015)

**Make qualifying conditions more flexible.** This would cater for workers who are employed on a short-term basis and therefore fail to meet minimum requirements.

**Simplify registration requirements.** Easier registration procedures and more flexible rules could boost the number



of informal workers enrolled in social protection schemes. Schemes should consider developing simple tools to ease information collection and record keeping. Such tools would also smooth administrative procedures for existing members and reduce the costs for providers.

### *Make it easy to register and get benefits*

Workers should be able to register for a scheme and draw benefits from convenient locations. They should be able to use two facilities at the same time – one near home and another near work. Smart cards and informatics can make this possible by eliminating paper records and making data available everywhere. Rules that restrict where people can get health care and other services could be relaxed (Box 19).

### *Improve communication*

Governments have a duty to inform people what they are entitled to, and how to qualify for and access the benefits.

#### Box 19.

#### **Registering for health services in Ahmedabad, Bangkok and Durban**

A 2014 study in India (Roever, 2014), Thailand and South Africa asked informal workers about health services. The researchers questioned street vendors and home-based workers in Ahmedabad, home-based workers and Thai and migrant domestic workers in Bangkok, and market traders and street vendors in Durban.

One of the most common issues raised was the difficulty of registering at health facilities. In all three cities, individuals may register at one public health facility only: the one nearest to where they live. But this is a problem for informal workers who work far from home. Such workers usually leave for work well before clinics and hospitals open; they get home after closing time. Women are worse affected than men as they are usually responsible for taking children or elderly relatives to health services.

In Warwick Junction, a busy transport and trading hub in Durban, street vendors and market stallholders work very close to a variety of private and public health services: allopathic (“western”) facilities, traditional Zulu medical practitioners and Ayurvedic healers. If they want to use an allopathic service, they have to miss work for a whole day.

In Thailand, citizens may change the facility where they register three times a year. But in India and South Africa they may not do so as often, and they risk disappearing from the records if they do switch.

More information: Francie Lund, [Francie.lund@wiego.org](mailto:Francie.lund@wiego.org)

They can do this in various ways (see section III.3.3 for ideas). Better communication can also help increase transparency and accountability of the scheme.

Box 20.

### Navigating the bureaucracy: SEWA's Shakti Kendras, India

"The entire procedure is difficult – the number of times you have to go to the government officials – it is so cumbersome. And if we find it difficult can you imagine what it is like for an average informal worker."

– Dhangaauriben, SEWA community health worker, Gujarat.



*Padma, a SEWA representative, leads a nutrition programme for mothers*

*Photo: Paula Bronstein/ Getty Images Reportage*

India has many social assistance schemes aimed at the poor. But applying for benefits can be complicated and time-consuming. Strict rules, for example on the spelling of names, put up barriers; barely literate informal workers may have to repeat the application procedures several times before they are successful. Some try to bypass the bureaucracy by paying expensive intermediaries or using private services instead of the free state scheme.

Shakti Kendras (empowerment centres) that the Self-Employed Women's Association (SEWA) operates help workers navigate the bureaucracy. The community health workers who staff the centres accompany workers through the application process, saving time and money.

In 2015/16, 69,000 workers visited the Shakti Kendras in Delhi. Two-thirds received benefits as a result. The 5,023 referrals made to the public health system that year saved poor families INR 411,520 (just over \$6,000) they would otherwise have spent on private health care.

More information: Laura Alfers, [laura.alfers@wiego.org](mailto:laura.alfers@wiego.org) - SEWA's Shakti Kendras (Empowerment Centres), Good Practice Case Study prepared by WIEGO Network for this workshop.

### *Improve customer service*

There are two ways to improve customer service. One is for the scheme provider to improve how it deals with its clients by providing better information and streamlining procedures. The other is for third parties to help clients navigate the bureaucracy. Informal workers often pay expensive private-sector intermediaries to do this, or avoid using the government scheme altogether. Non-government organisations can also play a role in helping clients get the benefits they are entitled to (Box 20).

### *Develop one-stop shops*

One-stop shops where people can deal with all the paperwork and apply for benefits would make things easier for both workers and employers. This would reduce the fragmentation in service provision and make registration, coordination easier and cheaper.

### *Transfer money electronically*

Many clients now have mobile phones that can be used to send and receive money without the need to visit a social security office. Social protection agencies can negotiate with telecommunications providers to add payments to their mobile-money services – or to add a mobile-money service if they do not yet have one.

## **3. Working with workers**

In many developing countries, the informal economy is both vast and diverse. Each group of workers or enterprises has its own concerns. Table 3 lists some examples of these, along with the types of demands that workers in each group are likely to make, and some possible ways of meeting these demands.




The diversity within the informal economy makes it difficult to design a social protection scheme that fits everyone. One group (waste collectors) may be concerned about occupational health and safety, while another (domestic workers) may be more interested in limiting the number of hours worked or combating sexual harassment.





The list of concerns in Table 3 also highlights the overlap between what is usually regarded as social protection (health insurance, unemployment benefits, etc.) and other issues: education, economic development, law enforcement, etc. Attempts to extend social protection to the informal economy will need to take these wider issues into account.

### 3.1 Five contact situations

Designers and managers of a social protection scheme need to be in close contact with the clients in at least five situations:

**Table 3.** Groups in the informal economy

Sector	Concerns	Demands	Approaches
 <p>Street vendors</p>	<p>Fear repression by the authorities or police</p> <p>Competition among vendors and with formal sector</p> <p>No forums for collective bargaining with local authorities</p>	<p>Space for selling</p> <p>Infrastructure: weatherproof goods deposit, sanitation, security, water and electricity</p> <p>Protection against repression</p> <p>Access to credit</p> <p>Protection against undue competition</p>	<p>Identify focal points</p> <p>Train in advocacy, literacy, numeracy, business skills, adult education</p> <p>Support savings and loans initiatives</p> <p>Support acquisition of assets (stalls, transport, inventory)</p>
 <p>Home workers</p>	<p>Isolated in houses, invisible</p> <p>Employed through intermediaries</p> <p>Fear of unemployment</p> <p>Child labour</p> <p>Lack of information on laws</p> <p>Lack of organisation</p>	<p>Same income and benefits as workers in the industry</p> <p>Identity of true employer</p> <p>End role of intermediaries</p> <p>Access to regular work</p> <p>Better qualifications</p> <p>Access to markets and credit</p>	<p>Improve skills</p> <p>Run internships</p> <p>Link to private sector for youth</p>
 <p>Textile workers</p>	<p>Small workshops</p> <p>Work seen as “seasonal”</p>	<p>Minimum income levels</p> <p>Payment for overtime</p> <p>Safety at work</p>	

Sector	Concerns	Demands	Approaches
Waste collectors 	Low status and self-esteem Fear of losing work Fear and dependence on intermediaries Competition among collectors Child labour	Work at higher level in recycling chain Recognition and improvement in status Health and safety End role of intermediaries	Access to recyclable materials and collection routes Integrate with solid-waste management systems Fair prices for recyclables
Workers in farming, forestry and fishing 	Scattered and isolated Child labour Seasonal and intermittent work Lack of information on laws Low occupation health safety standards	Right to use land Right to natural resources Regular work Access to resources and equipment Access to credit and markets	Promote cohesion Organise for advocacy Promote marketing of output Support producer cooperatives Promote extension services to increase productivity
Domestic workers 	Fear of unemployment Long hours Child labour Lack of information on laws Sexual harassment	Recognition as workers Protection against dismissal and sexual harassment Freedom of organisation Freedom to change jobs Fewer hours, more rest Better housing	Raise employers' awareness of respect human rights Campaign against abuse Promote education
Transport workers 	Mobility Competition among workers and with the formal sector Conflict with employers Police harassment	Access to routes and passengers Protection against harassment Health and safety Parking and infrastructure Fuel prices Protection against undue competition	Organisation through associations Linkages with road safety agencies

Sector	Concerns	Demands	Approaches
Women workers 	Fear, lack of trust Double burden on women: work and domestic duties Cultural and religious barriers Often in scattered locations Lack of time due to family duties No child care	Access to child care Maternity pay Physical security Protection against sexual harassment Equal pay for equal work Opportunities to earn more Improved working conditions	
Source: RNSF workshop participants			

- **Scheme design.** If a scheme is established or expanded, it makes sense to consult with the actual or potential clients to make sure it will fill their needs.
- **Member recruitment and access.** Before they join a scheme, new members must first be made aware that the scheme exists, what it does, why they should join it, and what their rights and obligations will be. They then must be shown how to subscribe to the scheme, guided through the subscription process and start contributing to it.
- **Continued enrolment.** A common problem in social protection schemes is that members drop out for one reason or another. This is particularly an issue for informal workers with intermittent jobs and irregular incomes. The scheme must encourage members not to skip contributions, and to revive their membership if they do miss a couple of months.
- **Benefits disbursement.** When members need assistance, this must be given quickly and efficiently. Members need to know what they are entitled to and how to apply for it and get it.
- **Scheme monitoring.** Continuous monitoring is necessary to ensure that schemes are run efficiently,



transparently and in their members' interests, and that they respond to a changing environment. Feedback from members is vital to guide the scheme's management. Over time, changes that affect members are inevitable; the members must be involved in making such decisions and must be kept informed about them.

### *3.2 Organising workers*

One individual worker can do little by him- or herself. But coordinated action by an organisation of hundreds or thousands of individuals can apply political pressure and can engage in negotiations with employers and the government, leading to changes in the law and improved access to social protection services.

Organising workers can raise their awareness about their rights to social protection, help them understand the issues, and empower them with negotiation and bargaining skills. It helps ensure that services are tailored to the workers' needs and are readily accessible. It also contributes to sustainability: the workers can elect representatives to deal with the various entities and service providers. Local organisations can be affiliated into provincial or national associations, giving them more clout in negotiations.

#### *Problems in organising*

Workers in the **formal economy** are often well-organised: they have professional associations and unions to represent their interests, and many workers are articulate and well-informed. They have strong mutual bonds forged by attending the same training courses or working side by side in factories, offices and hospitals. They hold meetings and elect representatives; their rights to do so are often enshrined in law. The better-off workers and groups can afford to hire lawyers and lobbyists to represent them and defend their interests.

Organising is far harder for **informal workers**. Large numbers of informal workers toil alone and in scattered



locations (their own homes in the case of home-workers; someone else's houses in the case of domestic workers). Others have no fixed place of work (transport workers), or work in temporary sites (construction workers). Many are suppressed or disadvantaged in one way or another; they fear reprisals from the authorities or their bosses if they make trouble. Some types of workers compete fiercely with each other, leading to mutual distrust and a reluctance to get together even to discuss a common cause. Most informal workers are poor and cannot afford to take time off work to attend meetings.

The lack of organisation means that many categories of informal workers lack a voice in policymaking. It is hard for policymakers to build a dialogue with them, and such workers are often neglected when it comes to designing social protection measures.

In addition, many informal workers are poorly educated and informed: they do not realise that they have a right to social protection, enshrined by their country's constitution and laws and by international treaties their government has signed. While they may have many complaints (risky working conditions, low pay, etc.), they see no way of voicing these grievances or any prospect of resolving them.

Where this is not already the case, workers should have the legal right to form associations and bargain collectively.

### *Successful organising*

Despite these difficulties, it is still possible for informal workers to organise effectively and making their views heard.

Such efforts tend to follow a pattern (Figure 6). A group of workers experiences problem, generating a set of **complaints**, such as poor working conditions or no health benefits. This leads to a series of **demands** (e.g., for access to benefits) that motivates them to get organised around the issues.

The **organisation** may be entirely self-assisted, coalescing around a few charismatic or influential individuals. Or it may receive assistance from outside groups or individuals

(see the section below on NGOs as intermediaries).

Information is a key ingredient. The organisation can gather information about the situation and the rights its members are entitled to (for example, they may be unaware that the law entitles them to social protection). By informing the members, it can help them articulate and refine their demands.

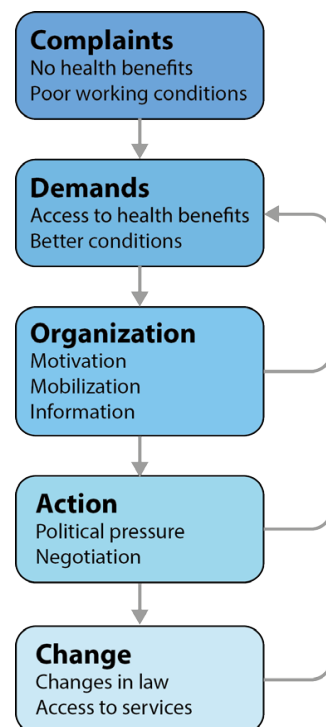
The organisation can then undertake coordinated **action**, such as lobbying, advocacy and negotiating with the government, employers and service providers. This (it is hoped) will lead to **changes** in the law, the types of services provided, and access to them.

These actions and changes may in turn lead to the identification of further demands, such as for improved services in other areas.

There are many examples worldwide of informal workers engaging with those who control their workplaces and work conditions, from local meetings negotiating about an urgent issue, to consistent and enduring representation on national bodies (Boxes 21 and 22).

### *Representatives*

It is unrealistic to expect all workers in a specific area or industry to attend meetings and be knowledgeable about the ins and outs of labour law or government social protection policy. The answer is for the workers to elect representatives who can devote time and energy to these issues. Individual representatives can divide up the work between them, for example by each one focusing on specific aspects. One is elected to chair the group, another to handle the finances, another to act as secretary, and so on.



