

3. Social protection

Since 1997 progress has been made in the area of occupational safety and health (OSH) although it is still not sufficiently addressed in national and regional agendas. In the last decade the region approached OSH concerns with particular emphasis on rapid economic growth and the ensuing economic and financial crisis. The overall situation in the region will not improve significantly unless governments, employers and workers formulate and pursue common goals to ensure safety and reduce health risks.

In the area of conditions of work, the priority issues in the region are: the Work Improvements in Small Enterprises Programme (WISE); ergonomic adaptation for an ageing workforce; and sexual harassment at the workplace.

In the ILO the principle of solidarity remains the basis of social security. The Asian crisis of 1997 highlighted serious inadequacies in the region's approach to social security. In addition to the strains placed on systems by severe economic fluctuations, the ageing of the population represents a major challenge for Asian social security services and policy-makers alike. Many social security programmes in the region reach only a small minority of the population. New approaches are required to extend coverage to those most in need.

HIV/AIDS is emerging as an increasingly serious threat in the region and the ILO is responding with targeted programmes.

While there is much debate concerning the most appropriate definition of the role of the State in democratic societies, there is a general consensus that it is a fundamental state duty to safeguard the lives, property, physical integrity and dignity of its citizens. Historically, most – if not all – States have sought to meet this obligation by developing increasingly sophisticated systems of national defence, presumably because the greatest threat to citizens was thought to be aggression from outside the borders of the State or violent insurrection within it. Recent events in various parts of the region bear tragic witness to the fact that such threats remain very real. However, it is not for the ILO to debate the relevance of national defence forces.

It is, nonetheless, important to consider that in many countries the greatest threat to life, physical integrity and dignity comes not from armed conflict but from epidemics, accidents, illness, natural disasters and deprivation. Surely, then, it is the obligation of national societies, the States which embody them and the international community, to address these risks and threats to their citizens' lives and well-being as a paramount concern. This is the cornerstone of the ILO's concept of social protection. This chapter will address the following issues:

- occupational safety and health;
- conditions of work;
- social security; and
- HIV/AIDS.

Occupational safety and health

The Twelfth Asian Regional Meeting in 1997 concluded that:

“A large number of workers in Asia are killed, injured or suffer illness at work each year. Employers need to take steps, in cooperation with workers and their organizations, to improve performance in relation to occupational safety and health, while governments should facilitate these efforts, including through ensuring appropriate legislation and effective inspection.”

Since 1997 progress has been made, but occupational safety and health (OSH) is still not sufficiently addressed in national and regional agendas. In the last decade, the region approached OSH concerns with particular emphasis on two contexts: rapid economic growth and the subsequent economic and financial crisis. Both technological development and economic growth have had a direct impact on working conditions and the safety and health of people at work. The economic crisis and, more broadly, the necessity of greater productivity and competitiveness, as well as the need to reduce public expenditure, have all been invoked to justify assigning less attention and priority to OSH issues. In the final analysis, the overall OSH situation in the region will not improve significantly unless governments, employers and workers make more concerted and more committed efforts to design and implement adequate measures to prevent occupational accidents and diseases.

Since the Twelfth Asian Regional Meeting, the ILO has recorded several important and encouraging cases of progress in the field of occupational safety and health. In the South Pacific an OSH policy

framework has been completed in Papua New Guinea and an OSH policy review has taken place in Fiji, which adopted comprehensive legislation (the Health and Safety at Work Act) in 1996. In South-East Asia, improved OSH legislation has been drafted. Malaysia has continued to build on the solid base of its 1994 Occupational Safety and Health Act, which applies to all workers in all economic sectors. Australia, China and Hong Kong (China), Indonesia, Japan, Republic of Korea, New Zealand, Singapore and Thailand have all issued legislation or national standards on the implementation of OSH management systems at the enterprise level. Revision of OSH legislation has also taken place in countries such as Lebanon, Jordan, Syrian Arab Republic, Bahrain and Yemen in harmony with ILO Conventions. This was attributed to the revival of “higher national tripartite safety and health commissions”, and to the organization of train-the-trainer courses in OSH in these countries.

