




HOW TO EXTEND SOCIAL PROTECTION TO WORKERS IN **INFORMAL EMPLOYMENT** IN THE ASEAN REGION

ILO-ASEAN Seminar on the Future of Social Protection in ASEAN
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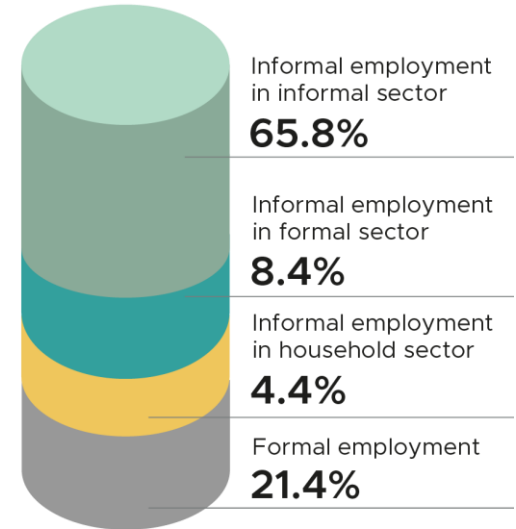
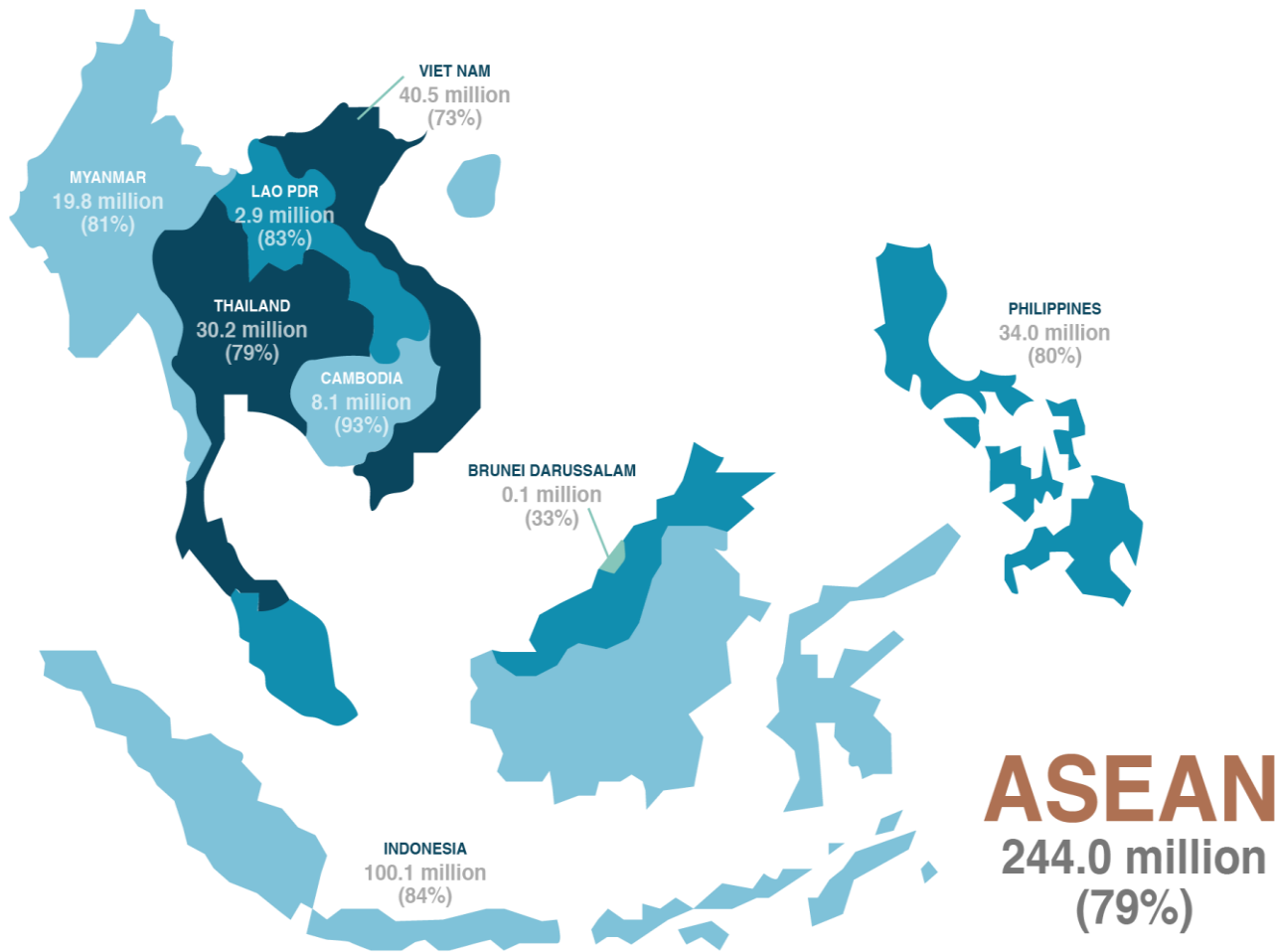
OUTLINE