**Figure 6.** Organising for change

#### Box 21.

### Homenet: Changing national legislation in Thailand

Thailand has at least half a million homeworkers or industrial outworkers. The majority are women, and many work for a formal industrial enterprise, though they are not recognised as being “employed by Nike,” for example.

Homenet Thailand, a member of the international network of home-based workers, has been involved for more two decades in developing policy and implementing universal health coverage. A result is that policymakers now realise that homeworkers are real workers, and that all workers should have access to health care.

The Homeworkers Protection Act of 2011 stipulates that homeworkers are entitled to fair wages, with equal pay for men and women. The hirer (the contractor) must provide a contract and ensure occupational health and safety. The hirer must establish a committee that gives access to courts in labour disputes.

More information: WIEGO (undated b)

#### Box 22.

### Youth forums in Tanzania

Young people from marginalised families are particularly disadvantaged: they lack the education, experience, skills to get decent jobs or make their opinions heard.

Plan International has helped young people in Tanzania to form youth forums to address problems they face. Nine district forums have been established, each with 20 elected representatives, who meet four times a year. The district forums in turn elect the members of a national forum, which meets once a year. More than half the representatives have been trained on leadership, communication and advocacy skills.

The forums set their own agenda. They discuss youth livelihood issues, help each other learn about government programmes and policies, identify gaps, run information campaigns, and organise young people to advocate for change. They have produced and distributed 15,000 copies of handbooks and information materials about the labour market and a similar number on government policies and services. Their discussions are broadcast on television and radio and are disseminated via social media.

The forums enable young people to meet with representatives of the government and the private sector, and propose changes to policies and services. For example, they have recommended making the Youth Development Fund, an under-used government job-creation programme, more accessible and visible.

More information: Simon Ndembeka, [Simon.Ndembeka@plan-international.org](mailto:Simon.Ndembeka@plan-international.org)

### *Leadership*

A common problem in membership organisations all over the world is that the leaders gradually become divorced from the rank-and-file members. They develop their own priorities, and cease to represent the interests and opinions of the members.

To prevent this, some basic rules of organisation must apply to associations of informal workers. The group should be governed by agreed, written rules; leaders must be elected on a regular basis and must be accountable to the members; decisions must be made transparently; the finances must be carefully controlled. The leaders must engage constantly with their members, seeking their views and providing them with feedback on policy discussions.

### *Trade unions*

In many parts of the world, trade unions and workers' associations play important roles in organising workers. They may start off in a city or sector, then expand elsewhere and to other, related sectors. They are often ready to offer advice and assistance to workers in unrelated fields. Some, such as Homenet, a network of home-based workers, are active internationally. There is a need for trade unions to explore innovative ways of reaching out to potential members in the informal economy.

However, many trade unions in the formal sector are not sympathetic to informal workers: they see them as competing with their members for work and as undercutting wages and standards that they have fought for. The Ghana Trades Union Congress is a well-known exception: its Informal Sector Desk coordinates the activities of national unions that organise workers in the informal sector (WIEGO undated a).

### *NGOs as intermediaries*

Given the lack of strong workers' associations (or strained relationships between such associations and the government,

## Organising farmers for advocacy in Egypt



*Photo: CEOSS*

*Small farmers in Minia, Egypt, can get access to agricultural extension services through their membership of cooperatives*

CEOSS, an Egyptian development NGO, has helped small-scale farmers in three governorates to get organised to lobby for their interests. It started by organising groups of 200–400 farmers in Minia and Beni Suef (south of Cairo) and Qalyoubia (to the north). These groups then elected representatives to governorate-level committees that coordinate activities. The committees have been registered as legal entities.

The committees and local organisations work on a wide range of issues: marketing of products as a group, reducing the costs of inputs, improving farming practices, conserving the environment, and processing crops to increase their value.

They have successfully lobbied the commission revising the constitution to include articles on access to farm inputs and on marketing produce.

More information: <http://en.ceoss-eg.org/>

and between informal workers' associations and formal trade unions), non-government organisations often act as intermediaries in discussions between the government or employers on one hand and informal workers on the other. Social protection is just one of many topics that NGOs may become involved in; others include wages, working conditions, economic policy and prices (Box 23). NGOs may play several roles:

- Inform informal workers about the issues and help them get organised so they can express their opinions.
- Lobby government and employers and raise public awareness of the situation of informal workers.
- Act as representatives or intermediaries for those groups informal workers that are not yet empowered enough to represent their own interests.
- Help informal workers organise their own social-protection schemes.

### ***3.3 Communication techniques***

#### *Assess needs*

Anecdotal evidence can indicate the types of problems that informal workers face, but to get a more complete view, it is best to conduct a needs assessment that covers all categories of workers within a particular group. Non-government organisations are often best-placed to conduct such an assessment. This may include home visits, individual interviews, focus group discussions, participatory appraisals and formal surveys.

The scope of the needs assessment may be broad or narrow, depending on the topic under discussion. If a suitable social protection scheme already exists, it may focus on the problems workers face in enrolling in the scheme and drawing benefits from it. If a new scheme is being considered (or if an existing scheme is being extended), the needs assessment will focus on



how to design it to suit the workers' needs. And of course, social protection may be only one of several topics covered; the assessment may also deal with other concerns that informal workers face.

If it deals with the accessibility of existing services, the needs assessment should make it possible to:

- **Enumerate the problems in access**, categorised according to their priority, the service provider and the number of workers affected.
- **Enumerate the workers affected**, categorised according to the type of service they need and why it is inaccessible.

### *Raise awareness*

Information – or a lack of it – plays a key role in ensuring access to social protection. Informal workers may be simply unaware that they have a right to social protection or that a service exists; they may not know how to enrol in a scheme or get the benefits they are entitled to; they may not understand what their obligations are. Many informal workers are poorly educated or illiterate, and they may have no birth certificate or identity card – documents needed to enrol in or draw benefits from a scheme. Women and migrants from rural areas are particularly likely to fall into these categories. The plethora of schemes and criteria does not make things any simpler. A pregnant woman or disabled person may not realise she qualifies for assistance.

The state often lacks the capacity (and will) to inform people about their entitlements. Officials may not know about the needs and conditions of informal workers, and they may lack accurate data on how many potential clients there are.

Awareness-raising should not be confined to workers and government. Employers (where they exist; most informal workers are self-employed) need to know why and how they should be involved. Workers in other sectors will be interested

in provisions that benefit them. Public support is needed, especially if the scheme draws on taxpayers' money rather than just the workers' own contributions. It may be necessary to educate the public that social protection is not only a right; it also benefits society and the entire economy.

Many policymakers and government officials do not understand the issues that affect informal workers, making it difficult for them to address these issues appropriately. Familiarising them with the workers, and their situation can build a basis for a common understanding and increase the likelihood that suitable agreements can be reached.

### *Choose an immediate focus*

“Social protection” involves cost and effort today (lobbying for coverage, registering with a scheme, paying contributions) to gain a benefit that may lie many years in the future (a retirement pension) or that may not occur at all (maternity, illness, injury). That may be too abstract, uncertain and long-term for workers who are forced by circumstances to concentrate on the here and now. Where informal workers are given a choice between two schemes – health care and old age pensions – most choose health because they are familiar with a lack of health care. Like most people elsewhere, they think about pension schemes for their later years too late!

In mobilising workers, it may be better to start with an immediate social protection-related problem that can serve as a rallying point. An example of this is Asiye eTafuleni's initial focus on fire hazards in a market in Durban (Box 24). When choosing an initial focus, it may be best to select an issue that is readily resolved and that can lead to consensus: it is easy (and in everyone's interests) to repair fire hoses and fix toilets, for example. An initial success can create the energy, organisation, linkages and goodwill needed to tackle more difficult and contentious problems and can boost confidence among members.

Box 24.

## Awareness raising through participatory hazard mapping in Durban



*Photo: Tasmi Quazi*

*Traders and local government officials inspecting hazards in the Traditional Medicine Market in Warwick Junction.*

Warwick Junction, a bustling transport hub and market near the centre of Durban, is the workplace of around 8,000 traders. The relationship between the traders and the municipal officials who manage the area is often tense.

Asiye eTafuleni (“let’s come to the table” in Zulu – with the implication of “let’s negotiate”) is a non-government organisation that tries to bridge the gap. Its Phephanathi (“be safe with us”) project uses a participatory method to identify hazards in the market. Traders’ representatives and fire and sanitation officials together visited the market’s nine distinct trading areas to identify health and safety risks. They then met to discuss potential solutions.

As a result, the fire officials held a fire-safety course designed specifically for the traders, and the sanitation department repaired broken toilets. One official insisted on bringing several colleagues into the market to take part in a similar exercise.

More information: [ResilienceTools.org](https://ResilienceTools.org) (undated)

### *Meet the workers*

Meetings of the category of workers being addressed are useful to inform people about their rights, hear their views, get them organised, and put pressure on the authorities. But holding meetings can be difficult: informal workers often live and work in scattered locations, and attending a meeting means

taking time off work. Women, especially, may find it hard to attend meetings because they have to perform household duties along with their jobs. And if they do attend, they may be expected to sit at the back and listen while the men do the talking.

Solutions include holding several smaller meetings near where people live or work, at times that are convenient to them. Separate meetings can be held for women if necessary; otherwise special effort may be required to ensure their voices are heard.

The meetings can elect representatives who form a committee to discuss topics in detail, make decisions and plan activities. These representatives are responsible for communicating with others in the community.

### *Build capacity*

Informal workers may enter discussions at a distinct disadvantage compared to government officials and employers. The workers are usually less well-educated and have more

#### Box 25.

#### **Health insurance for kayayei headload porters in Accra, Ghana**





*Percent Boateng (left) and Lusaka Fuseina (right) work as kayayei headload porters in Agboghloshie Market in Accra. Photo: Jonathan Torgovnik/Getty Images Reportage*

Lorries and vans cannot squeeze into the narrow alleys and clogged streets of Accra's many markets. So stallholders and customers rely on kayayei to bring their goods in and carry their purchases out. Kayayei are women, often from northern Ghana, who carry loads on their heads. They earn little – often only \$2–3 a day, and spend long hours doing backbreaking work. Many cannot afford to join the government-sponsored National Health Insurance Scheme. And many who have joined the scheme complain that they face discrimination: staff mistreat or ignore them.

In 2012, WIEGO began facilitating discussions between the kayayei and scheme officials. To prepare the women for the dialogue, it ran a series of clinics in which the women could develop their arguments and practice their public speaking and negotiation skills. At the final clinic, friendly government officials were invited to listen to their arguments and to provide constructive feedback.

The first Health Policy Dialogue was attended by about 100 kayayei, along with 12 policymakers from the Ministry of Health and the insurance scheme. The kayayei shared their experiences and questioned the officials.

Dorcas Ansah, WIEGO's Accra Focal City Coordinator, says that the officials were amazed by the porters' confidence and ability to pose critical questions. "Their anger at being unable to access health services, even when they had saved to buy the National Health Insurance card, was very strongly expressed," she says.

The result was an agreement to run special drives to register kayayei at or near their workplaces, and to subsidise their premium. In the first drive, over 2000 women were registered. Since then, the scheme has regularly gone out to register kayayei at the subsidised rate.

More information: Alfors (2013), OHS Newsletter (2012)

limited access to information, and they may not be used to speaking in public.

While NGOs can act as intermediaries, it is important that the workers can speak for themselves. Building their capacity can help them do this (Box 25).

### *Hold discussion forums*

Discussion forums are a way for workers' representatives, government officials, employers and other stakeholders (such as NGOs) to discuss specific topics on social protection. Such forums may be one-off or part of a regular series. One-off forums can raise awareness about an issue and stimulate a commitment to find a solution. Regular meetings can go into depth and make it possible to negotiate the details.

Such forums may be closed, or they may be open to the public, with the media invited.

### *Take part in high-level commissions*

Discussion forums may be able to solve local issues, but for larger-scale questions, a high-level commission that the national government convenes may be required. Such commissions engage in thorough consultative process with stakeholders; they can initiate research and draw on expert opinion. The representatives of informal workers who contribute to the commission must have sufficient information and be able to deploy convincing arguments to support their cause (Box 26).

#### Box 26.

#### **Extending social protection for the construction sector: The Zambia Green Jobs Programme**

Ninety percent of workers in Zambia's construction sector are informally employed. They work on short-term projects, in risky conditions, and with little or no job security. The Green Jobs Programme is seeking ways to extend social protection and improving occupational health and safety to enterprises and workers in this field.

Green Jobs has helped create a national technical working group comprising representatives of the government, social protection service providers, organisations of employers and workers, civil society and informal economy sector associations. The Ministry of Labour and Social Security leads the group. The members have endorsed a road map to extend social protection to other groups in the informal economy at national level in addition to work being done in construction sector. At policy level the programme has supported the legal framework making proposals to allow progressive extension of social protection to the informal economy.

The programme has supported the national pension and workers' compensation schemes to implement practical strategies and mechanisms to allow penetration of the informal economy.

Focal persons in associations within the sector have been trained on social protection issues so they can pass on this knowledge to their members. The associations help register workers on saw milling sites: by the end of 2016, over 1,000 workers had been registered in pension and work-injury schemes.

The Zambia Green Jobs programme is a UN joint programme funded by Finland, led by the ILO.

More information: [www.zambiagreenjobs.org/](http://www.zambiagreenjobs.org/)



### *Run publicity campaigns*

Various forms of media can be useful to raise awareness and advocate for change.

