

## ***Global Campaign on Social Security and Coverage for All: Details of Key ILO Activities***

In an effort to help Member States extend social security coverage to more of their citizens, the ILO is intensifying efforts already underway in more than 30 countries. A complete overview of ILO activities can be found in the Global Campaign website ([www.ilo.org/coverage4all](http://www.ilo.org/coverage4all)). The following six areas represent some key examples of the work that the ILO is doing:

### ***1. Extending Social Security Through Social Dialogue***

***An approach, promoted by the ILO, to extend social security based on social dialogue between governments, workers' and employers' organizations. It has been successfully carried out in three countries (Mali, Sri Lanka and Honduras), and is to be replicated in several other countries, such as Senegal and Pacific Island nations...***

Between 2002 and 2003, the ILO – with financial support from the Netherlands - helped Honduras, Mali and Sri Lanka to establish fairer and more effective social security systems and to extend social security coverage. Each country used tripartite social dialogue as a key mechanism for elaborating national action plans (NAP) in this field.

In Mali, the NAP constitutes the social chapter of the national Social and Health Development Programme (PDSS), developed in the framework of the Poverty Reduction Strategy. It focuses on four main issues: (i) strengthening social security institutions; (ii) designing social assistance programmes; (iii) promoting the mutual benefit society movement; and (iv) strengthening public institutions as well as employers' and workers' organizations.

In Honduras new ILO support is available to implement its NAP for 2004-05. This support aims to strengthen the technical and infra-structural capacity of the Social Security Institute of Honduras (IHSS) to design and implement policies to extend social security. It also aims to promote tripartite consensus around a new Social Security bill and a reformed labour code – both of which are intended to be more attuned to current social and economic realities and to open up new and innovative ways to provide social protection to population sections historically excluded from social security.

In Sri Lanka, the tripartite constituents and civil society have agreed on a National Action Plan which – with government support - is now ready for implementation. It was the first time that a social dialogue on social security was carried out in such a systematic manner. The NAP concentrates on the Employees Provident Fund (EPF), on superannuation, on old age benefits such as pensions, and on the implications of reforms for the macro economy. It also points to areas for further investigation, such as on coverage and benefits for workers in the formal and informal economy, and in particular on the potential of micro-insurance schemes.

Following the successful examples in Mali, Honduras and Sri Lanka, several other countries have – with ILO support – started social dialogue processes on issues related to the extension of coverage. In close collaboration with Senegal’s National Committee on Social Dialogue (CNDS), a new enlarged system of social protection is to be set up for workers in the informal economy, based on the promotion of mutual benefit societies. The project will focus on social health insurance as well as on pension, sickness and employment injury benefits.

In the Pacific Islands (Kiribati, Fiji, Samoa, Solomon Islands, Vanuatu), similar ILO projects are being launched in 2004 –2005 with the support of the Government of the Netherlands. In each country, the NAPs will be elaborated by a National Steering Committee composed of representatives of tripartite constituents and social security organizations. The NAPs will develop the policies for the priority areas and set out the strategy for step-by-step implementation on a mid- to long-term basis. Specifically, they will address the various options for extending social security coverage. They will also review options for the improvement of benefits, including (i) the introduction of periodical pensions to replace lump-sum benefits, (ii) the switchover from workers’ compensation to a comprehensive employment injury benefit scheme; and (iii) the identification of priority areas for new benefits, including feasibility studies on health care, maternity, unemployment and social assistance benefits. The NAPs on the extension of social security will constitute a core component of Decent Work Country Programmes.

## ***2. Extending Social Security to the Excluded in Five Portuguese-Speaking African Countries***

***A project aimed at Portuguese speaking countries in Africa – Angola, Cape Verde, Guinea-Bissau, Mozambique and Sao Tome & Principe – which is designed to help them better understand which groups of people are excluded from their social security systems and devise ways to bring them under full coverage....***

In these five countries, only a small percentage of the labour force, most of which is in the informal economy, is covered by statutory social security. This project, financed by the Portuguese government, will seek to increase the number of salaried workers who are covered by existing social security systems, while creating special statutory schemes for non-salaried workers that take into account their needs and ability to contribute. In addition, increased coverage will be attained through the development of community- and occupation-based

schemes specially designed for the excluded in the informal economy. The latter two activities of the project will be developed over the next four to five years.

For the project on the fight against social exclusion to be successful, it is first necessary to better understand the process of social exclusion. To this end, a study on the impact of the informal economy on poverty and exclusion will be carried out. Secondly, it will develop and maintain a website that will improve its visibility and will encourage exchanges between various participants. A specific tool, called the “Learning and Resources Electronic Centre for Social Inclusion (CIARIS)” is now available on-line, and will help to improve the capacity of local actors to combat social exclusion at the local level. This second activity will be undertaken during the full project duration, and will be continued after completion of the project. Governments, the social partners and civil society organizations will be closely associated with the conception and implementation of the project’s activities.



