



# Challenges and ideas to expand social security coverage

Nuno Cunha – Senior Social Protection Specialist

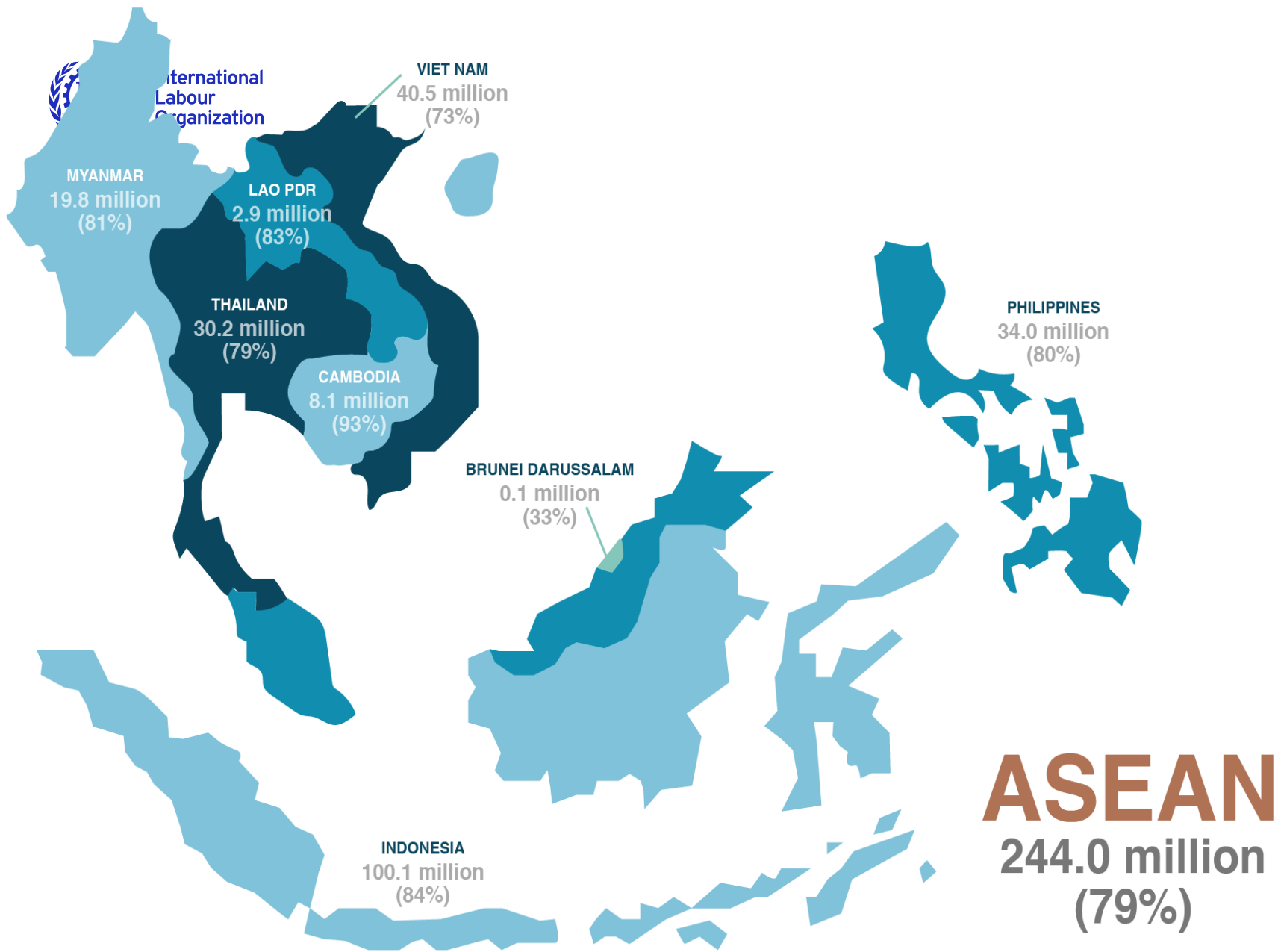
DWT East and South-East Asia

THE VIRTUAL 37<sup>TH</sup> ASSA BOARD MEETING  
Date: 09 December 2020

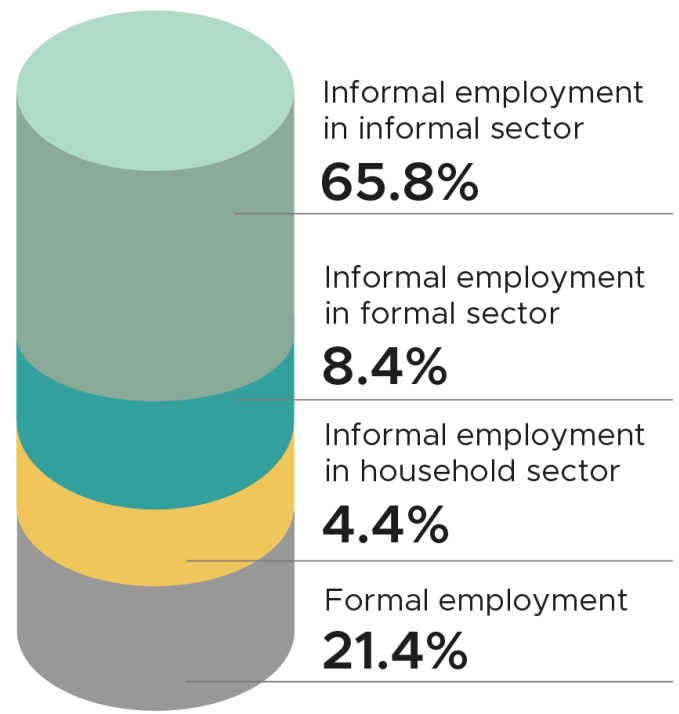


# OUTLINE

- **Understanding what are we exactly talking about**
- **Main barriers to extending social protection**
- **Extension strategies**
- **Lessons learnt and recommendations**



**ASEAN**  
244.0 million  
(79%)



# WHO ARE THOSE NOT COVERED BY SOCIAL SECURITY?



## Some key questions?

**Do they work in the formal or informal sector?**

**Are they waged or self-employed? Do they work for a Contract Agency?