

## Press Release

Kathmandu, 22 March 2004

### **The ILO launches a National Campaign on Social Security and Coverage for All**

As workers in the informal economy are often very vulnerable to many forms of exploitation, necessary initiatives have to be taken to ensure their social security. Nepal's informal economy is proportionately large in comparison to other Asian nations and is growing. Nepal has already been in the process of industrialization and the informal economy has been playing a predominant role in the development of the country's economy at large. Of the country's total 11 million strong labour force, less than 0.4 million (3.6%) are employed in the formal economy which is covered by some form of social security. In other words, over 96 per cent are not covered by any social protection scheme. Agriculture, which is Nepal's largest contributor to the economy, is, almost entirely, informal.

The Director of the ILO Office in Nepal Ms. Leyla Tegmo-Reddy, emphasizes that "A large proportion of Nepal's workforce, whether self-employed or wage-employed, is totally reliant on the informal economy for their subsistence. Workers in the informal economy face a much higher vulnerability and more intensive risks, as they often work under difficult and hazardous working conditions, and for the majority insecurity is a way of life. In addition, the informal economy is characterized by gender segmentation and hierarchy as compared to the formal economy. Women are heavily represented in the informal economy and are far more likely than men to be concentrated in the casualized, irregular and poorly paid jobs, with little or no security."

Keeping in view this situation of Nepalese workers, the International Labour Organization's Office in Nepal, along with its national partners, is holding a National Campaign on "Social Security and Coverage for All" as part of its Global Campaign from 22-26 March 2004. A Technical Round Table Discussion will be held on **Tuesday and Wednesday 23-24 March 2004** to share information and research related to Social Protection. Ms. Ismene Stalpers, ILO Social Protection Adviser in Nepal, notes that "the discussions will focus on experience-based suggestions on how to proceed towards social protection for all, which can feed into new policy development. In addition to national experts, several ILO international specialists and the ILO's Subregional Director will be in Nepal to provide technical expertise."

A National Conference will be held on **Thursday, 25 March 2004**, to officially launch the campaign. The campaign, which is the first in Asia, aims at raising awareness on social protection among stakeholders which include government, employers organizations, workers organisations, international and national development organisations, civil society, and donor agencies. It also aims at contributing towards building consensus on the part of the government, employers' and workers' organisations to extend social security coverage among working people, particularly in the informal economy, in line with the Government's Poverty Reduction Strategy.

In June 2003, the Director General of the ILO, Mr Juan Somavia, launched this global campaign highlighting security as an essential element of the decent work agenda and social security as a major instrument to achieve it. ILO has accorded high importance to social security, in accordance with its mandate set out in its Constitution. Since its first session in 1919, ILO has adopted 31 conventions and 23 recommendations on social security. The most recent standards in this field were adopted in June 2000. ILO defines social security as the protection which society provides for its members through a series of public measures. They include offsetting the absence or substantial reduction of income from work due to sickness, maternity, employment injury, unemployment, invalidity, old age and the death of the breadwinner, providing people with health care and offering benefits for families with children.

During the campaign, a series of awareness-raising activities and the promotion of new initiatives in the field of social protection will be conducted in order to achieve the objectives of reducing vulnerability of workers and improving their status.