- Informal Employment in ASEAN
- Main barriers to extending social protection
- Extension strategies
- Lessons learnt and preliminary recommendations

Diversity





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%

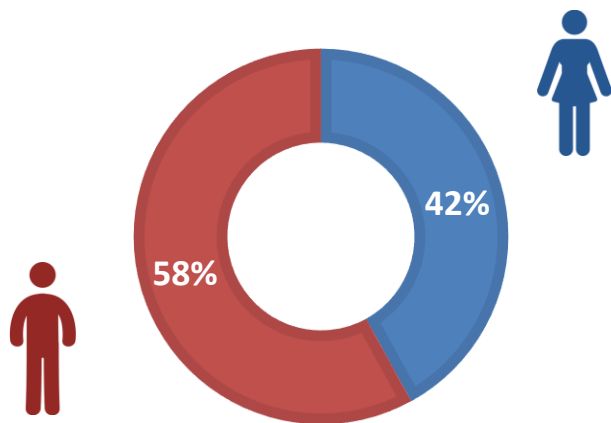


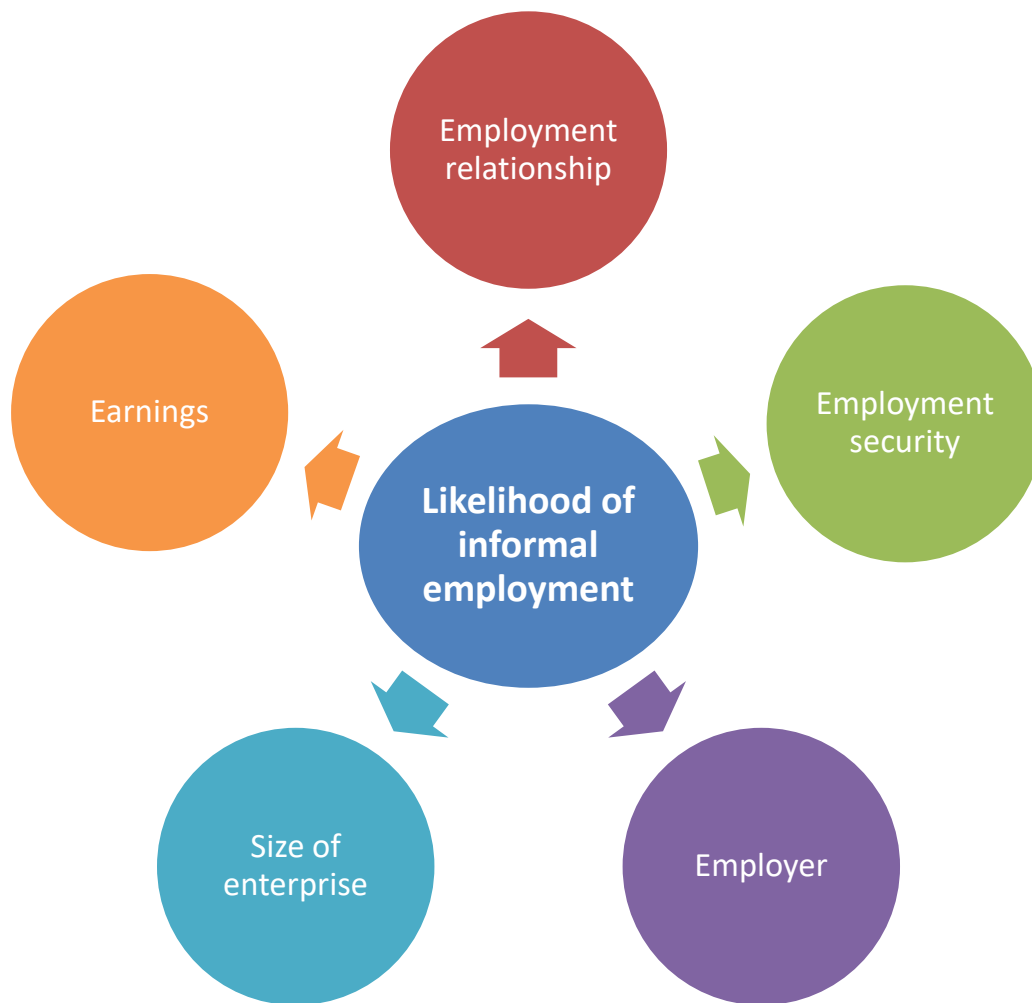