**

**Do they work in part-time or full time/are they seasonal workers?**

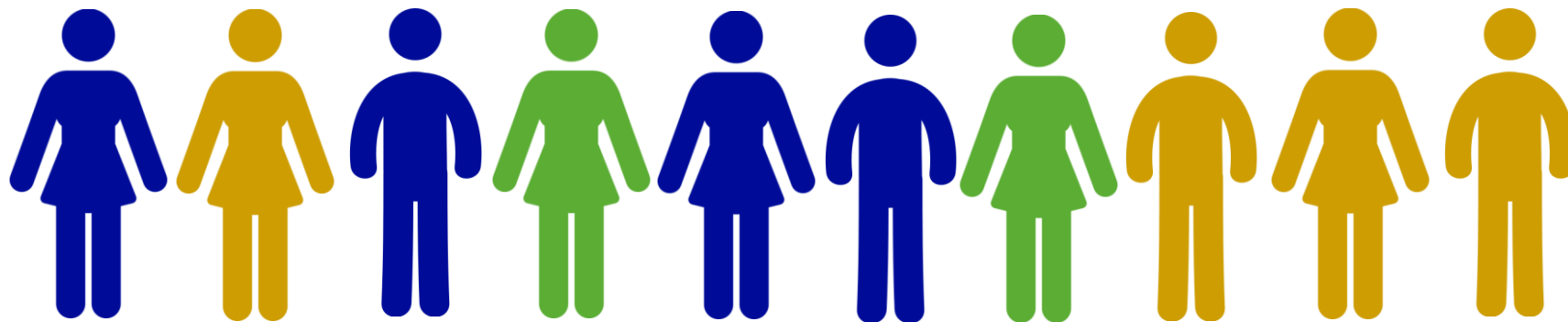
**If they are waged workers, how big is the enterprise they work for?**

**In which sector do they work? Are they domestic workers? Do they work in agriculture/construction?**

**What are their income level?**

**If they work in an informal enterprise is some form of registration in place?**

# Employment status of workers



**Employees**

38.7%

**Own-  
account**

38.3%

**Contributing  
family  
workers**

20.8%

**Employer**

2.1%

# Type of workers by sector



43.6%



19.1%



37.3%

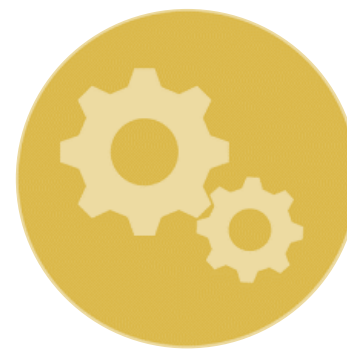
# Barriers to extending social protection