- **Mass media.** Efforts to win social protection can be highly newsworthy. Workers' organisations can cultivate relationships with radio, television and newspaper journalists and use them to gain publicity and support.
- **Handouts and booklets** explaining the issues can be useful tools to keep workers informed. Photos, illustrations, and simple easy to read material can help people with little or no education (or those who speak other languages) understand the information.
- **Performances** such as street theatre, puppet shows and role plays are useful ways to explain issues and reach people in an entertaining way.
- **Visits by officials and the media** to informal workplaces can be a very effective way of introducing them to the problems that workers face (Box 24). Such visits are easier to arrange if the workplace is in a public location (markets, rubbish dumps, construction sites) than if it is on private property (homes, workshops).

### *Use digital technology*

Electronic media offer new ways to gather and disseminate information both on an individual basis and with large numbers of people at the same time. They are useful both for the providers of social protection services and for those organising informal workers.

- **Websites** can make information available at little cost (though the user still has to have a way to access the website). If made interactive, they can also be used to gather information and support.
- **Social media** such as Twitter and Facebook help keep large numbers of people informed and enable them to express their own views and share them with others.

- **Email and messaging services** such as SMS and Whatsapp can be used to exchange messages between individuals as well as with groups.
- **Simple mobile phones** can carry both voice calls and text messages; **smartphones** have a much wider range of uses, including downloading information from the internet (and uploading to it), making and disseminating photos and videos
- **Tablets and mobile phones** can also be used to gather information, for example to conduct surveys of informal workers.

When considering which type of digital technology to use, it is necessary to think of who the audience is. Few informal workers have access to (or can use) a computer, so applications that rely mainly on a computer (websites, email) tend to be restricted to government officials, service providers, NGOs and larger employers. A large, and increasing, number of informal workers have a mobile phone, so this is a promising technology to reach them. But care is needed: many have a simpler, “feature phone” rather than a smartphone, and even

#### Box 27.

### Using mobile phones for information and awareness

How effective are mobile phones in reaching informal workers? In 2014 WIEGO conducted a study with its affiliate organisations of informal workers in Brazil, Colombia, Ghana, India, South Africa, Peru and Thailand. Several of these organisations provide social protection to their members or link them with state schemes.

The study found that many of the members owned a mobile phone, but this was often a cheaper “feature phone” rather than a smartphone. Such feature phones are limited to voice and text messages, and sometimes messaging services such as Whatsapp. Older workers tended to prefer voice calls because they found it hard to read text messages. Charging phones is a problem as many workplaces lack power sockets. All the organisations said that mobile phones could never replace face-to-face information sharing and education.

But the respondents were excited about the potential of mobile phones to disseminate information. The workers’ organisations in India, for example, talked about sending bulk voice-messages to workers’ phones. Using mobiles to link workers to state health services was also an interesting possibility. But such interventions should be low-cost and simple.

those who have a smartphone may not know how to fully use it (Box 27).

### *Document activities*

It is important to document the situation of informal workers, the risks they face, and their efforts to gain access to social protection. Some reasons include:

- Documentation provides permanent evidence of the problems that informal workers face.
- It can be used to mobilise other workers and raise public awareness.
- It is valuable in negotiating with the government or employers.
- It provides evidence of progress (or a lack thereof).
- It helps in replicating a successful approach in other situations.

Documentation may contain two main types of evidence: anecdotal and statistical. **Anecdotal evidence** tells a story about a person, group or event. (Most of the boxes in this book are like this.) Examples include:

- Written descriptions of individual workers, groups or events.
- Photos, videos and audio interviews with informal workers
- Live oral testimony presented by workers themselves (this can be recorded for reuse later).

**Statistical evidence** presents data about many workers. (Section I.2 on *Social protection around the world* contains a lot of evidence of this type.) Examples include numbers, tables, graphs and maps.

Both types of evidence are valuable. Anecdotal evidence gives a human face (an injured worker) to an abstract concept (workplace injury). Statistical evidence shows how widespread and serious a phenomenon is. Anecdotes touch our hearts and

move us to action; statistics show that the anecdotes are not unique but illustrate a common, serious problem.

### *Continue dialogue*

The situation changes, new concerns arise, new actors come on the scene. Continuing dialogue is necessary to ensure that social protection schemes maintain their relevance to informal workers and enterprises. This should not be left to chance or goodwill; the rights of workers and employers to contribute to policy decisions should be built into legislation and policies governing social protection schemes.

### *Borrow ideas*

There is considerable scope to share experiences and approaches across industries, cities and countries. Once a group of informal workers has won social protection, it may be possible to adapt the approach when extending protection to others. Involving the first group of workers may be helpful: they can assist other categories of workers to organise and express their demands, and can advise on the social protection approaches that may be applicable (Box 28). Trade unions in one sector can act as mentors for newly formed workers' organisations in another sector; non-government organisations and development agencies can help spread ideas across national borders.

A related approach is to borrow ideas from countries with similar conditions. For example, in 2003, South Africa extended its Unemployment Insurance Fund to domestic workers (though this has not been without problems – Box 29). The South African approach and legislation might be adapted to other countries.

## **4. Working with employers**

When designing social protection schemes for the informal economy, it is not enough merely to talk to informal workers. Their employers must also have a say in decisions if they are expected to contribute to the scheme.

Box 28.

### **Informal economy workers Zambia**

In Zambia, informal economy workers such as street vendors, marketers, and farmers are participating in a national initiative, supported by the Alliance for Zambia Informal Economy Associations an affiliate of informal economy associations, to extend social protection to the informal economy workers. This initiative is under the framework of the ILO technical working group on extension of coverage to the informal economy.

As example, the government wishes to establish a social insurance scheme where both workers and the construction industry contribute. Identifying construction firms is relatively easy, making it feasible to require them to pay into the fund.

Similar approaches could be used with other easily identified employers that hire informal workers, such as horticulture producers.

More information: Francie Lund, [Francie.lund@wiego.org](mailto:Francie.lund@wiego.org)

Box 29.

### **Extending South Africa's Unemployment Insurance Fund to domestic workers**

South Africa's Unemployment Insurance Fund provides short-term relief to workers who become unemployed or are unable to work because of maternity, adoption leave or illness. It also provides relief to the dependants of a deceased contributor. Each month, the employer is required to pay 2% of the worker's remuneration into the fund: 1% from the employer and 1% from the worker.

The fund was extended to domestic workers in 2003. Contrary to expectations of low take-up, many domestic workers were registered at first. But the government has been slow to monitor compliance and payouts are low. As a result, many workers say they would rather receive the employer's contribution as income.

Lessons: Employers have been willing to sign up, and domestic workers are more easily identified than, for example, home-based workers or street vendors.

More information: Francie Lund, [Francie.lund@wiego.org](mailto:Francie.lund@wiego.org); Dept of Labour, South Africa (2013)

### ***4.1 Identifying employers***

Some categories of employers are relatively well-organised, making it easy to identify and negotiate with them. Many **formal enterprises** employ informal workers; they include construction firms, large farms, taxi companies and cooperatives. Such employers may be organised into trade associations that can act as negotiating partners; they may also have legal staff and accountants that can handle paperwork and payments. Bringing their informal workers into a social protection scheme should be relatively easy.

Other categories of employers are far harder to pin down. **Informal enterprises** are, by definition, small: with fewer than five employees they are likely to lack the staff to handle complicated paperwork. They are not registered with the authorities, and there are a lot of them, making it hard for the government to identify and chase up those that do not comply with the rules. Many are in a similar situation as their employees: they may be poorly educated, have no formal accounts or a bank account, and be eager to avoid official prying. They are not organised into trade associations because they do not see the benefit of doing so, cannot afford to spend time in meetings, or cannot contribute membership dues.

Certain types of employer (or employment relationships) are especially difficult to identify:

- **Small, family enterprises that employ close relatives.** Here, however, the family itself may act as the social protection mechanism, taking care of workers who are ill or pregnant or who retire.
- **Households that employ domestic workers.** If the worker is paid in cash, the employment relationship may be totally invisible to the authorities.
- **Short-term employers.** A trader who employs somebody to deliver merchandise to a client will rather consider that he is hiring the services of a person who is working for his own account and can hardly be expected



to register the job with the authorities and pay social protection contributions for such a short period.

Many workers in the informal sector are **self-employed**: they produce goods or perform services that they sell to customers. Examples are porters who carry goods to and from market stalls, taxi drivers who own their own vehicles, and small-scale manufacturers who sell their output to a wholesaler.

Finally, many workers in the informal sector have no direct employment relationship but their work is controlled by powerful individuals or companies. For example, they may produce items that they sell to a company, or perform services on behalf of a contractor. These “**owners of capital**” perform many of the roles of traditional employers and receive the benefits, but they avoid the responsibilities ascribed to employers, including the provision of social protection (see section I.2.3). There is a danger that using the term “employer” keeps us trapped in a framework where the employment relationship is the means to access social protection. In fact, powerful actors who are not “employers” but still control and benefit from labour might still be expected to cover part of the costs of social protection for “their” workers (Lund and Nicholson 2003).

## ***4.2 Employers’ attitudes to social protection***

Employers tend to have a double-sided attitude towards social protection: both negative and supportive.

### *Negative*

For employers, complying with the requirements of a social protection scheme implies financial costs, extra effort, and the risk of interference by the authorities. They may try to avoid contributing to a scheme by hiding the enterprise from the authorities, by not registering an employment relationship with a worker, or by engaging workers through subcontractors or as self-employed contractors.

### *Supportive*

At the same time, employers may want their workers to be covered by a social protection scheme. Reasons include:

- The social protection scheme takes on risk: it supports the worker in the case of illness or accidents.
- It provides a clear framework of rules for both the worker and the employer to follow.
- It helps attract and retain skilled workers, reducing staff turnover and cutting the cost of hiring and training them. A good health plan or pension scheme are good reasons for workers not to keep looking for new, better-paying jobs.
- Employers can avoid penalties for non-compliance and the risk of having to bribe officials to ignore infringements.

### *Other issues*

Social protection is just one of many concerns that employers face. They may want to relate discussion of social protection to other issues: liberalising labour markets; deregulating starting, operating and closing a business; simplifying customs procedures; making it easier to enforce contracts; simplifying and lowering taxes; the provision of infrastructure; the availability of credit.

### ***4.3 Finding common interests***

Employers and workers may have divergent interests when it comes to social protection. Workers want their employers to shoulder the costs and handle the paperwork; the employers want to pay as little as possible and prefer that the workers are responsible for their own coverage.

But the two sides probably agree on many issues.

- Both have an interest in hiding their employment relationship from the authorities: the workers want to avoid paying tax and fear they may lose their jobs if

they are formalised; the employers want to escape the extra costs, regulation and government interference that enterprises in the formal sector must bear.

- At the same time, both sides want workers to be covered by social protection measures: the workers want to have an income if they fall ill, and most employers want skilled workers to return to the job after an illness.
- Both want any social protection scheme to be comprehensive but cheap.
- Both want someone else (the government) to cover the costs and take care of the administration.

This range of commonalities means it is possible to envisage a compromise that is acceptable to all sides: a cheap, efficient

#### Box 30.

### Extending social protection to porters: The mathadi boards in India

Porters, known as *mathadi* in Hindi, carry loads on their heads or backs from place to place in a market: from delivery lorries to traders' stalls, and from there to customers' vehicles. They are typically employed by the traders, but their wages vary according to supply and demand, and they have no social protection.

That is changing in Maharashtra, a big state in central India. Mathadi boards have been established in many markets to manage the porters' wages and social security. All employers and porters in these markets are required to register with the board. The employer does not pay the porter directly, but instead deposits the wages each month with the board, which in turn pays the money into the porters' accounts.

The wages are fixed during consultations between the market management committees, employers' associations and the porters' trade unions. The wages are fixed for a 2–3-year period, with increases allowed for inflation.

The board also charges the employers an additional levy of 30–40%. This is used to cover the board's expenses and to provide social security for the porters. The social security covers the porter's pension, bonuses, paid leave, allowances for rent and travel, and free medical treatment. The boards and the porters' unions also undertake initiatives in education, housing, credit, cooperative stores and nutritious food.

The mathadi boards include representatives from the porters, employers and the government. They are coordinated by the Labour Department.

More information: Chandan Kumar, [Chandan.kumar@actionaid.org](mailto:Chandan.kumar@actionaid.org); <https://mahakamgar.maharashtra.gov.in/lc-mathadi-boards.htm>

service that provides a certain minimum level of benefits, that disturbs existing employment arrangements as little as possible, and that imposes few administrative burdens on workers and employers. Such systems are likely to be financed by contributions from three parties: the worker, the employer and the government. It is just such systems that are emerging to serve the informal economy in much of the developing world (Box 30).

#### *4.4 Talking to employers*

Various approaches can be used to approach and negotiate with employers in the informal economy. Many of the ideas presented here are like those suggested in section III.3.

##### *Understand employers' needs*

As with workers, it is important to understand the employers' situation and needs when designing a social protection scheme for informal workers. Similar methods as for the workers' needs assessment (see section III.3.3) can be used for this: interviews, focus groups, participatory appraisals and formal surveys.

##### *Develop employers' capacity*

Many informal employers do not know how to comply with the requirements of a social protection scheme. Some of these skills concern the scheme itself: understanding the rules, registering workers, paying contributions, and helping workers apply for benefits. Others are more basic business-management practices: keeping accounts, writing contracts, managing finances, etc. It may be necessary to develop the employers' capacity in the basic topics first for them to fulfil the social protection scheme's requirements.