37.3%

Gender dimension



But women work in
more vulnerable
forms of work





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



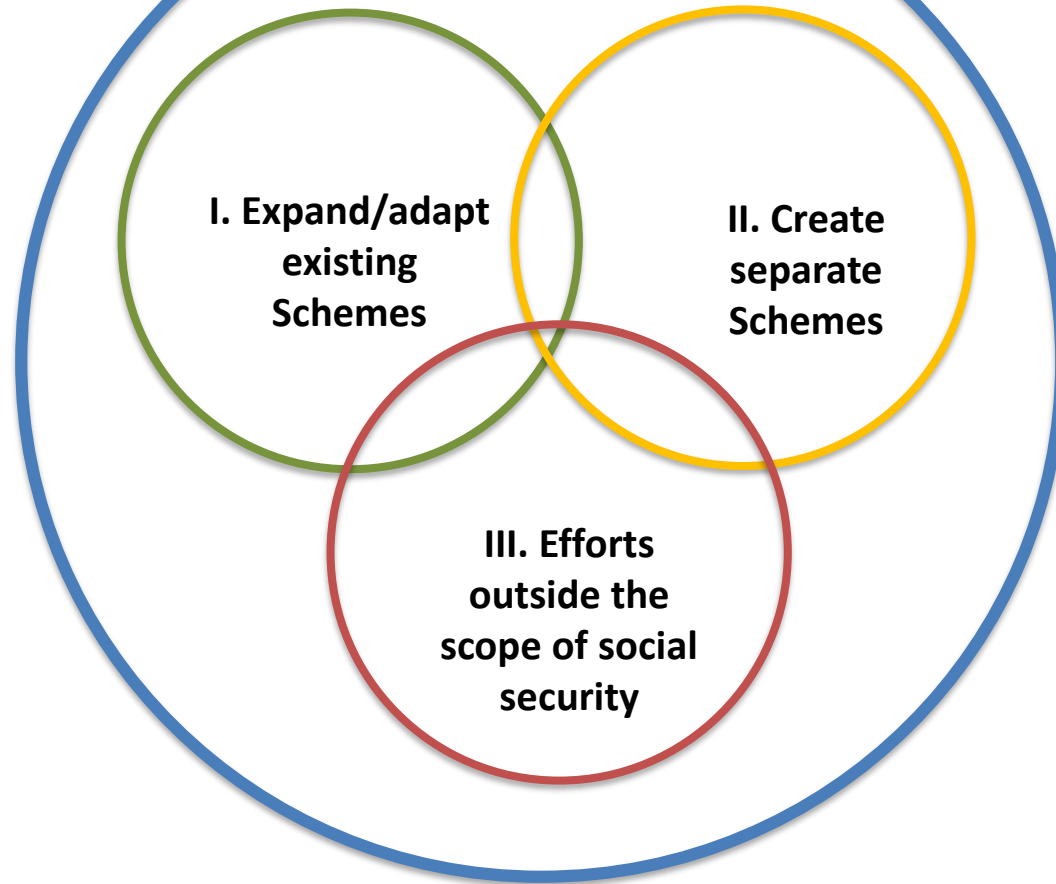
Organization
& representation

**Diverse strategies
used to extend
coverage**



All roads lead to rome.