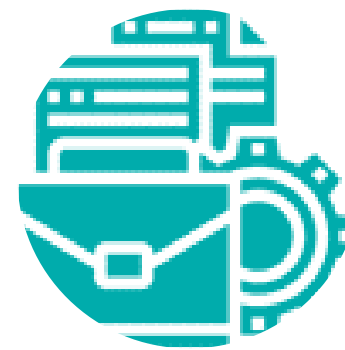
Legal barriers



Weak enforcement



Lack of  
policy integration



Admin barriers



# Barriers to extending social protection



Affordability



Governance



Incentives  
& trust

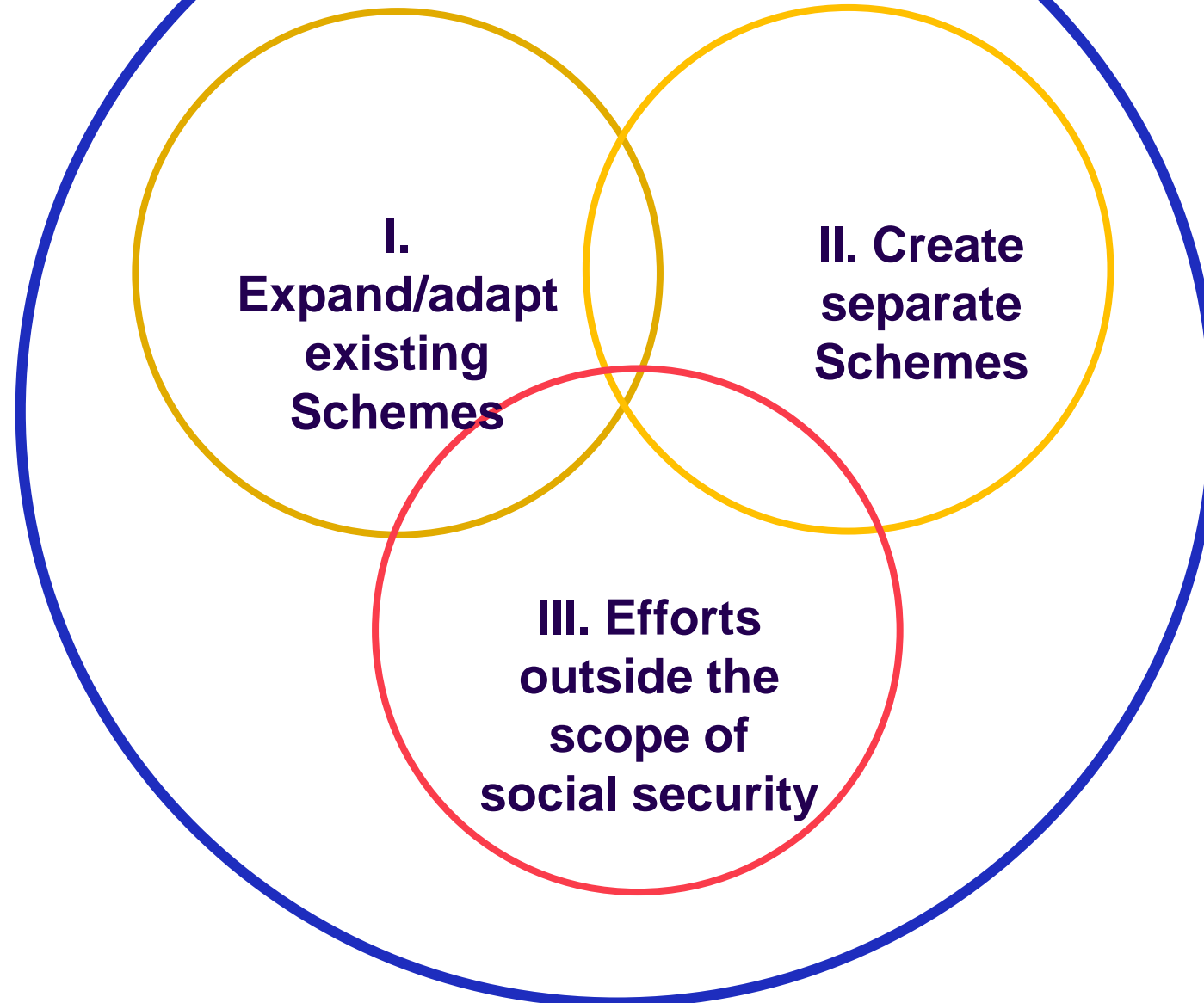


Information



Organization  
& representation

## IV. Trust



# I. Expand/adapt existing schemes

Reducing legal barriers



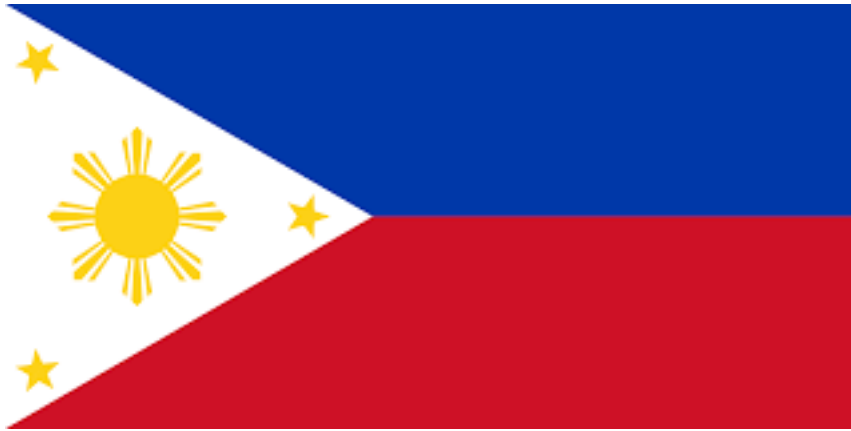
Introducing financial incentives



Adapting administrative and operational framework



# Combination



*SOCIAL SECURITY SYSTEM*

**Adapt  
existing  
approach to  
reach broad  
range of  
workers**



**Develop  
mechanism to  
collect daily  
contributions**

**Enrolling  
groups  
instead of  