##### *Form employers' associations*

Many informal employers work in isolation, or in competition with one another; they lack associations that enable them to discuss issues or to collaborate. Helping

employers become organised can create viable partners that can negotiate with workers' groups and the government, and that can organise social protection schemes for their industry sector.

Care is needed, however: many employers are already in a powerful position compared to the workers they employ; helping them form associations risks strengthening that power further.

### *Work through the value chain*

Some informal employers are part of a value chain that a formal firm controls. Some large-scale manufacturers, for example, buy and assemble products made by subcontractors, which farm out work to sub-subcontractors, who in turn engage large numbers of people who work at home or in small workshops. The chain is controlled by the big manufacturer (the “owner of capital”) at the apex, even though it employs very few people directly (see section III.4.1).

This opens the possibility of influencing the entire chain by changing the behaviour of the apex firm: this firm can require its subcontractors to ensure that all components are produced by workers who enjoy certain minimum standards of social protection. Similar approaches have been used successfully in other fields: supermarkets ensure that the vegetables they sell are pesticide-free or organic; fair-trade coffee-marketers guarantee that the growers get a better price for their beans; the Swedish furniture-retailer IKEA requires that its sheets and mattresses are made from sustainably produced cotton.

Large firms can also be persuaded to source a portion of their products from small enterprises, and at the same time to build the capacity of these enterprises. Many large firms have corporate social responsibility programmes that can implement such initiatives.

### *Copy approaches used elsewhere*

Social protection initiatives that have been successful elsewhere – in other cities, countries or economic sectors –

might be useful models. Employers' associations can learn from one another; approaches used in the formal economy can be expanded into the informal economy; what works in the construction sector might be adapted for manufacturing.

### *Use intermediaries*

It may be difficult for governments or social protection providers to reach and work with informal employers. As with the workers, NGOs can play a key role, for example by offering the expertise, linkages and field assistance to help formal employers work with their network of contractors and subcontractors, or organise the workers so they can negotiate with the employers.

### *Advocate responsible employment*

Advocacy can play a big role in persuading certain types of employers to take part in social protection schemes. Media coverage can inform employers about a scheme, and remind them of their duty – and of the penalties of not complying. NGOs and consumers' groups can apply pressure on big firms through adverse publicity and the threat of boycotts. Employers can also benefit from positive publicity for their efforts to extend social protection to their workers.

Larger enterprises, especially multinational firms, have corporate social responsibility departments responsible for ensuring that they behave in an ethical manner. Such departments (or foundations associated with the firm) also have separate funds they can allocate to projects that benefit the communities in which the company operates. Such initiatives may benefit informal workers in various ways:

- **Direct benefits.** The workers, their families and the community may benefit directly, for example if they receive skills training or if the firm funds a school or builds a road in the neighbourhood.
- **Indirect benefits.** Initiatives may act as an example for other firms in the same sector, or a model that



government can point to in cajoling other employers to up their game. If an industry leader can ensure that its workers get social protection, then so can other, smaller firms.

### *Impose penalties*

Persuasion may not be enough: rigorous inspections followed by fines and other penalties (that are enforced) may be necessary for employers that do not comply with social protection rules.

## 5. Working with marginalised people

### *5.1 Vulnerability and exclusion*

Certain categories of people in society are especially **vulnerable**, so are more likely than others to need social protection. They include the very poor, people with limited education, the elderly and disabled, refugees and internally displaced people, and people living in remote areas or insecure housing.

Another group of people are marginalised or **excluded** from society, subjected to discrimination, denied services that are available to others, and subject to social censure or prosecution (Box 31). They have little opportunity to make themselves heard, and even then, their voices are ignored.

#### Box 31.

##### **Types of exclusion**

Exclusion may take on many forms: economic and non-economic.

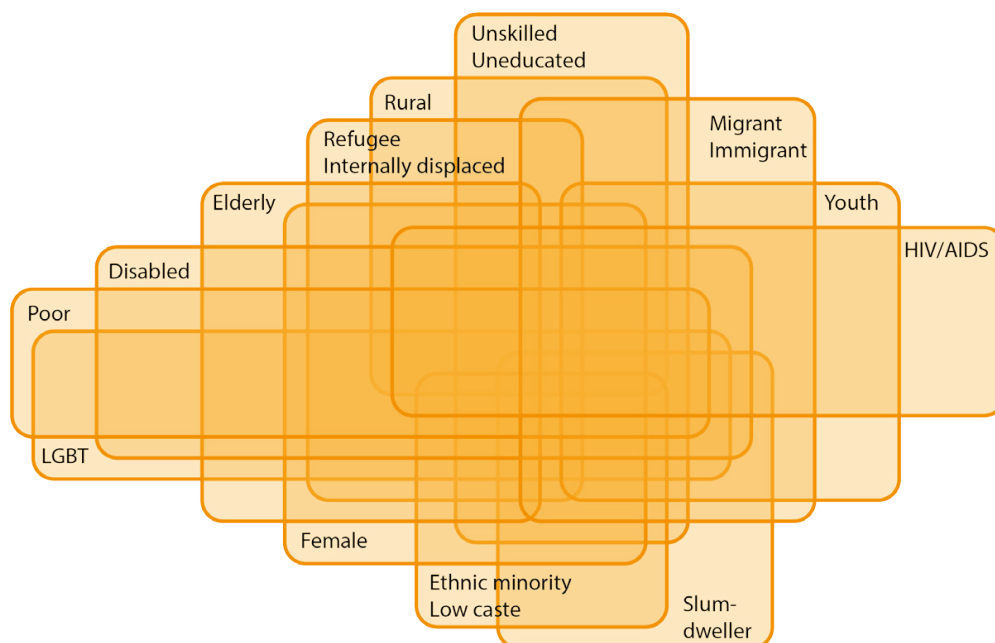
**Economic exclusion** refers to the lack of access to labour markets, credit, and other “capital assets”.

**Non-economic exclusion** includes social, political, and cultural exclusion. People may be excluded from participating in certain activities or they may be denied a say in decisions that affect them. Women in many societies, for example, are not allowed to take part in meetings, or if they do, they must sit at the back and keep quiet. Social expectations may lead to de facto exclusion: a woman who must cook for the family in the evening can hardly attend a community meeting held at that time.

Examples are members of the “scheduled castes”, “other backward castes” and “scheduled tribes” in India, ethnic minorities in many countries, the long-term unemployed, the mentally ill.

Many people find themselves in several of these categories at the same time. A poor woman with a disability from an ethnic minority is unlikely to enjoy the same education, rights, social esteem as a fit, well-off man from the majority ethnic group.

These categories also intersect with the **informal economy**. The woman with a disability is much more likely to work in the informal economy, or not to work at all, than the able-bodied man. The closer someone is to the centre of Figure 7, the more likely he or she is to be vulnerable, excluded, and to be in the informal economy (or not to be economically active at all). Such people are much more likely to need social protection, but paradoxically are less likely to get it.



**Figure 7.** Factors that make people vulnerable and excluded often overlap with each other

### *Who excludes?*

Most people who suffer from exclusion are deliberately excluded by others in power:

- A local authority or traditional chief may refuse basic rights to lower castes, people in certain clans or ethnic groups, or displaced people or refugees.
- Health providers may deny services to people living with HIV/AIDS.
- Religious leaders or traditional chiefs may refuse to allow women to speak or to take on leadership roles.

Very poor and vulnerable people may also marginalise themselves: if they see no hope for improving their situation, they may become resigned to their fate or even self-destructive. They may not seek assistance, or they may reject well-meaning attempts to help them.

### *Gender*

Women, while forming half of society, face many legal and social restrictions on the types of activities and work they are “allowed” to do. Throughout the world, women earn less than men in both formal and informal jobs, they have less job-security, and they tend to work lower down the employment hierarchy – at the high-risk–low-income end of the income ladder (Box 32; Chen 2012). They may earn less than men for the same work. In most developing countries, women are more likely than men to work informally. They are less likely to employ others, and they face a harder, lower “glass

#### Box 32.

#### **Female poverty in South Africa**

In South Africa, households headed by women are more likely to be poor than those headed by a man: 48% of households headed by a woman are poor, compared to 28% of those headed by a man. Reasons include:

- Female-headed households are more likely to be in rural areas, which have higher poverty than the cities
- Female-headed households tend to have fewer working-age adults
- More women than men are unemployed
- Women tend to earn lower wages than men.

Source: Omilola and Kaniki (2014)

ceiling” (a cap on upward mobility). They may be unable to travel alone or at night, and suffer a second-class legal status. They also may be expected to perform additional, unpaid tasks, such as managing the household and caring for children and elderly relatives. Child-bearing may prevent them from earning for extended periods. Women are also subject to sexual exploitation and violence. Despite all this, women tend to have less access to social protection.

## ***5.2 Overcoming marginalisation***

How to overcome marginalisation? Many of the same approaches that are described in section III.3 are appropriate here too. We here focus on specific techniques for use with marginalised groups.

### ***Identify vulnerable groups***

It is first necessary to identify vulnerable groups. This can be difficult because of the range of different types of vulnerability and because some of the individuals involved are isolated, shunned by society or hidden from view.

One way of identifying the vulnerable is to involve the community. Participatory appraisal methods can be used to

#### **Box 33.**

#### **Identifying vulnerable people in Rwanda**

Winrock International in Rwanda uses a participatory, transparent method to select beneficiaries in a child-labour programme. This method empowers and respects vulnerable people and so facilitates their inclusion.

First, it holds awareness meetings about child labour with the community in collaboration with local authorities. The local authority invites vulnerable people and other community members to the meeting. The project staff explains what the programme is about and the criteria for eligibility. The vulnerable residents themselves select the neediest children and their households. All this is done in public to make sure that all the children chosen actually meet the eligibility criteria. If more children are identified than the programme can handle, the beneficiaries are chosen at random, again with the participation of the community. The local authority approves the list, which is transmitted to the project.

More information from Winrock International at [www.winrock.org](http://www.winrock.org)

identify individuals or households; this can be followed by interviews with the people who have been identified to check their situation and determine their specific needs (Box 33).

Special caution is needed in some circumstances. It is important to avoid further isolating or demeaning people who are already excluded from society. In a community that is deeply divided along ethnic, religious, clan or caste lines, people on one side of the divide may not know anything about people on the opposing side – and they may actively try to prevent any of the opponents from benefiting from a scheme. It may be necessary to balance beneficiaries from both sides of a divided community to prevent jealousy and accusations of favouritism.

### *Organise and network*

Marginalised people rarely have effective organisations that can represent their interests or act on their behalf. They may need outside help – from the government, a development project or non-government organisation – to get their views heard.

It is important, though, to ensure that efforts are community driven – that the marginalised people themselves feel they own and control their organisations.

Outsiders must respect and adjust themselves to local beliefs, traditions and culture.

#### Box 34.

##### **Children identify hidden children in Rwanda**

In Rwanda, children with disabilities are often hidden away by their parents and ignored by their neighbours, making it very difficult to identify and help them or their families. That affects a significant number of people: a 2012 survey found that nearly 1% of Rwandans under the age of 21 have a disability.

In 2015 in one district, children who had been elected to represent their peers in the National Children's Summit brought up the topic of disabled children. The media took up the subject, and the government immediately took action to identify all the disabled children in the country and make sure they got an education.

More information: Winrock International, [www.winrock.org](http://www.winrock.org)

### *Raise awareness*

The government, local leaders and the public may not be aware of the situation that marginalised people face, or they may not give it a high priority. Awareness campaigns of organisations of marginalised people themselves, or on their behalf, can raise understanding. They also target marginalised people themselves, who may not be aware of others in a similar situation or of the possibilities for improvement (Box 34).

### *Empowerment*

One way to overcome stigma is to ensure that marginalised people take on positions of responsibility and respect. Doing this may require recognising their existing capabilities, training to build new ones, providing opportunities for them to take responsibility, and ensuring that they are considered for leadership positions (Box 35).

### *Funding*

Marginalised groups are even less likely than others to be able to contribute meaningful sums to a social protection scheme. So, most resources are provided by non-government organisations, but these rely in turn on the continuing goodwill and support of donors, whose agenda may shift over time.

### *Education and skills*

Education remains the major route for people to avoid or escape marginalisation. That means ensuring that children get an education, and making sure that they complete their schooling. Special programmes may be needed for specific groups: street children, child labourers, adolescent parents, former child soldiers, and children who have been sexually exploited, have disabilities, are affected (or infected) by HIV/AIDS, or are from lower castes or minority ethnic groups.

For older children and young adults, vocational training and apprenticeships (Box 36) can be a valuable ladder away from a marginal existence. Training should not be restricted to work skills; topics such as financial literacy, marketing and



Box 35.

## Overcoming stigma in Rwanda

For Rwandans, infection with HIV (the virus that causes AIDS) causes double hardship: health problems and social stigmatisation. Modern medicines can keep the virus in check and most people can get treatment if they need it. But the social stigma is hard to overcome.

But Maria in Gicumbi district in Rwanda's Northern Province has done just that. Her son, a child labourer, was one of the children chosen by her neighbours to receive a scholarship from Winrock International in 2015. This programme also enrolled the families of the selected children in a social protection programme. The parents were invited to join voluntary savings and loans groups; older out-of-school siblings received vocational skills training, and the whole family was eligible for community health insurance.

When it came to form the savings-and-loans groups, the other members elected the HIV-positive woman because of her many bright ideas. "I have been empowered," she says, "I've recovered my dignity as human being, I am no longer perceived as HIV positive, but as a leader of this group, therefore, respected in my community."

More information: Winrock International, [winrock.org](http://winrock.org)

Box 36.