IV. Trust





I. Expand/adapt existing schemes

Reducing legal barriers



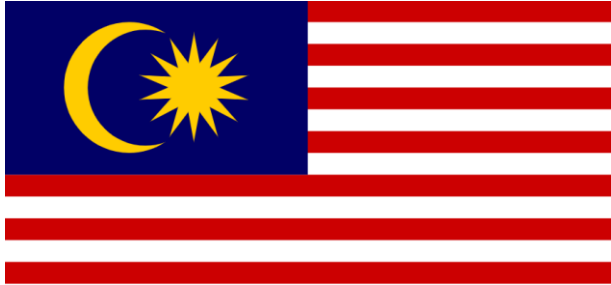
Introducing financial incentives



Adapting administrative and operational framework



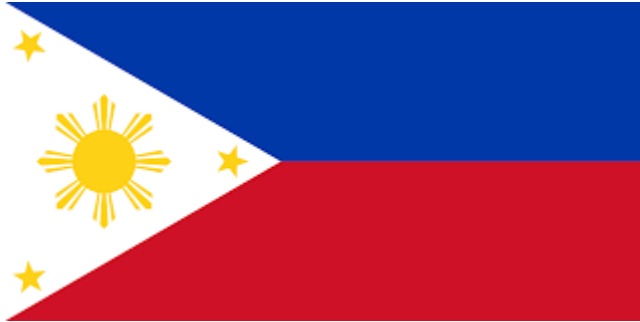
Innovations for new forms of work



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



Combination

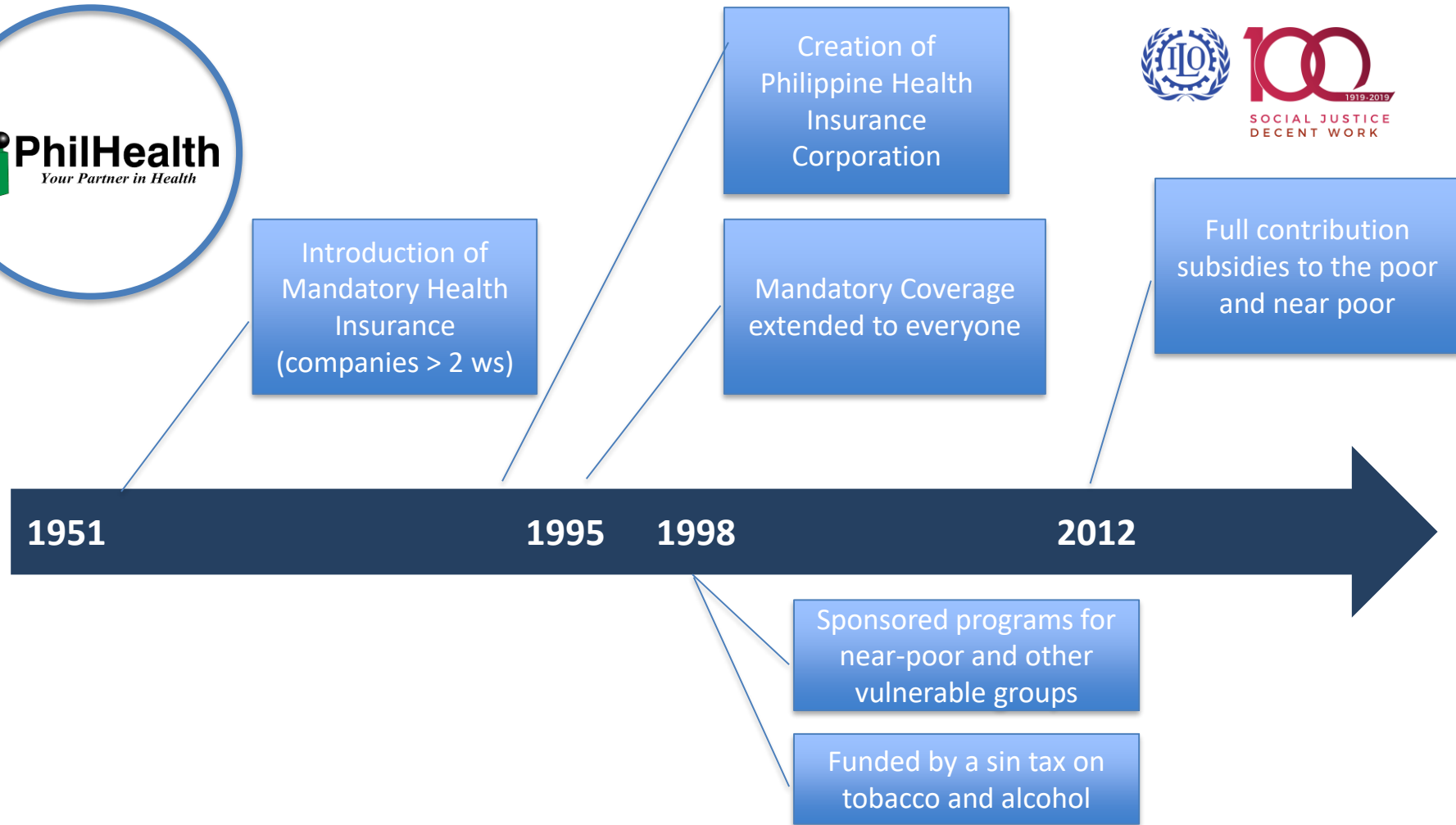


**Adapt
existing
approach to
reach broad
range of
workers**