individuals**

## iGroup Programme

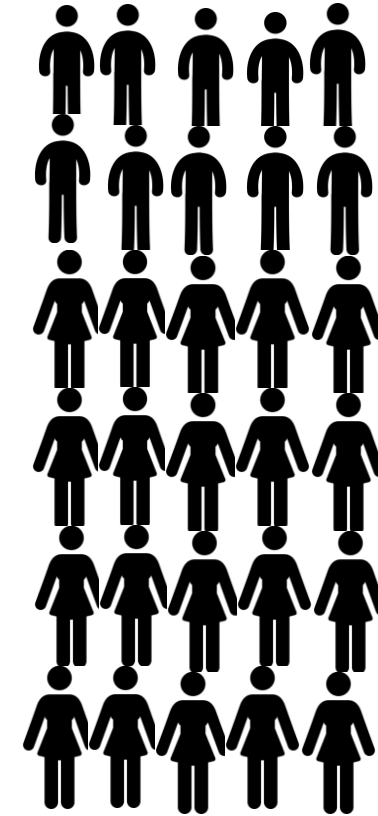
Registration,  
collection and  
communication



*SOCIAL SECURITY SYSTEM*

Micro-finance  
institutions,  
cooperatives,  
associations,  
banks and  
NGOs

Receive premium  
discounts and  
value-added  
services



At least  
30  
workers

# Other administrative innovations



**Adapted mechanisms for contribution payment - daily payments into steel boxes**

Now moving towards to electronic boxes



**Unified card for registrants and beneficiaries (Phil Health, Home Dev. Mutual Fund, SSS)**

Allows for different transactions and coordination

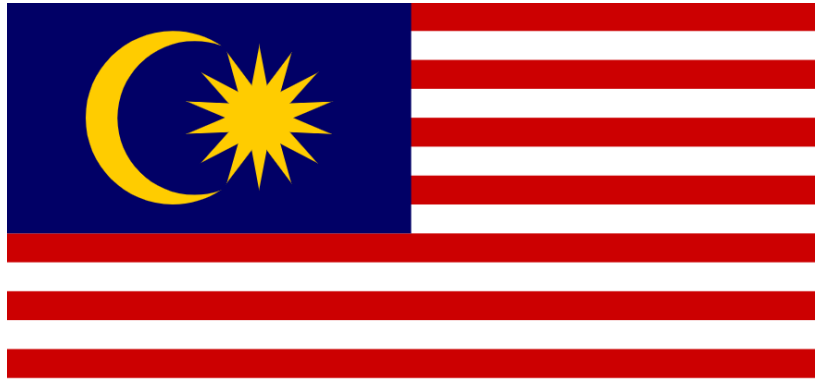
## **Kader JKN Indonesia (recruitment of agents in the community)**