The Philippines ratified the Safety and Health in Mines Convention, 1995 (No. 176), in 1998. Mongolia and Viet Nam both ratified the Occupational Safety and Health Convention, 1981 (No. 155), in 1998 and 1994, respectively. China ratified the Chemicals Convention, 1990 (No. 170), in 1995. The Republic of Korea and Singapore have both issued regulations on labelling and the distribution of chemical safety data sheets. In addition, the Republic of Korea amended the Industrial Safety and Health Act to require mandatory reporting from particularly hazardous installations, in line with the Prevention of Major Industrial Accidents Convention, 1993 (No. 174).

A project on occupational safety and health in agriculture, implemented by the ILO and the General Organization for the Exploitation and Development of the Euphrates Basin, in the Syrian Arab Republic, has formulated an Arabic-language manual on rural safety and health. A profile on occupational safety and health has been drafted by the social partners to promote the role of the factory labour inspectorate. Similar “profiles” have been developed in Iraq, Yemen and the Palestinian Authority.

Table 3.1 gives a summary of the most recent statistics available on occupational injuries in a number of countries and areas in the Asia-Pacific region. These countries were not selected on account of their particularly bad safety records – quite the contrary – but because they had the most comprehensive and reliable data collection systems. However, in general the systems for reporting of occupational accidents and diseases are very weak or close to non-existent. Because of widespread exclusion of data from the public and informal sectors, as well as agriculture, available data often reflect the situation

Table 3.1. Occupational injuries, 1998: Asia-Pacific region (selected countries)

<i>Countries and areas</i>	<i>Injuries (including fatalities)</i>	<i>Fatalities</i>	<i>Fatality rate/ 100,000 workers</i>
Japan ¹	148 248	1 844	± 4.2
Hong Kong, China ²	63 526	240	10.1
Korea, Republic of ³ Includes occupational diseases and commuting accidents	51 514	2 212	20 (per 100,000 insured persons)
Malaysia ³ Includes occupational diseases and commuting accidents	85 338	1 273	22.3 (per 100,000 insured persons)
Singapore ³ Includes occupational diseases	4 247	99	14.2
Thailand ³ Includes occupational diseases and commuting accidents	186 498	790	15.4 (per 100,000 insured persons)

Sources for statistics: ¹ The Japan Advanced Information Center of Safety and Health.

² Hong Kong Accidents Statistics Bulletin (Oct. 2000) [<http://www.jaish.gr.jp/eng/html/sokuhou.html>].

³ ILO: Yearbook of Labour Statistics (Geneva, 1999).

of less than 60 per cent of the workforce. In general, only compensated accidents, or those meeting certain special criteria to be covered by national notification schemes, are reported. Responsible and realistic estimates which compensate for this serious under-reporting place the number of fatal occupational accidents (not including work-related fatal illness) in the Asia-Pacific region (not including the Arab States) at 186,000 per year. Furthermore, the ILO estimates that for every fatal accident, there are at least 750 accidents causing either temporary or permanent disability, giving a figure of 14 million non-fatal injuries each year.

While the OSH situation in the modern, urban employment sector is far from satisfactory, other sectors present even more daunting challenges. Agriculture is one of the most hazardous sectors of activity, both in the industrialized and developing countries. It is estimated that worldwide at least 170,000 agricultural workers are killed each year as a result of machinery accidents or agrochemical poisoning. Due to widespread under-reporting of deaths, injuries and occupational diseases in agriculture, the real picture of the occupational

Box 3.1. ASIA-OSH – An initiative to improve OSH information

Since 1992 a Finnish-funded, Bangkok-based ILO project, ASIA-OSH, has been operating to improve the OSH information infrastructure in the Asia-Pacific region. Project efforts have supported OSH organizations and units in developing worldwide web sites, software, directories for networking, translation and dissemination of ILO publications, the promotion of ILO OSH standards and guidelines for adequate statistics on work-related accidents and diseases. Various OSH training courses, seminars and workshops have been organized on such varied subject areas as chemical safety and the prevention of silicosis, and on potentially hazardous occupations like construction and mining.

Training on OSH information systems has helped OSH officers understand: how existing information systems can facilitate and support their everyday work; which computerized

and manual systems have been developed in their own countries and abroad; and how they might better market their services.

The fundamental role of OSH information and functions of information units are now better and more widely understood. Officers, especially chiefs and directors of OSH departments, have realized that the better their OSH information and services, the stronger are the foundations for legislative development and enforcement as well as employers' and workers' awareness raising. More resources (within their funds, staff and equipment) have been allocated so that information units have begun to assume their rightful place within their institutional structures.