## Global Apprenticeships Network

Many young people cannot get a job in the formal economy because they lack the skills and experience; at the same time, companies cannot grow because they are short of skilled workers. Schools do not teach work-related skills, and many young people drop out of school anyway before they graduate.

Apprenticeships enable young people to learn skills that are directly relevant to their work. Many young people progress straight from an apprenticeship into a full job with the same company. Countries with large numbers of apprenticeships (such as Germany, Austria and Switzerland) tend to have low rates of youth unemployment.

The Global Apprenticeships Network is an alliance of businesses that aims to improve job opportunities and skills of young people through apprenticeships. Funded by various major corporations through their corporate social responsibility programmes, it has set up networks in Argentina, Colombia, Indonesia, Malawi, Mexico, Spain and Turkey. Further networks are planned in other countries.

More information: [www.gan-global.org](http://www.gan-global.org)

business management give people the skills they need to start and manage a successful enterprise. Informal education via radio, television and social media can also help people gain knowledge and skills.

## 6. Key future directions

### *Adjusting requirements*

- Make qualifying conditions for social protection schemes more flexible and reasonable in cost. Pay special attention to ensure coverage for informal workers who are employed on a short-term basis.
- Simplify registration requirements and develop simple tools to ease information collection and record keeping. Ensure that they are well adapted to the situation of informal workers.
- Make contributions flexible and affordable as this makes it easier for informal workers on irregular incomes to contribute to social protection schemes.
- Diversify the ways that informal workers can pay into social protection schemes, such as through mobile phones, post offices or convenience stores using smart cards or digital codes, or using mobile collecting teams.

### *Improving customer service*

- Streamline procedures and ensure clarity of rules and regulations.
- Provide support to informal economy clients to navigate the bureaucracy.
- Develop one-stop shops where informal economy workers can register and simplify coordination and collection of contributions.
- Ensure quick and efficient disbursement of benefits even where informal workers are dispersed in space.
- Encourage members not to skip contributions and to revive their membership if they miss some payments.

- Strengthen monitoring and management of schemes reaching informal economy workers, including obtaining feedback from members and adjusting as realities change.

### *Using innovative ways to improve governance, transparency and accountability*

- Ensure that technology (e.g., electronic payment system or data management) becomes a priority in the day-to-day operations of the institutions dealing with social security issues. This will enhance accuracy in data capture and the timely delivery of benefits to beneficiaries.
- Develop innovative delivery mechanisms for social security services. These could include partnerships with existing groups in the informal economy and use of new technologies, including the use of one-stop shops for social protection services, the use of mobile office operations, smart cards, and mobile phones.

### *Publicity campaigns*

- Improve communications to inform informal economy workers about their entitlements and how to qualify for and access the benefits.
- Use a combination of approaches: mass media, handouts, local live performances, visits by officials and the media to informal workplaces (including those in remote areas).
- Use digital technology including websites, social media, email and messaging services, and simple mobile phones.

### *Identifying especially vulnerable groups*

- Identify such groups within the informal economy and ensure that they are well covered and able to access social protection.

### *Supporting advocacy and organisation of workers*

- Strengthen the knowledge of the public sector and private formal and informal employers regarding the rights of informal workers to social protection benefits.

- Encourage the building of effective organisations, including election of representatives of groups of informal workers to advocate and coordinate access to social protection. Empower groups and their representatives to undertake coordinated action such as lobbying, advocacy and negotiating with the government, employers and service providers. Leaders should engage constantly with their members, seeking their views and providing them with feedback on policy discussions.
- Hold discussion forums with workers' representatives, government officials, employers and other stakeholders such as NGOs.
- Support informal economy trade unions and associations in their quest to increase access to social protection.
- Support NGOs as representatives and intermediaries to lobby government and employers and raise public awareness of the situation of informal workers regarding social protection.
- Advocate for stakeholders to support formalising of informal workers to facilitate their access to social protection.

### *Involving formal and informal economy operators*

Include formal enterprises that employ informal workers and those who have informal workers in their value chain to ensure social protection can be accessed.

- Find common interests between the stakeholders.
- Understand employers' needs.
- Develop employers' capacity on social protection.
- Create and train informal operators' associations.
- Work through the value chain ensuring that employers take responsibility for social protection of workers along the chain.

- Promote responsible employment and provision of decent work including access to social protection.
- Impose penalties for non-compliance.



*Fishermen on Lake Naivasha, Kenya. Work in the informal economy is often hazardous and brings in an irregular income. Photo: Marco Bombetti*



## IV. Scope for community-based support

It is the government's duty to ensure that its people have adequate social protection. But what happens if the state cannot, or will not, provide it? Then other actors must step in: employers, donors, and especially the community itself (Box 37).

This chapter primarily focuses on community-driven social protection. It analyses the types and interrelationships of community-driven social protection with government, donors, and others in civil society. The chapter also focuses on the strengths and weaknesses of this type of social protection. Finally, we make recommendations to strengthen the role of communities in delivering social protection using a range of mechanisms.

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### What is a “community”?

By a “community” we mean a group of people who have shared interests and values. They may live in the same place (so the people living in a village may form a community), share the same beliefs or ethnicity (a religious or ethnic minority is a community) or be engaged in the same type of activities (construction workers are also a community).

Communities are not homogeneous. Their members may differ in terms of age, sex and gender, education, wealth, occupation and social status. Some can afford their own social protection while others cannot, so need support from others. There is a wide range of evidence showing that even the poorest within a community have some resources (ideas and knowledge included), which can be tapped to enhance their access to social protection and a decent life.

Communities are not isolated entities. They interact with other communities as well as governments, civil society organisations, the private sector, and other organisations. Communities are not monolithic: they consist of people with different backgrounds and interests. Tensions and conflict may exist within and between communities.

## 1. Types of community-supported social protection

Community-based forms of social protection are far older, more prevalent and diverse than those that the state provides:

- Families care for the young, elderly, pregnant, sick, injured and disabled.
- Relatives, neighbours, friends and clan members support one another in times of need.
- People of the same religious or ethnic groups frequently club together to support each other.
- People who do the same type of work often form associations to assist each other.

Such forms of social protection are extremely variable. Only some of the various mechanisms are summarised here.

**Families, friends and neighbours** provide support to needy people directly or through remittances. Remittances and transfers between households in cash or in kind are a vital support for many poorer people (Charmes 2003).

Higher income people often help the less fortunate in a combination of **charity and self-interest**. They may provide employment and income, offer food and housing, or lend them assets. Better-off people often help graduates of training programmes or employment creation schemes to set up their own businesses (Zegers 2016). Rich pastoralists lend animals to their poorer kin to help them recover from a drought. This is also a form of **insurance**: by splitting a herd of cattle among relatives, the richer pastoralist reduces the risk of a cattle raid, drought or epidemic wiping out the whole herd.

In **mutual-assistance arrangements** people come together to perform tasks than no one can do alone (such as building a house or rounding up livestock), need to be done quickly (land preparation, crop harvesting) or that are repetitive and tedious (husking maize). Examples include *gotong royong* in Indonesia, *bayanihan* in the Philippines, *harambee* in East Africa, *wobera* in Ethiopia and *valin-tanana* in Madagascar. Such arrangements are frequently used to help the most disadvantaged people in a community.

**Rotating savings-and-loans groups** or “merry-go-rounds” and “tontines” are a common form of mutual assistance, especially in sub-Saharan Africa. Examples are *ibimina* in Rwanda, *arisan* in Indonesia and *equb* in Ethiopia. Members pay a small amount into a kitty each week or month; the kitty is then given to one of the members in turn, chosen either by lot or in an agreed order. Such groups may have specific goals: in Ethiopia, *idir* groups support the funeral of their members; increasingly they cover medical costs too (IIRR 2003). Such groups may be organised by groups of friends and neighbours, or the traditional chief may coordinate them.

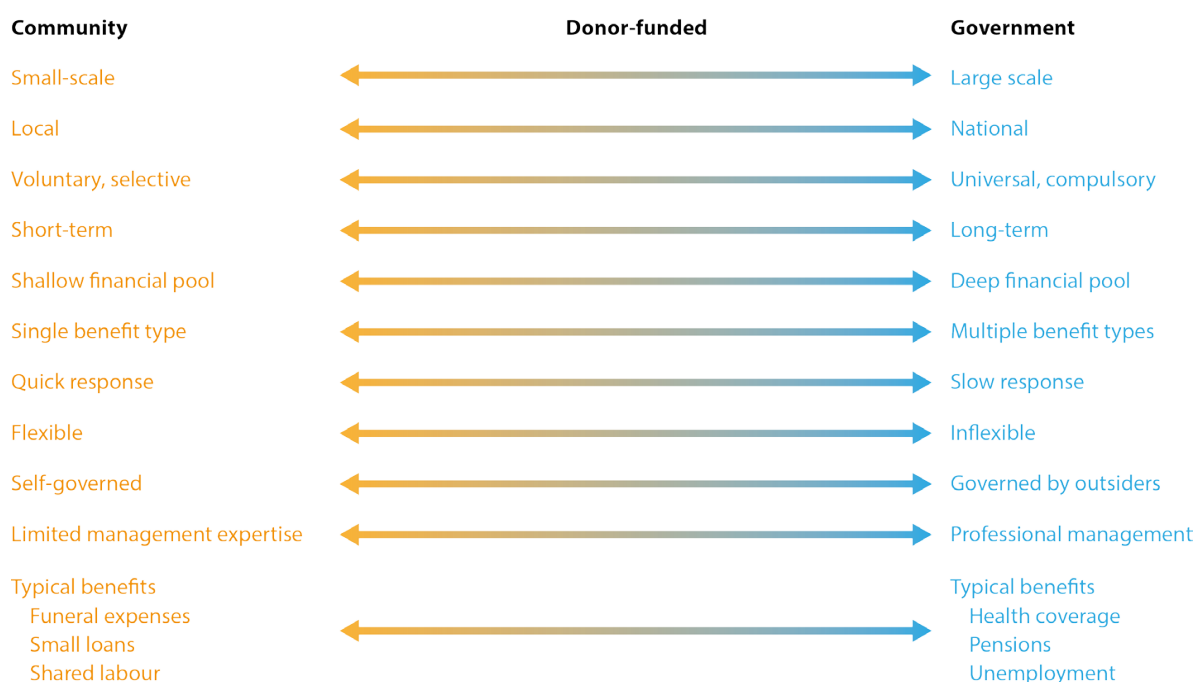
Farmers, crafts persons and traders throughout the world form **cooperatives** to buy inputs and market their crops in bulk. Such associations frequently take on additional functions: supporting members who are ill, hiring out equipment, or pooling and investing their members' savings.

**Trade unions** are associations of waged employees. While cooperatives are often formed to take advantage of opportunities (e.g., to get a better price by selling in bulk), trade unions are often formed in opposition to employers or the government (e.g., to push for better wages, formalise work arrangements or improve working conditions).

## 2. Government and community-driven social protection

Community social protection arrangements tend to have various features in common, and contrast with government schemes (Figure 8).

**Government social protection schemes** tend to be large-scale and national in scope. Many are universal and compulsory: they try to cover the whole population, or everyone who



**Figure 8.** Community and government social protection

**Source:** RNSF

falls into a certain category. Membership is often required by law. They usually cater to the long-term (a pension fund must think in terms of decades and generations). Because they are large-scale, they manage a deep pool of finance, with contributions from many sources. They offer a range of types of protection: pensions, health coverage, unemployment benefit, etc. They consist of large bureaucracies with strict rules, so tend to respond slowly and be inflexible. Specialist outsiders professionally manage them but often have little direct knowledge or experience of the beneficiaries.

**Community-driven arrangements** are generally the opposite. They are local and small-scale (though they may grow to cover a whole country over time). Membership is voluntary; they do not generally include everyone in a community. They usually have a very shallow financial pool, or may have none at all since support is provided in kind or through labour.

Because they are small-scale and have a limited number of members, they control only small amounts of money; because most of the members live in the same area and face the same risks, they are unable to respond if a disaster affects everyone. Many community arrangements deal with a single type of benefit (such as paying for funeral expenses or offering small loans). The managers are local people who may not necessarily have training in managing finances. But because these schemes are locally managed, they do have the benefit that they can respond quickly and flexibly to members in need.

**Intermediate approaches** fall between these two ends of the spectrum. They are larger-scale than local, covering several villages or districts, but do not cover the whole country. They are often supported by donors, which may be involved only for a short start-up period hoping that the schemes will be sustainable in the long term. The scheme managers receive training in financial skills; the rules are formal but are set by each group. A savings-and-loan may offer several types of benefits for members, but not the ambitious package provided by a government scheme.

Development projects and non-government organisations engage in certain types of social protection. They are heavily involved in setting up and supporting savings and loans associations, self-help groups, and similar initiatives. They generally try to avoid a long-term commitment: they help set up the group, train members how to manage it, and then phase out.

Emergency relief efforts may help very large numbers of people affected by a disaster: victims of floods and drought, refugees and internally displaced people. This assistance includes a range of basic needs: food, water, housing and medical care, along with help with recovery efforts.

Development organisations also support a wide range of other measures related to social protection: for example, advising governments on setting up schemes, helping people obtain access to benefits, and training people in work-related skills.

### **3. Government support for community-driven social protection**

Many governments and development organisations have adapted and expanded traditional forms of mutual assistance. The most obvious are cooperatives and savings associations.