**Agents collect contributions;  
Enrol new members  
Carry out outreach activities  
Communicate and handle complaints**

**Total of 2000 agents and 2 millions members**



# Innovations for new forms of work



Taxi drivers (incl. GRAB and UBER) are required to register to get their license with SOCSO since 2017

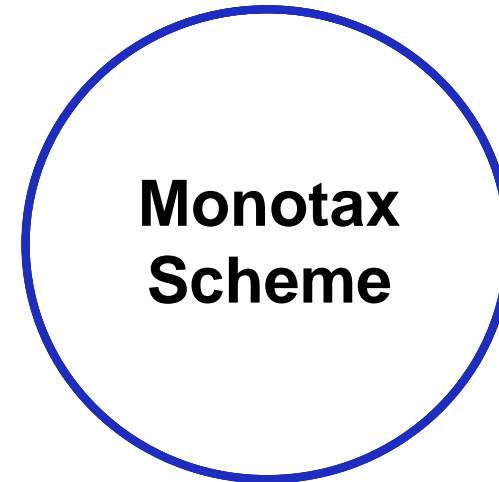




# Combination



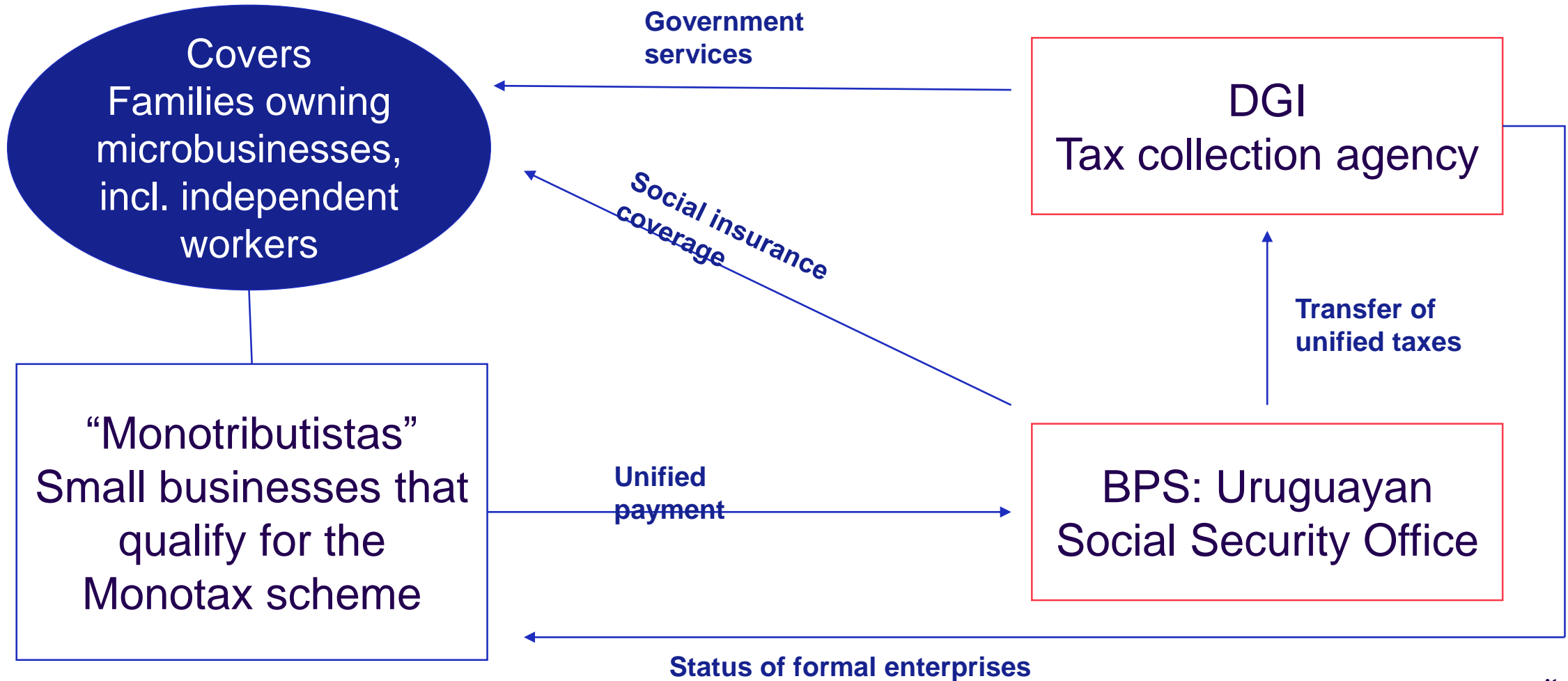
**Flexible  
and  
gradual  
approach**



**Monotax:  
Unified tax  
and  
insurance  
contribution  
requirement**

**Lower taxes  
and  
contributions**

# Strategic alliance between tax and social security authorities



## II. Create separate Schemes

**Specific contributory schemes**



**Sector and occupation specific programmes**



**Non-contributory schemes**



# Specific schemes



**Sector-specific characteristics  
(subcontracting  
and casual  
work)**

**Scheme for  
construction  
workers**

**Alternative  
financing  
arrangements:  
Levy to be paid  
by main  
contractors**

**In China, firms need to  
submit the certificate of  
employment injury  
insurance to apply for the  
business permit**