The widely read *Asian-Pacific Newsletter on Occupational Health and Safety*, published by the Finnish Institute of Occupational Health, has helped to pass on the ASIA-OSH message.

health and safety of farm workers is much worse than official statistics indicate. Small-scale farmers commonly apply agrochemicals manually using old, poorly maintained equipment. This results not only in increased exposure to chemicals, but also in significant ergonomic hazards, aggravated by sustained physical work with primitive tools and the frequent lifting of heavy loads.

During the last several years, DANIDA support was the most significant source of funding on OSH in Asia. For instance, support for developing legislation, training and awareness raising in China to help in the implementation of the Chemicals Convention, 1990 (No. 170), as well as for launching a safety campaign in Viet Nam, are examples of DANIDA support. Other countries that received such support included India, Jordan, Lao People's Democratic Republic, Mongolia, Nepal, Pakistan, Palestine, Philippines and Sri Lanka.

The results of the pioneering study on silicosis in Lebanon is likely to add a new chapter on the lessons learned by the ILO/WHO Programme on the Elimination of Silicosis.

In most countries only limited categories of agricultural workers are covered by national legislation, employment-injury benefits, or insurance schemes. A large number of farmers are deprived of any form of social protection and when national regulations exist they are seldom applied.

Rural workers and their families should have access to adequate working and living conditions, health, and welfare. An adequate balance between agricultural growth and the protection of the environment is also crucial for the sustainable production of the world's food. Rural occupational safety and health must be integrated into a rural development policy with a well-defined strategy. The emphasis should go on prevention and environmental protection consistent with current and future trends. The issues need to be addressed both at national and international levels.

In Asia, efforts towards improving working conditions in agriculture have begun for example in Malaysia (inspection), the Philippines and Viet Nam (training and awareness raising). At its 89th Session in 2001, the International Labour Conference adopted new international labour standards on safety and health in agriculture.

Working conditions in the informal sector are also frequently precarious and unsafe. Vulnerability to diseases and poor health result from a combination of undesirable living and working conditions: poor housekeeping, hygiene, lighting and workplace design; long working hours; and insufficient awareness of chemical and electrical hazards. Job-related risk factors are compounded by overcrowding, poor nutrition and other public health problems, such as inadequate sanitation, lack of adequate storage and general effects of poverty. In home-based enterprises, the exposure of family members to hazards may result in their contracting work-related diseases even when they are not directly involved in the job.

Many micro-enterprises lack sanitary facilities or clean drinking water and have poor waste-disposal facilities. To raise productivity, they need services that help to increase their income while protecting worker health and improving working conditions.

Attempts to improve OSH in the informal sector require an integrated approach. Safety and health promotion, social protection, and quality employment creation are necessary elements of strategies to improve the basic living and working conditions of the urban and rural poor alike.

Women worldwide are entering the manufacturing and service sectors in increasing numbers. Indeed, they make up almost 50 per cent of the workforce in many countries.

A fundamental issue in this region (and others) is the balancing, in terms of national policy, of workers' lives and health with the aim of increasing productivity and competitiveness. One school of thought would hold that the concept of "balancing" is inherently wrong. The Universal Declaration of Human Rights identifies the right to life as a fundamental human right. No economic justification, therefore, can excuse jeopardizing the life of any citizen. In reality, however, there are insuperable obstacles to pursuing policies which seek to eliminate risks to human life at the expense of any other national policy objective. It is an incontrovertible fact that motor vehicles and those who operate them are the cause of tens of thousands of deaths annually but no country can seriously consider banning them. Neither could economic growth and technological development, both indispensable to sustaining ever-growing populations, be stopped merely because they increase the risks of death, disease and injury.

Awareness of the need for occupational safety and health management systems (OSH-MS) is increasing among tripartite constituents in the Asia-Pacific region. OSH-MS is a practical instrument using systematic and voluntary risk-assessment approaches. It is aimed at upgrading safety and health standards in various occupations to levels beyond minimum compliance with current legal provisions. The ILO is developing and finalizing its own guidelines on OSH-MS that reflect ILO values. The ILO/Japan Asian-Pacific Regional Seminar on OSH-MS, which was held in Kuala Lumpur in May 2001, provided a useful forum for introducing the ILO OSH-MS guidelines to governments, workers and employers in the region. It is expected that these guidelines will meet the needs of employers and workers as they strive to improve safety and health at the workplace. Corresponding national policies on OSH-MS need to be strengthened in order to achieve effective implementation.