**Enrolling
groups
instead of
individuals**

**Develop
mechanism to
collect daily
contributions**



THE PROGRAM

Indigent Program

- The Poorest
- Premiums set at a flat level of PHP 2,400 (subsidized by the national government)

Sponsored Program

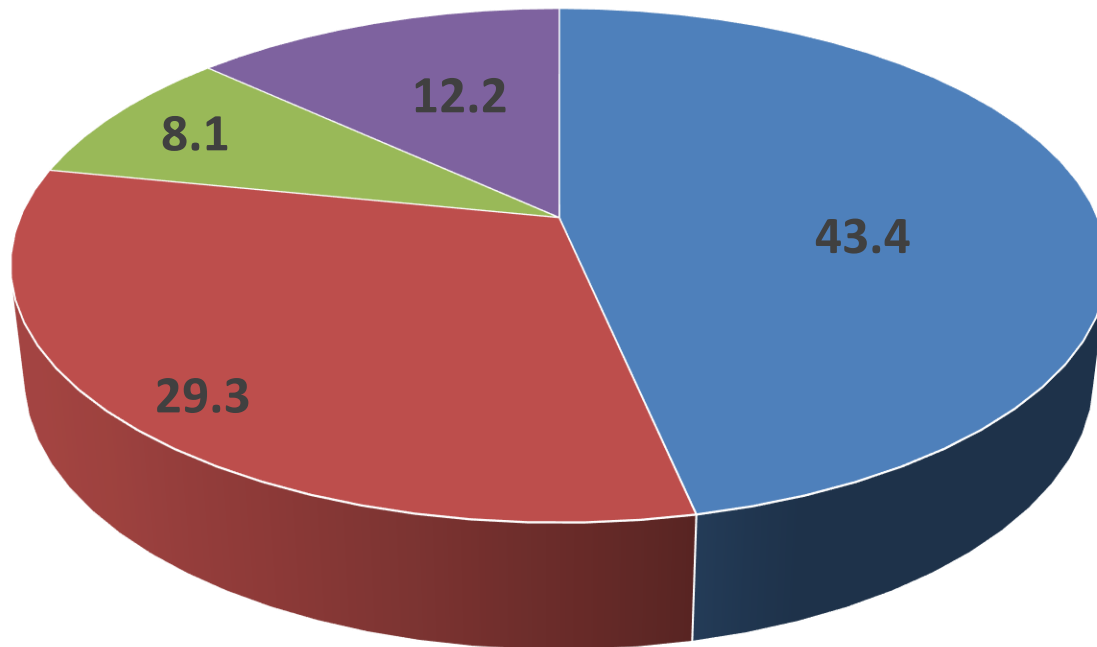
- Covers people whose contributions are paid for by another individuals or entities.
- Contributions are PHP 2,400 and fully subsidized by local government or the sponsor