## SPECIFIC SCHEMES FOR AGRICULTURE

### Ecuador – Peasants Social Insurance

- Highly subsidized
- Contribution rates substantially lower than under the general mandatory scheme.
- Most registrations are undertaken collectively through a rural organization,
- Covers roughly 4.5 million rural population, among whom 73 per cent are registered



# Universal schemes



**Universal old-age and disability pension in Timor Leste**



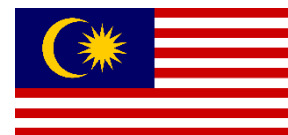
**Universal old-age allowance in Thailand**



**Universal old-age and disability pension in Brunei Darussalam**



**Universal Coverage scheme in Thailand**



**National health system in Malaysia**

## III. Efforts outside the scope of social security

**Formalization of enterprises**

**Labour legislation and labour policies**

**Tax policies**

**Promoting the freedom of association & the right to collective bargaining**

**Other policies (incl. Employment policies, skills and training, and addressing discrimination)**

# INTEGRATE SOLUTIONS

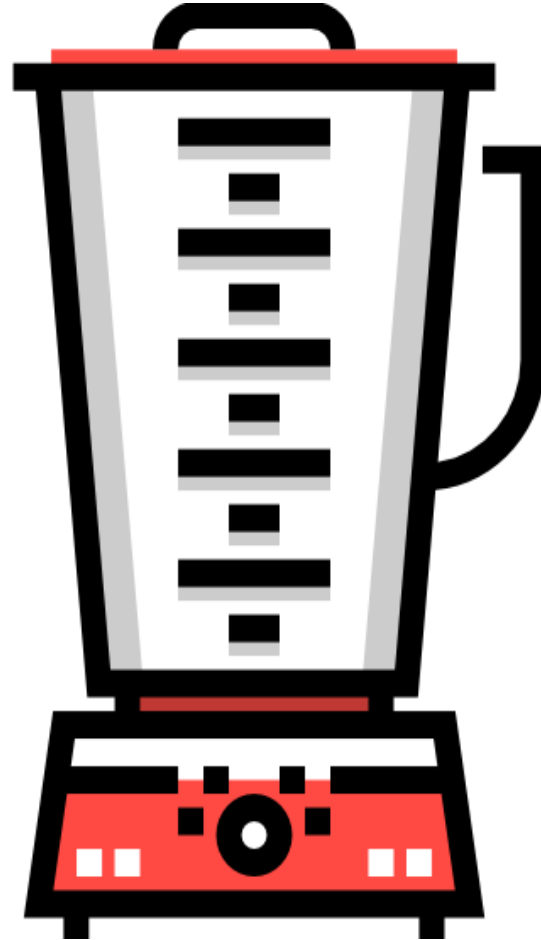




Quality 

Admin  
Network 

Enforcement  
&  
compliance 



Information



Integration

# Thank You

Nuno Cunha – [cunhan@ilo.org](mailto:cunhan@ilo.org)