**Cooperatives.** The experience with cooperatives has been mixed. Governments have often imposed cooperatives in a top-down manner, forcing farmers (or other workers) to join, telling them what to produce and requiring them to deliver their output to the government buyer. Low output prices, corruption and mismanagement have given cooperatives a bad name in many societies. Cooperatives are common in agriculture and in sectors dominated by the self-employed, such as street vendors and taxi drivers.

**Savings associations.** Development organisations often help community members form “voluntary savings and loans associations” or “savings and credit co-operative societies”.



Many of these require the beneficiaries to invest the loans they receive in productive activities (rather than, say, paying for a wedding). They may allocate a certain amount of money as a social fund to support members in an emergency.

Governments and development organisations may try to build on existing community organisations, for example, by helping members of a traditional self-help group to add functions and skills, such as savings and investment. Governments may also channel social protection through community-based groups.

At local government level, many challenges exist to deliver support for community-based social protection (UNDP and UNCDF 2014). These include a lack of information on community structures and the roles and responsibilities of their members, nepotism, elitism, and inefficient targeting of the most vulnerable community group members.

Donors may become involved in social protection schemes, but this entails risks. The donors may unwittingly undermine government systems by setting up parallel welfare schemes (Overseas Development Institute 2015). They may also tempt away the best administrators with higher salaries. Similar dangers exist in other areas of development work.

#### **4. Weaknesses in community-based social protection systems**

Community-based social protection systems tend to suffer from various weaknesses (Browne 2013, Cameron 2014). Some have already been highlighted above; we discuss others below.

##### *Weak management*

Community-based schemes often do one thing very well – providing a bereaved family with some money to cover the costs of a funeral, for example. But if they branch out into other activities, they may start to encounter problems. Lending money to members to invest, for example, requires the skill to judge the viability of the investment, the creditworthiness

of the borrower and the calculation of interest and balances. Community groups may lack the organisation and management skills, entrepreneurship and financial management knowhow. Without special training, it is difficult for people to learn these skills.

Community schemes may become overly dependent on a few people (or a single person) who has the management and financial skills. This leads to problems if these individuals leave the group. And key individuals may be tempted to misappropriate the money they control, bringing the whole scheme to an end.

### *Erratic inflows into savings and loan schemes*

Uncertain, irregular earnings mean that members of community savings schemes find it difficult to contribute to a social protection fund on a regular basis. This is a particularly problem if peace and security are absent or in disaster situations.

### *Small size, fragmentation of community schemes*

Most community schemes are small and isolated from one another. They manage only small amounts of money, limiting the type and amount of benefits they can offer to members in need. They can make one-off payments to enable someone to buy some equipment or to cover funeral costs, but cannot offer recurrent payments such as a monthly pension.

Many of the members of a community scheme may face the same risks at the same time. A drought or pest outbreak may cause the crops to fail over a large area. The farmers will be short of cash to pay into the scheme, and will all want to withdraw their money at the same time. Paying all the claims can rapidly bankrupt a community scheme; not paying them can frustrate members so much that they drop out.

### *Conflicting interests*

Because most community groups have few members and command limited finances, it may be months before a specific

member in a savings-and-loan group can obtain a loan or win that month's kitty. The needs of members are usually not proportionate to the savings pool. Those who benefit early on may leave the group, while those who must wait feel hard done by. Benefits may be too low to make a meaningful difference to the beneficiary's life.

Group members may disagree about who and what should be supported, and with how much money. This uncertainty contrasts with government-run schemes, where benefits are defined and subject to clear rules.

### *Weak sense of scheme ownership*

Where a community scheme is introduced by outsiders, the members may not feel ownership. They may regard the scheme as an imposition, or rely on the outsiders to manage it. The outsiders may feel forced to continue to operate the scheme because locals are not willing or able to take charge.

### *Elite capture*

This alienation may even happen with community-owned initiatives. The leadership of a trade union, for example, may lose touch with its members. Aspects such as financial management, marketing strategy and policy discussions can become quite technical and hard to understand for regular members who do not feel they are relevant to their everyday concerns.

Control over a community organisation may fall into the hands of a group of people, who are often better educated, richer and more vociferous (and more often men) than the regular members. This elite may steer the group in directions it feels are important or that serve its own interests, leaving the majority of members behind.

### *Imposed social protection agendas*

The same may happen where outsiders (such as the local government or a non-government organisation) impose their

own agendas on the group. The outsiders may not listen to or understand the needs of the community members, or may not recognise their strengths and weaknesses, so may make unrealistic or irrelevant suggestions (see also e.g. Madavo 2016). The community may merely acquiesce with the outsiders' suggestions so they can continue to get support.

Outsiders may impose their own agenda. Development organisations may be driven by the current fashion in development thinking, or by project funding and reporting cycles, rather than by actual needs on the ground. Politicians seeking election may promote a programme to get votes, but may fail to turn their promises into action. A collision of interests or approaches not only makes the interventions counterproductive, but also undermines community-initiated safety nets.

### *External dependency*

Communities may become dependent on outside money, inputs and expertise. Refugees, for example, may be reluctant to leave camps even after their homes are safe to return to because they would lose free food and medical help. Recipients may come to regard handouts as a right; people may refuse to do things that are obviously in their own interests unless they are paid. Handouts can also distort markets: a development organisation that gives away food, seed and tools may undermine the efforts of others (or private entrepreneurs) that sell them.

### *Founder's trap*

Many community groups are founded by charismatic individuals who lead them in a specific direction. But such leaders find it hard to pass on responsibility to others, or to create structures that allow a new generation to emerge. When the leader retires, or dies, the organisation collapses.

### *Ignorance of existing social protection support*

The government, civil society and even community members themselves may not know about the range of community support that is available. They may end up reinventing the wheel, or creating organisations that compete unnecessarily for funds and attention.

### *Lack of external actors*

Though over-dependence on outsiders is not advisable, community efforts may be less effective, or even fail, if they do not obtain outside support. National and local government and development organisations may be absent in a community of informal workers, or they may be active on certain topics but neglect social protection issues. Their help can be vital: a lack of management or financial skills, for example, can be overcome with appropriate training. Local initiatives against, say, child labour, may be ineffective if authorities do not enforce the law, or if schools are too far away or if teachers do not turn up to work. Local people can organise themselves to help themselves, but they may still need funds, supplies, specialist assistance and logistical support.

## **5. Strengthening community-driven social protection schemes**

Efforts to strengthen community social protection arrangements may involve the community itself and development organisations and local governments that interact with it.

### *Develop capacity of intermediary organisations*

Efforts to strengthen community social protection may have to begin by developing the capacity of intermediaries (local governments, development organisations) to understand and support the community's work.

### *Appraise community assets and needs*

Community asset mapping and appraisal gathers information about the natural, physical, socio-economic, human and financial resources available to the community of informal workers. It identifies their strengths and weaknesses, the opportunities they have and the threats they face. This appraisal should include specific attention to how social protection can contribute to addressing the challenges that the community faces. It identifies organisations, both based in the community and from outside, that already provide social protection to the community, as well as those that might help arrange or publicise initiatives. It determines the types of services provided and how people can obtain them, along with problems and ways to overcome them.

The mapping can be done through individual interviews and focus group discussions. A stakeholder workshop follows the mapping to validate the information gathered. It not only gives the intermediary organisations a picture of the current situation and the potential; it also helps the informal workers themselves understand their own characteristics and capabilities. The process is participatory: the community members and intermediaries get to know each other, recognise each other's strengths and weaknesses, and can jointly plan what to do. Rather than regarding community end users only as beneficiaries who depend on them for survival, the local government and development organisations will begin to see them as equal partners who do have some resources to allocate for social protection and much to share if they have the opportunity.

### *Support community organisations*

Support for community organisations tends to follow one of four patterns:

- **Support for existing organisations.** Where possible, it is advisable to build on and strengthen existing community organisations that are already engaged



in social protection. This avoids having to create an organisation from scratch; it takes advantage of knowledge, skills, people and procedures that are already in place.

- **Adapting existing organisations.** Where the community has no organisations that are engaged in social protection, it may be possible to help an existing group to extend its work into this field. A group of workers who meet for social reasons, for example, may start a fund to help members who fall ill.
- **Expand outside organisations.** An outside organisation may expand to serve the community. A trade union, for example, may start a branch in a new city or may expand from one category of informal workers to another. It can affiliate or merge with existing organisations on the way.
- **Create new organisations.** Where no suitable organisations exist, it may be necessary to create new ones.

Each of these approaches has risks. Existing groups may be unsuitable to take on new functions; they may be dominated by an elite or exclude certain community members. Outside organisations may ignore local needs and impose their own agendas. Creating new organisations takes time and effort.

### *Strengthen management*

Many community organisations require help in organising and planning, as well as training in skills such as leadership, financial management, record-keeping, communication and advocacy. This is true for all kinds of community organisations but, since social protection inherently requires thorough record keeping, it is particularly important to include attention to these factors.

### *Build confidence and skills*

Community members may feel they cannot do anything to improve their own situation. They feel dependent on

outsiders to provide social protection in an organised manner. Overcoming this sense of powerlessness requires two things: a change in attitudes, and better knowledge and skills. These can be achieved in various ways: training, workshops, mentoring, information provision, and identifying and working with leaders.

Skills may relate to the community organisation itself (see above), individual job-related skills (vocational and technical education), as well as general life skills (literacy, numeracy, health, nutrition).

### *Build and link savings-and-loans associations to external social protection schemes*

It may be possible to build savings-and-loans associations from scratch, or to add such functions to an existing community organisation. Doing this requires training on group management, finance and record-keeping for the group leaders. Groups also need to learn about various available social protection mechanisms so that linkages can be established. This includes government and donor driven social protection mechanisms but also how to improve community driven methods. The group must establish rules for contributions and benefits to ensure that benefits and protection are equitable but also to clearly delineate responsibilities.

### *Provide assets*

It may be appropriate to provide material or financial support to community organisations that provide support for social protection. This may include equipment, supplies, office space, storage facilities, and start-up funding in the form of money (for an investment or insurance fund) or food (for an emergency food bank).

Careful consideration is necessary before providing such assets to avoid creating dependency. One approach is to require a matching contribution in terms of money or labour (“sweat equity”).

### *Improve access to information*

Informal workers and their organisations require various types of information related to social protection. These include:

- Information and advice on workers' and citizens' rights and government social protection services.
- Assistance with finding jobs and building skills (literacy, numeracy, business management, work-related skills).
- Information on related areas, such as agricultural markets, health services, nutrition and hygiene.

Local offices and information hubs can be a source of information for both the community and the local government and development organisations, and can facilitate interaction among them.

### *Network individuals and organisations*

Unity is strength. Networking individuals and organisations enables them to exchange information, help one another, coordinate activities, build on each other's strengths, and apply more pressure than any single person or group could do. Local activists can use mobile phones to alert a central organisation if they spot cases where intervention is needed (Box 38).

Community organisations can also network with each other, forming *ad hoc* pressure groups or more permanent associations

#### **Box 38.**

#### **WhatsApp group against child abuse in Kenya**

The Kajiado County Children Stakeholders Network, or KACCSNET, is a network of community organisations that deals with children's issues in Kajiado County, south of Nairobi. The county has a lot of informal economy workers.

KACCSNET addresses major problems such as child neglect, child marriages, female genital mutilation, and children (especially girls) being removed from school. Members of the network use WhatsApp, a mobile text-messaging service, to alert each other about problems they come across during their work and refer the case to one of the service centres affiliated with the network. One of these centres, Ibissil Boarding Primary School, 50 km south of Kajiado town, has rescued about 60 girls from across Kenya who have been married off as children, or who were threatened with early marriage.

at district, regional or national levels, and including workers who have similar interests but who work in different sectors of the economy.

### *Incorporate into formal schemes*

Successful community measures may be scaled up and incorporated into the network of formal social protection schemes. For example, a savings-and-loans association may pay its members' contributions regularly into a bank account. This may make it eligible for bank loans and financial support from

#### Box 39.

#### **Fishers in South India affiliate with national insurance scheme**

The South Indian Federation of Fishermen Societies, based in Trivandrum, runs an insurance scheme to cover death and disability. It charges a premium of INR 100 (USD 2) a year, and pays out INR 75,000 (USD 1,500) in case of accidental death or full disability, or INR 35,000 (USD 700) for a natural death or partial disability. The scheme is voluntary, but most members have signed up. Children of members are eligible for a high-school scholarship worth USD 24 a year.

The scheme is linked to the Janashree Bima Yojana Social Security Scheme, managed by the Life Insurance Corporation of India, a government body.

More information: KIT and IIRR (2010)

the government. Community groups that set up insurance schemes may be able to affiliate with a larger scheme, giving it extra protection and a deeper pool of funds (Box 39).

### *The partner-agent model*

The partner-agent model is the cooperation of NGOs and insurance providers (public or private), using each other's comparative advantages so that each can focus on its core business and reduce its overhead costs. The insurer (the partner) is responsible for designing and pricing the products, the final claims management, investment of reserves, and for absorbing the insurance risks. The NGO (the agent) identifies potential policyholders, selects among the available insurance products according to its customers' needs or negotiates a specific insurance product and premium rates, and collects the

premiums. The agent concentrates on providing client services, including assistance with the settlement of claims. The agent does not need to develop all financial, technical and managerial capacity of an insurance organisation, but acquires it from the partner (Saalfrank 2012).

## **6. Child labour**

Child labour is very common in the informal economy across the world. Around 264 million children between the ages of 5 and 17 are engaged in child labour globally (ILO 2013b) – or around 17% of the world's child population. Asia and the Pacific have the most child labourers (77.7 million); there are 59 million in sub-Saharan Africa, and 12.5 million in Latin America and the Caribbean. In sub-Saharan Africa, 1 in 5 children work; in the Middle East and North Africa it is 1 in 12.