Informal Economy Program

- Those who do not qualify for other program on a mandatory basis
- Non-poor self-employed, migrant workers, farmers, fishermen, unemployed and non-waged workers
- Premiums are set at PHP 2,400 or 3,600 and there are no co-contributions



PhilHealth Membership



■ Indigent Program ■ Formal Sector workers ■ Informal Economy Program ■ Senior Citizens, Sponsored

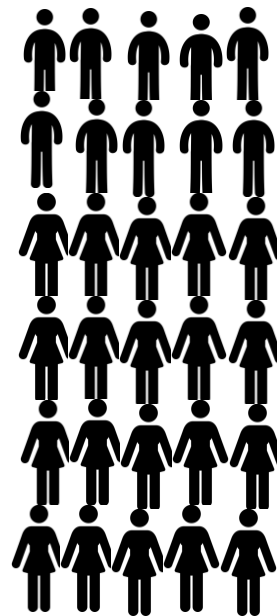
iGroup Programme



Registration,
collection and
communication

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

Different identification & enrolment mechanisms



Identification

- Indigents: through poverty identification system of the Department of Social Welfare and Development
- Sponsored members: through local governments
- Informal Economy: through partners



Enrolment

- Large network of PhilHealth local health insurance offices
- Express service offices opened in highly-frequented places, such as shopping malls
- PPPs with banks and money transfer companies