### ***3. Promoting and Strengthening Community-based Social Security Organizations***

***This innovative initiative, implemented by the ILO-STEP (Strategies and Tools against social Exclusion and Poverty) Programme, aims at improving the knowledge base on community-based social security organizations (such as micro-insurance and mutual health organizations), which are growing rapidly in many developing countries. It is designed to devise ways to support such organizations and enable them to grow, and to determine their potential for becoming part of wider, integrated national strategies for the extension of coverage....***

This initiative targets poor and excluded groups in the informal economy and rural areas, as well as low-income formal economy workers whose social security coverage does not meet their needs. In many countries the rapid proliferation of community-based social security schemes has demonstrated their important potential to contribute to the extension of social security services responding to the priority needs of the excluded segments of the population, mainly with regard to health care, maternity protection and life insurance. While some of these schemes have succeeded in developing efficient services to the benefit of their members, many are still found in dire need of more technical support in order to attain their full potential and to become sustainable. At the same time, there is a need for broader awareness and understanding of these schemes and their potential for helping countries expand social security coverage.

The ILO-STEP Programme has already carried out 35 technical cooperation projects on community-based schemes in 38 countries of Africa, Asia, Latin America and the Caribbean. In total, these projects provided direct technical support to more than 100 community-based schemes and to many experiments. ILO-STEP played a leading role in the design and dissemination of a wide range of training materials and tool kits as well as in the setting up of coordination networks. It also supports the design and development of national policies and legislation to strengthen community-based schemes.

In 2004, the STEP Programme launched a worldwide survey on existing community-based social security schemes (more than 1,000 have already been created in more than 20 countries, with a total of more than 30 million beneficiaries), in an effort to gain more knowledge on their experience and potential to improve access to social protection. This information collected will lay the foundation for further technical assistance activities, while encouraging the development of partnership networks among the various schemes and other interested groups. Such networks could follow the successful example of the coordination network (“La concertation”) that ILO-STEP has already set up in West Africa. Further, the initiative will focus on strengthening the technical capacities of the schemes in the areas of financial and risk management (prevention and reparation mechanisms). In 2004 ILO-STEP launched several experiments to test new linkages between community-based schemes and key national social protection institutions and players, such as social security institutions, technical ministries, policy-makers, health providers, national and local support organizations as well as the donor community.

#### ***4. Extending Health Care Coverage in Latin America and the Caribbean***

***An initiative, in cooperation with the Panamerican Health Organization (PAHO), to better understand and attempt to reverse the decline in health care coverage in Latin American and Caribbean countries, where about 140 million people do not have access to health services....***

The ILO and PAHO will cooperate in helping countries define national action plans to extend health care coverage through a variety of mechanisms, such as social health insurance, community-based approaches and opening up access through public health care facilities.

The exclusion from health care coverage can take many forms – lack of access to health care facilities, excessive financial burden to the household, poor quality in the delivery of health care services, to name a few – and is influenced by financial, geographical or cultural barriers that prevent the access to health care. The complexity of this problem is exacerbated by the self-excluding behaviour of individuals who choose not to use the available services because they are afraid of discrimination or because they think that their particular condition cannot be treated through the available health care facilities.

Together with PAHO, the ILO intends to help individual countries to reverse this trend, with the ultimate aim to ensure health care coverage for all. During the first two years, each country will define national action plans as how health care coverage will be extended through a variety of mechanisms, such as social health insurance, community-based schemes and free access through public health care facilities. During the last three years, a first start will be made with the implementation of the action plan. Some donors, such as the German Agency for Development Cooperation (GTZ), have expressed interest to finance projects in Colombia, Ecuador and Peru.

## ***5. Extending Coverage Through Improved Collection of Contributions in Central and Eastern Europe***

***The ILO has analyzed the contribution collection performance in five countries in Central and Eastern Europe and has discussed the results in a regional tripartite conference. It is ready to provide technical support for social security institutions in improving their enforcement capacity ...***

In Central and Eastern Europe (CEE), governments inherited laws providing high social security coverage from the socialist era. However, actual coverage levels were eroded during the 1990s as a result of the growth of informal sectors where workers lie beyond the reach of collection agents. In addition, the underreporting of wages to both tax and social security institutions became a widespread practice across the region, driven in part by high contribution rates. The best estimates indicate that 20 to 30 percent of Gross National Incomes are escaping social security contributions. A further problem is that governments in many CEE countries have failed to enforce the contribution evenhandedly, allowing large firms with close connections to the state to build up major contribution arrears.

These problems and the resulting loss of protection for workers have so far received little attention. Instead, social security reform debates have been dominated by issues related to privatization of pensions. More than half the new EU member states have privatized a portion of their pension systems, replacing social insurance with privately managed individual savings. These new systems require the development of individualized monthly contribution records and are much more complex to administer than social insurance, where only information on annual contributions is needed to determine benefit levels. The challenges of getting these new systems up and running further diverted attention and resources from the problems of falling contribution compliance.

These problems are, however, receiving increased public attention. They were the focus of major ILO regional tripartite pension conference in Bled, Slovenia, during November 2003, which analyzed the experience of five countries: Croatia, Hungary, Poland, Romania, and Slovenia. The conclusions highlighted the need for governments to redefine noncompliance as a social issue with social consequences and to engage workers and employers in devising new “home grown” solutions to collections problems with target problem industries and sectors. It was widely questioned whether – in transitional environments – the best approach is to shift the collection of contributions to the national tax authority. The experience of Bulgaria was reviewed with great interest and might serve as a model for other countries: there the social partners have signed agreements with the government establishing minimum contribution thresholds for various industries.

The ILO Budapest office will soon publish a book on the collection of contributions in the regional context and will follow up with technical cooperation and further analysis at the national level. This will focus on a better identification of groups lacking social security coverage, public campaigns on its negative consequences, and technical support for social security institutions in improving their enforcement capacity. This initiative is receiving financial support from the Government of France.