Child labour is a serious human rights issue. It means children miss part or all their education and child labour prevents them from enjoying their childhood. It may harm them physically and psychologically. Long working hours, physical, sexual and mental abuse, exposure to chemicals and other hazardous materials, and carrying of heavy loads have a long-term impact. Extreme poverty is both a cause and consequence of child labour. Causes include a lack of easy access to schools and quality education, cultural reasons, family obligations, and a lack of inspections. Child labour affects national economies because when the children grow up, they are not able to contribute in accordance with their full potential.

Child labour is often associated with other forms of exploitation and abuse, such as trafficking, early and forced marriages, physical or psychological mistreatment, child prostitution, rape, pornography, neglect, female genital mutilation, and removal from school. Girls and children with disabilities are particularly subject to abuse, discrimination and stigmas. Social protection measures must take these other forms of exploitation into account and try to prevent them.

During disasters and refugee situations, children are at particular risk of being trafficked into the worst forms of child labour, including commercial sexual exploitation (Zegers 2016).

Not all children's work is negative. Household work, for example, helps children learn important skills; it is permitted if it does not take too much time and is not hazardous. Such work should not interfere with the child's education, rights, personal development or best interests.

Two ILO conventions focus on child labour: numbers 138 and 182, which the majority of countries have signed (Table 4). Countries that have ratified the convention are expected to harmonise their laws and eliminate the worst forms of child labour. They are also expected to ensure that children have free basic education and skills training.

The enforcement of child labour laws is particularly weak. Child labour is often hidden, especially in its worst forms such as in child prostitution, domestic work, and in factories where

**Table 4.** ILO conventions on child labour

Convention number (year adopted)	Countries ratified	Provisions
138 (1973)	<b>Ratified:</b> 163 <b>Not ratified:</b> 18: Australia, Bangladesh, India, Iran, Myanmar, New Zealand, Somalia, Surinam, Timor Leste, USA, and several Pacific Island countries	Sets minimum age for work at 15 (13 for light work) Hazardous work: 18 (16 under strict conditions). In some countries, minimum age initially set at 14 (12 for light work)
182(1999)	<b>Ratified:</b> 180 <b>Not ratified:</b> 7, including Eritrea, India and several Pacific Island countries	Aims to eliminate all forms of exploitation, including the sale and trafficking of children Prohibits the worst forms of child labour: forced labour. The use of children in armed conflict, child prostitution and pornography, crime and any other work that is likely to harm the health, safety or morals of children
Source: ILO 2017a, b.		



children may be hidden the moment a labour inspector arrives. Labour inspectors often fail to inspect the informal economy, so child labour is not identified.

## ***6.1 Social protection and child labour***

### *Enforce laws*

National laws and policies are often well-formulated, but they must be implemented at the local level. Local by-laws to reduce child labour and ensure that households can obtain social protection can be especially effective. By-laws often result from local participation and input so have high community ownership.

The number of labour inspectors is often inadequate. In 2015, Uganda had just 55 inspectors for a population of 39 million. Kenya, with a population of 46 million, had 95 (US Department of Labor 2015a, b). So few staff cannot hope to cover all the formal establishments, let alone also covering the informal ones.

### *Avoiding the need for child labour*

Many families put their children to work only because they feel they have little choice. Child labourers usually work in agriculture or in the informal economy. Removing the need to earn money automatically frees such children from work. The key way to achieve this is through economic growth that creates jobs and reduces adult unemployment. Social protection is also important: if a health scheme covers a family's medical expenses, the children may not have to earn money if one of their parents falls ill. Parents who earn a decent wage and are not affected by risks are less likely to withdraw their children from school and put them to work.

### *Take a holistic view*

Measures should be holistic. They should include social protection initiatives, raising awareness about the risks of child labour, improving schools and the quality of teaching, and promoting after-school activities. Improving health and

safety at work prevents older children from having to work in a hazardous environment.

### *Target child labour specifically*

It is thus not sufficient to rely on a rising economic tide to eliminate child labour. It is also necessary to target the problem specifically using various social protection mechanisms. According to the ILO (2017) social protection methods that are most helpful in combating child labour include:

- **Cash and in-kind transfer programmes** that enhance income security for families. Assistance with school fees is frequently provided. In-kind support may include assistance with provisions of school uniforms and learning supplies.
- **Public employment programmes** for adult household members.
- **Vocational and skills training for older children** to help them find decent employment.

Social protection can help ensure that households do not have to resort to child labour to compensate if adults lose their income. Services include:

- **Unemployment protection**, which provides adults with at least a partial income if they lose their job.
- **Social health protection** to cover illnesses and accidents, and maternity benefits.
- **Social protection for people with disabilities and the elderly.**

### *Build on community initiatives*

Throughout the world, concerned relatives, friends and neighbours form informal networks of monitors and helpers to protect children. Better-off relatives often pay the school expenses for poorer families and host children in their homes, enabling them to go to school and freeing them from the need

to earn money. Numerous non-government organisations and private initiatives sponsor individual children to attend school. They can also help the families of child labourers benefit from formal social protection schemes. Self-help groups and savings-and-loans associations help them save and earn money, so avoiding the need to put their children to work.

### *Address exploitation during disasters and refugee crises*

During disasters and in refugee situations, special attention is needed to protect children from trafficking and other worst forms of child labour. Most of the affected children work in the informal economy. Employment generation, cash transfers and other approaches need to be tuned to address this risk.

Recent approaches in refugee settlements emphasises the creation of communities (Brickman Raredon 2016, UNHCR 2017). It is important to work with community groups in such situations to ensure that social protection includes the prevention of child labour.

#### Box 40.

#### **Digital child labour monitoring system in Rwanda**

What to do if you suspect that a child is being put to work? Winrock International launched a monitoring system that trained volunteers can use to report on cases of exploitative child labour they see. The volunteer uses a mobile phone to transmit the information to a database, which project staff, government officials and staff responsible for exploitative child labour, social affairs and education can consult.

In a 16-month pilot period up to December 2016 involving 102 volunteers and 40 schools, this system identified and monitored 478 cases of child labour. Eighty percent of these have been resolved through joint efforts of volunteers and local authorities.

More information from Winrock International at [winrock.org](http://winrock.org)

### *Improve monitoring and coordination*

Strengthening coordination and local capacities can improve efforts to reduce child labour. Committees on child labour in the community and at higher levels up to the national level can coordinate this work. A network of local committees and monitors can alert the authorities to potential problems. A reporting system based on mobile phones is one way to collect and report cases (Box 40).

## **7. Key future directions**

### *Strengthening the capacity of intermediary organisations*

Strong intermediary organisations are needed to understand and support community-driven social protection. Efforts to strengthen them should include local governments and local development organisations.

### *Participatory appraisal of community social protection assets and needs*

- Gather information about the natural, physical, socio-economic, human and financial resources available to the community of informal workers. Pay special attention to how social protection can contribute to addressing challenges that the community faces.
- Identify organisations, both based in the community and from outside, that already provide social protection to the community, as well as those that might help arrange or publicise initiatives.

### *Supporting community organisations*

- Provide material or financial support to strengthen the ability of community organisations to provide social protection. This may include equipment, supplies, office space, storage facilities, and start-up funding in the form of money (for an investment or insurance fund) or food (for an emergency food bank). Careful consideration is

necessary before providing such assets to avoid creating dependency.

- Help community organisations adapt so they can provide social protection, improve their services and raise awareness about this topic. Strengthen the management to organise and plan social protection. Train them in leadership, financial management, record-keeping, communication and advocacy.
- Help create new organisations where none suitable exist.

### *Building community confidence and skills*

Efforts should focus on strengthening ownership and community driven social protection. Include methods such as training, workshops, mentoring, information provision, and identifying and working with leaders.

### *Improving the availability of information on social protection*

This should include:

- Information and advice on workers' and citizens' rights to social protection and the existence of government social protection services.
- Assistance with employment issues through finding jobs and building skills (literacy, numeracy, business management, work-related skills).
- Information on related areas, such as agricultural markets, health services, nutrition and hygiene.

### *Supporting networking*

- Promote networks of individuals, community groups and local government to increase advocacy, improve coordination and identify individuals who need the support of a safety net.
- Monitor child labour and coordinate measures to prevent it.

### *Linking savings-and-loans associations to external social protection schemes*

- Do not replace savings-and-loans associations and other community safety net systems. Rather, link them with formal schemes where appropriate.

### *Combating child labour*

- Developing by-laws and enforcing laws on child labour. Design by-laws with local participation and input to ensure community ownership.
- Help avoid the need for child labour by reducing adult unemployment and ensuring that households with child labourers can access social protection. Build on community initiatives and ensure unemployment protection, health insurance and social protection of household members with disabilities, the elderly or those affected by HIV.
- Use holistic approaches to addressing child labour. Combine social protection initiatives with raising awareness about the risks of child labour, improving schools and the quality of teaching, and promoting after-school activities. Improving health and safety at work prevents older children from having to work in a hazardous environment.
- Provide cash and in-kind transfer programmes for households including support with school fees, school uniforms and learning supplies. This should be seen as a last option when other solutions are not feasible.
- Child labour is a particular risk during crises. Employment generation, cash transfers and other approaches need to be well tuned to address this.



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## Participants' profiles

### **Laura Alferts**

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Laura Alferts is the acting director of WIEGO's Social Protection Programme. WIEGO is an action-policy-research network that seeks to increase the voice, visibility and validity of poorer workers, especially women, in the informal economy. Laura has spent the last 7 years working with WIEGO, largely on action-research projects aimed at improving health access for informal workers, including occupational health and safety. She has worked on projects related to this area in South Africa, India, Brazil, Peru and Ghana. Laura is also a postdoctoral research fellow focusing on the intersections between labour (particularly informal labour) and social policy at the Neil Aggett Labour Studies Unit at Rhodes University in South Africa.

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### **John Belt**

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John Belt is a senior advisor at the Royal Tropical Institute (KIT), a knowledge institute on sustainable development based in Amsterdam. John is an agricultural economist with a degree from Wageningen University and over 20 years of experience in rural development work in Africa, Asia and Latin America. He has lived in Colombia, Costa Rica, Mozambique, Yemen, Italy, Tanzania and Peru, working for and with research organisations, the United Nations, development NGOs and the private sector. His expertise includes inclusive value chain development, development finance and private-public partnerships.

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Pierre Berman is senior consultant at Lattanzio Advisory. Lattanzio Advisory is the management consulting company of Lattanzio Group, a reputed international leading firm which is active since 1999. It extended its horizons from Public Sector management consulting mainly in Italy to a multisector technical assistance worldwide based, supported by a network of local branches located in Europe, North Africa and Central Asia. Graduated in Public Management, Pierre has been working since 10 years for the French public administration, international consulting firms as well as international NGOs. Currently senior consultant, he is an expert in communication and organisational development, in particular in the education and welfare sector, and works as animator/moderator within the RNSF team.

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Serena Bove is the head of business development in ARS Progetti, an international consulting firm operating in the field of technical assistance and international cooperation. She holds a degree in international relations and a master's in European external policies with a specialisation on conflict prevention in sub-Saharan Africa. She has managed several programmes in the field of good governance, education and inclusive growth. She has also worked on the evaluation of development programmes and capacity building of civil society organisations. Before joining ARS Progetti, Serena worked with several international donors, including the European Union, the European Commission, the UN World Food Programme and the World Bank.

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Paolo Carlini, the team leader of the Research, Network and Support Facility, is an international development consultant specialised in civil society strengthening, governance and evaluation. In 2005 he obtained a PhD in experimental education with a focus on the methodology of social science research applied to evaluation of development initiatives with particular attention to EU-funded projects. He started his career in 1997 working on activities funded by the EU and other national and international donors. He has experience in research and evaluation studies of development projects, applying qualitative and quantitative data collection and analysis methods. Over the last 10 years he has focused on economic and social development in the formal and informal sectors (vocational training, building youth skills to encourage entrepreneurship, microenterprise creation through microcredit, social enterprise and inclusive business).

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An economist and statistician, Jacques Charmes is former director of research at the Institute of Research for Development (IRD) in Paris, a science and technology establishment under the French Ministries of Higher Education and Research and Foreign Affairs. Since 1975 he has been working on the definition, measurement and understanding of the functioning of the informal sector, informal employment and the informal economy as a whole. He was involved in the international definition of these three concepts by the International Conference of Labour Statisticians in 1993 and 2003. Since 2015, he has been a consultant for AGRER and the research expert in the RNSF project, with a focus on social protection, training, financing and organising.

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Anésio de Castro is project manager and business advisor at Mowoza, a mobile application that gives informal cross-border traders instant access to products and services, driving informal activities to the formal economy. The holder of a master's in computer engineering, Anésio started to deal with the informal economy in 2015, working as business developer for the Mozambique Youth Chamber of Commerce and Industry and for the Association of Informal Economy of Mozambique (AEIMO). He worked with projects on the creation and management of small enterprises and advised young entrepreneurs, focusing on financial inclusion, micro banking and capacity building in collaboration with ILO and UN Women.

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Luis Frota is the senior social security specialist at the Decent Work Team for Southern and Eastern Africa of the International Labour Organization, based in Pretoria, South Africa. Luis has worked in the field of social protection for over 15 years. During this period, he has collaborated with the European Commission, UNICEF and ILO as a consultant and social protection specialist in various countries in sub-Saharan Africa. Holder of an MSc in public administration and international development, he is also lecturer in social security policy and administration at the University of the Witwatersrand.