Combination



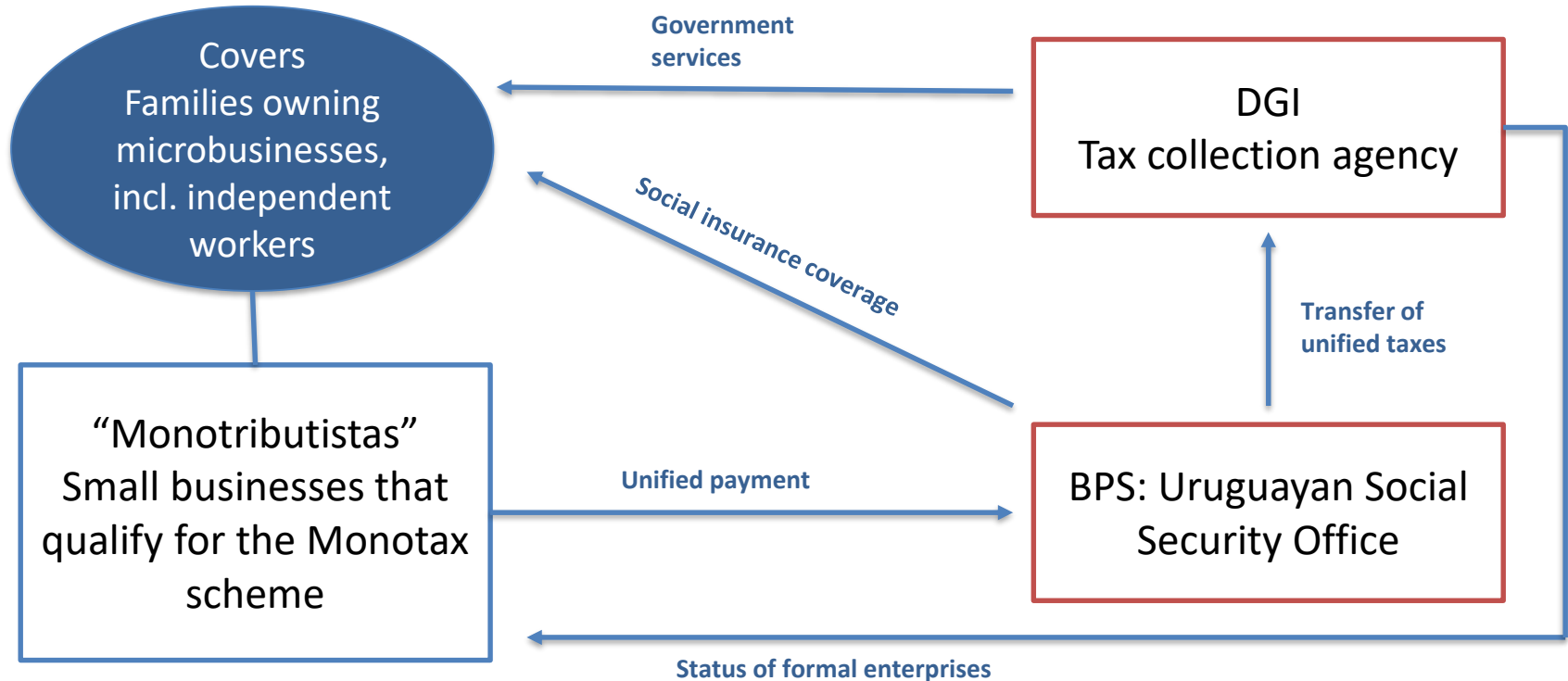
**Flexible
and
gradual
approach**

**Monotax
Scheme**

**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**

But what are the risks?

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

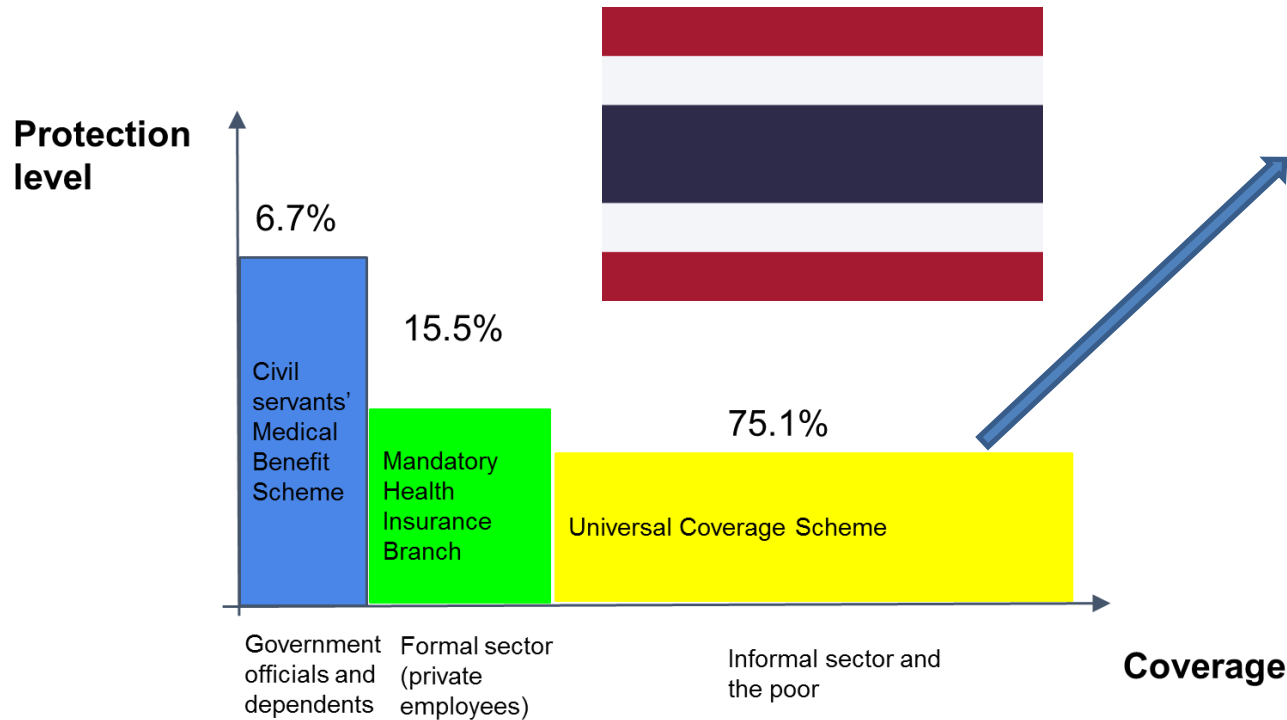


Universal Coverage scheme in Thailand



National health system in Malaysia

Universal Coverage Scheme - Thailand



Universal Coverage Scheme (UCS)

Funded from general taxation

Benefits include medical services, inpatient/outpatient treatments at registered hospitals, health promotion and prevention services

Administration by the National Health Service Office

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)



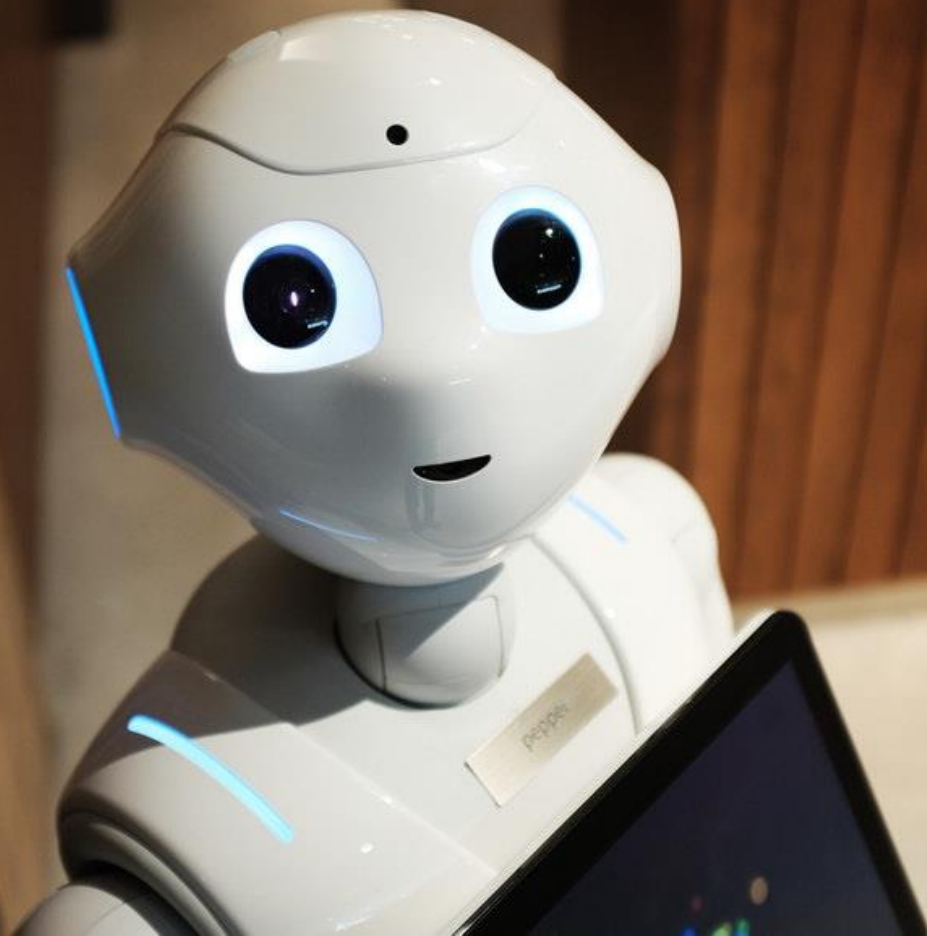


INNOVATION



ENSURE ADEQUATE RESOURCES

**ADAPT TO
NEW
CHALLENGES**



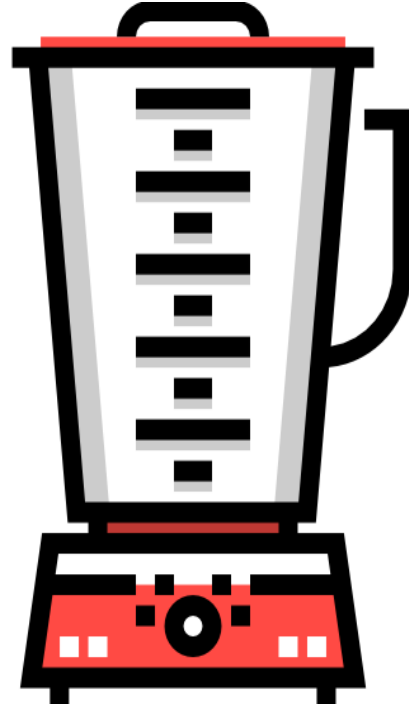
INTEGRATE SOLUTIONS



Quality 

Admin
Network 

Enforcement
& compliance 



Information



Integration

Thank You

Nuno Cunha and Quynh Anh Nguyen