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Pierre Ghilain is a civil servant who has worked for 10 years in the European Union's Humanitarian Aid department (ECHO) and another 10 years with NGOs (DEVCO B2). He currently manages socio-economic rights issues (DEVCO B3). He is mainly in charge of social dialogue, indigenous peoples and the informal economy; he is also in charge of the Research, Network and Support Facility (RNSF) project.

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Anne Hölscher is a senior program officer at World Vision International for the Somalia Resilience Program consortium, specialising in livelihoods and resilience programming in fragile contexts. World Vision is a global Christian relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice. After receiving her master's degree in African studies, cultural anthropology, and American studies, Anne worked in human resources with World Vision Germany before moving into humanitarian and emergency affairs.

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Chandan Kumar is the manager of the Worker Rights Programme of ActionAid India. ActionAid is an international non-governmental organisation that works against poverty and injustice worldwide. Kumar is a political scientist with over 10 years of versatile experience on development issues. He has worked as programme coordinator for the Childline India Foundation and as national coordinator for the Bonded Labour Programme of ActionAid. He has been heavily involved with informal workers' organisations and issues of forced labour. He is an active member of many global and domestic alliances striving for worker rights.

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Ramendra Kumar is the national secretary (HQ and in-charge, international affairs) of the Trade Union Co-ordination Center (TUCC) in India. The TUCC is a national trade union recognised by the Indian Ministry of Labour and Employment. Ramendra holds an MBA and has worked in the field of informal economy for the government of Delhi for 23 years. He has worked on projects related to slum development and rehabilitation policy, education and women empowerment. He is also secretary general of the Delhi Shramik Sangathan, a federation of unorganised sector workers.

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Anoop Kumar Satpathy is a fellow at the Giri National Labour Institute India. This institute performs research, training, education, publication and consultancy on the theme of labour. The holder of a PhD, Anoop has worked as a development professional for 16 years on issues such as poverty and hunger, education and vocational training, labour and employment, informal economy, social protection and child labour for various international organisations, including the British Council, Asian Development Bank, World Bank, UNDP, the National Labour Institute and ILO. He has represented the government of India at the International Labour Organization as an informal economy expert, was a member of the Government Committee on Employment Generation, and helped draft the National Employment Policy.

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Francesca Lucchi is a project manager at Oikos East Africa, a non-profit organisation working on biodiversity, natural resources, sustainable social and economic development, and poverty. Since 2008, Francesca has worked in international cooperation in Africa, first in education projects in Ghana. Her collaboration with OIKOS started in mid-2015. She currently manages the “Investing in Maasai Women” project, which targets vulnerable women in pastoralist communities in northern Tanzania.

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Francie Lund is a senior adviser at WIEGO’s global Social Protection Programme. WIEGO (Women in Informal Employment: Globalizing and Organizing) is an action-policy-research network that seeks to increase the voice, visibility and validity of poorer workers, especially women, in the informal economy. Francie was previously an associate professor at the School of Development Studies in Durban. At the same time, she directed the Social Protection Programme of WIEGO. She has worked as a researcher and policy consultant for international and donor organisations (including the Europe Commission, the World Bank, the ILO, UN Women, the African Union, and the United Kingdom’s Department for International Development), and for local, provincial and national governments in South Africa. She chaired the first policy commission of the post-apartheid social policy era – “The Lund Committee” – which led to the introduction of the Child Support Grant.

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Alessio Lupi is administrative assistant in the “Research, Network and Support Facility” (RNSF) project, and project manager at ARS Progetti. ARS Progetti is an international consulting firm operating in the field of technical assistance and international cooperation. A consultant with expertise in youth policies and vocational training, Alessio works as researcher, project manager, general manager of NGOs and trainer in non-formal education methodologies.

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Hellen Magutu Amakobe is the ILO national programme coordinator for HIV and AIDS, and focal point on social protection in Kenya. The ILO is the UN specialised agency that seeks the promotion of social justice and internationally recognised human and labour rights. The holder of a master’s degree in business administration majoring in strategic management, Hellen has spent the last 7 years working with the Kenya HIV/AIDS Private Sector Business Council as programme manager, before taking on her current position. She has wide experience in health management systems, having been the doctor in charge for a health management organisation.

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Holder of an MBA from the Toulouse Business School, Lilian Massawe has experience in the private sector in the field of business development and administration. She currently works on informal economy issues for the public administration of Arusha district in Tanzania.

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Patience Matandiko is a social security officer under the ILO-led United Nations Joint Zambia Green Jobs Programme. This programme promotes sustainable jobs and competitiveness among micro, small and medium enterprises in the Zambian building industry. Patience has a postgraduate diploma in local economic development from the Institute for Housing and Urban Development Studies, Rotterdam, a master's in development studies from the Institute of Social Studies, The Hague, and a bachelor's in social work from the University of Zambia. She has over 10 years of work experience in the social security sector.

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Paul Mundy is a British/German consultant in development communication. He holds a PhD in journalism and mass communications from the University of Wisconsin-Madison. He specializes in easy-to-understand information materials, developed through intensive writeshops like the one used to produce this book. He also provides consultancy services in various aspects of development communication. He has worked extensively in South and Southeast Asia, Africa, Latin America and the Caribbean.

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Felix Muramutsa is deputy director/monitoring and evaluation senior advisor of Winrock International/REACH-T Project. Winrock is a US organisation focusing on social and environmental issues. Felix is a social protection and child protection specialist with 20 years of experience working with UN agencies, US-funded projects, international and local NGOs, civil society organisations, government institutions, foreign and national universities, and the private sector. He started his management career in 1996 as coordinator of Trocaire/University College Cork's psychosocial programme, which trained social workers and conducted research on orphans and vulnerable children.

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**Willy (Winnie) Fiona Mwasiagi**

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Winnie is senior assistant director in the State Department of Social Protection in Kenya. She holds a master's in rural sociology and community development, and has over 30 years' experience in social development and over 10 years in social protection policy and programming. Winnie was a driving force in Kenya's social protection system and has been national coordinator of the Social Protection Secretariat for over 8 years, where she led the development of policies on social protection. She has contributed to rethinking strategies, expanding programmes and linking policymakers, practitioners and researchers. She is currently the vice-chair of a community of practice for conditional and unconditional cash transfer for anglophone Africa.

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**Simon Ndembeka**

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Simon Ndembeka is currently the senior project manager for youth economic empowerment projects at Plan International Tanzania. Plan International is a British NGO which supports vulnerable children and families to obtain health care, education, safe sanitation and water, productive livelihoods and protection. The holder of a master's in development policy, Simon started work in 1988 with the Christian Council of Tanzania. In 2011, he started his collaboration with Plan International, coordinating a project dealing with youth economic empowerment.

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**Lilyanne Ndinda**

*LNdinda@oxfam.org.uk*



Lilyanne Ndinda is a markets and livelihoods programme officer at Oxfam, an international confederation of charitable organisations focused on the alleviation of global poverty. Holder of a master's in strategic management, Lilyanne has over 9 years of experience working on sustainable livelihoods and women's economic empowerment. She has managed programmes in both rural and urban areas in Kenya and is particularly experienced in women's economic justice, urban development, building resilience for vulnerable populations, market systems development and enterprise development. She is an ardent promoter of women's inclusion in social, economic, and political spaces.

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**Honest Prosper Ngowi**

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Honest Prosper Ngowi is associate professor of development economics, researcher and consultant in economics and business at Mzumbe University, Tanzania. He leads the Department of Short Courses, Research and Consultancy. He is a prolific writer who has researched, consulted, lectured and published widely (over 70 academic publications, over 80 research and consultancy reports and over 500 newspaper and magazine articles in economics, business and related areas). He is a distinguished fellow at the African Centre for Technology Studies and member of the Consortium of Senior Scholars at the University of Lusaka, Zambia. He is a member of various boards of directors, including the Tanzania Investment Centre, Economic and Social Research Foundation, the Foundation for Civil Society, SWISS Aid, Restless Development and Envirocare.

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**John Murimi Njoka**

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John Murimi Njoka is a research fellow at the Institute for Development Studies at the University of Nairobi. He is an expert in social protection and development, having worked with vulnerable groups of children, youth, women, men, urban poor and marginalised groups such as pastoralists. He has researched and published on human development, human security, child labour and protection, youth and politics, small-scale enterprise, and participatory governance. He also worked as a trainer on policy analysis, participatory planning and results-based management.

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**Marius Olivier**

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Marius Olivier is an experienced social security and social protection consultant and director of the South Africa-based Institute for Social Law and Policy. This institute provides high-quality interventions in the areas of social law and policy, including labour law and social security system design and improvement. The holder of a doctorate in law, Marius has worked on several social security, social protection and migration review assignments in ASEAN and African countries, and with various international and regional organisations, governments, social security institutions and other stakeholders in the developing world.

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**Ramadhani Kupaza**

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Kupaza Ramadhani is executive director of Oikos East Africa in Tanzania. Oikos is a non-profit organisation working on biodiversity, natural resources, sustainable social and economic development, and poverty. Kupaza has worked in various community development sectors including renewable energy, safe water, food security and social enterprises. In addition, he has helped establish civilian national conservation organisations for youths in Tanzania and Botswana. Currently, he is collaborating with the University of Illinois on research on applying marketplace literacy to sustain community development programmes, conserve the environment and promote the sustainable use of natural resources.

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**Rania Rashad William**

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Rania Rashad William is the deputy funding manager and business developer of the Coptic Evangelical Organization for Social Services (CEOSS). CEOSS is an Egyptian development organisation headquartered in Cairo, dedicated to social and cultural development, individual well-being, social justice and inter-cultural harmony. Each year, CEOSS serves more than 2 million Egyptians of all faiths in over 100 rural and urban communities. After working in the banking sector, Rania joined CEOSS, where she is in charge of fundraising, and partnerships.

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**A. Alvin Winford**

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Alvin Winford is a programme manager at the African Network for the Prevention and Protection against Child Abuse and Neglect (ANPPCAN). This NGO campaigns for the rights and advancement of minorities, especially women and children. Alvin has over 12 years of experience working on social development focusing on women's and children's issues in Liberia, Uganda and the USA. During the last 8 years, he has been working with ANPPCAN Liberia to providing technical support for gender programming. He leads training and mentoring for programme staff, rights holders, duty bearers and service providers on gender equality. He also leads advocacy and community mobilisation in stimulating knowledge, attitudes, practices that are gender sensitive.

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**Mei Zegers**

*meizeg09@gmail.com*



Mei Zegers is an international development consultant with 38 years of experience, primarily in Africa and Asia. She has performed contracts with the European Commission, United Nations agencies, the US Department of Labor and various NGOs. She has led teams in the design, monitoring and evaluation of projects and organisations. She has carried out both quantitative and qualitative research. Her areas of focus are rooted in an organization development approach. Her work has covered economic empowerment and labour issues related to social protection, child labour, violence against children, HIV in the workplace, mainstreaming gender, culture and development, socio-economic analysis, and community development.

## Videos

A video team made a video of the writeshop and conducted video interviews with the contributors.

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### **Ekaterina Volkova**

*nebecnaya@gmail.com*

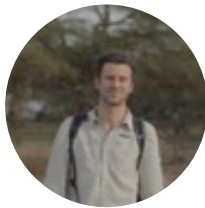


Ekaterina Volkova is an independent filmmaker who graduated from the National School of Cinema, the Centro Sperimentale di Cinematografia, in Rome. She used to work on Russian TV productions, and continues to do similar work on a freelance basis in Italy. She has also participated as a director and camera operator in various shoots (documentaries, advertising), working with Alexander Sokurov, Armani brand and RAI. She has also gained experience of cinematographic direction through her work as a director's assistant on the set of "Ben Hur" (Paramount & Goldwin Mayer).

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### **Marco Bombetti**

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Marco Bombetti is a Rome-based filmmaker with 12 years of experience in audiovisual production. He works as a director, cameraman, editor and dubbing director. He mainly collaborates with RAI 3 in producing a wide range of documentaries. He also works with different production companies on a freelance basis, such as Pandataria Film and Roy Film. His main interests are nature and different cultures. He tries to tell stories of the world using cinematographic tools.



## Extending coverage: Social protection and the informal economy

Many of the workers in the formal economy can take certain things for granted: a regular income, health insurance, unemployment benefits if they lose their jobs, and a pension when they retire. Such things are a distant dream for workers in the informal economy, who in many countries make up most of the workforce. For them, unemployment, maternity or retirement can push their families deep into poverty. An illness or accident may mean hunger, homelessness and destitution.

Ensuring that such workers benefit from such social protection is important for both social and economic reasons. Informal workers contribute greatly to the broader economy so deserve its support in times of need. Access to health care can prevent an illness from getting worse and help someone return to work more quickly. Unemployment and maternity benefits help people cope with a temporary loss of income. It is in society's interest to prevent retirees from falling into poverty.

Initiatives in various countries have shown that social protection can be extended to workers in the informal economy. This book draws on research and the experience of a team of specialists to offer guidelines and recommendations on what works. It focuses on three key aspects: the legal and institutional framework, access to social protection, and community-based social protection.



This book is published as part of the Research, Network and Support Facility, a project financed by the European Commission.



The RNSF project supports the Informal Economy Support Facility, a community of practice of specialists on the informal economy. Join this group by visiting <https://europa.eu/capacity4dev/iesf>



The RNSF project is led by ARS Progetti in consortium with Lattanzio Advisory and AGRER Consulting