But, as touched on above, it is not an easy matter for governments to define policy in this area in the face of so many competing needs. Moreover, the traditional tools of State are not necessarily well-adapted to the realities of rapid technological change, tremendous commercial pressure, shrinking public funds for administration – especially labour inspection – and the demands of voters for generating and sustaining employment.

Conditions of work

Improvements are achievable in even the smallest enterprises ...

Among the most important and successful ILO programmes in recent years has been that on Work Improvements in Small Enterprises (WISE). Given that the small enterprise sector both comprises the largest number of workers in many countries and is seldom – if ever – the focus of labour inspection services, WISE is a particularly necessary and well-targeted approach.

The success of WISE in creating improvements in working conditions of small enterprises has encouraged efforts to adapt and extend the WISE approach to other groups of hard-to-reach workers, including rural workers and workers in micro-enterprises.

... and can achieve productivity gains

Selected emerging issues in the field of ergonomics are being examined in the region. Japan is a leader in adapting work methods and equipment to the requirements of the older worker, an increasingly important field in countries with an ageing workforce. A project in

Box 3.2. WISE association: Employers' organization and small business

In countries where small business is a significant constituency of the employers' organizations, services that specifically address their needs are being developed. The ILO's Work Improvements in Small Enterprises Programme (WISE) has been particularly useful in this respect, because it helps to increase productivity through employee motivation and process efficiencies, while at the same time improving working conditions. In Mongolia, several trainers representing the employers' organization were taught to deliver WISE training to small business managers. They have now begun to conduct training themselves, and several enterprises have incorporated WISE methodology in their management practices. In Yemen, a bipartite training course for representatives of workers' and em-

ployers' organizations focused on such issues as standards and norms for industrial production; inclusion of medical coverage in social security systems; and incentive programmes in all productive sectors.

Similarly, a project on cleaner production, funded by the Government of Norway, was implemented in several countries in the region. By implementing cleaner production in selected enterprises, it demonstrated how a single process, designed to improve environmental performance by reducing waste, can also improve working conditions, workplace relations and economic outcomes. The project was successful in several countries in its objective of establishing capacity within employers' organizations to organize cleaner production assessments.

Box 3.3. The WIND approach

In Viet Nam, the Centre for Occupational Health and Environment under the Department of Health in Cantho Province, with technical assistance from Japan's Institute for the Science of Labour and financial support from the Toyota Foundation, has developed a training programme for "Work Improvement in Neighbourhood Development" (WIND). Inspired by the ILO's "Work Improvements in Small Enterprises" (WISE) training methods, the WIND programme relies on participatory approaches to achieve immediate results. A series of training workshops

for farmers has been conducted in Cantho Province.

The ILO has provided technical support, in collaboration with the Bureau of Rural Workers of the Department of Labor and Employment, to conduct pilot activities based on WIND in the Philippines and to further develop the programme and adapt it to local conditions. A local agricultural cooperative served as a facilitator of WIND in the Philippines and assisted local farmers in implementing many improvements in safety, health and working conditions.

the Philippines has examined the relationship between ergonomic improvements and productivity gains. Research is ongoing into questions of both ergonomics and safety and health in relation to information and communications technology hardware.

New recognition of the problem of sexual harassment ...

Although women are entering occupations previously closed to them, the labour force is still highly segregated by gender. The fact is that women have fewer choices than men as to where they can work and they end up doing work involving long hours that is heavy, dirty, monotonous, low paid and in a hostile atmosphere where sexual harassment may be more the rule than the exception. What is more, they frequently have no access to health services. This is particularly true of those working in the informal sector – in which women constitute the majority. Besides suffering excessively long hours of work, women usually have to bear the entire burden of housework and family care as well. Health problems such as stress, chronic fatigue, premature ageing and other psychosocial and physiological effects are often the result.

As women enter the workforce in ever-increasing numbers the incidence of sexual harassment at the workplace grows. The ILO will convene in October 2001 a regional meeting in Kuala Lumpur on this issue, with the objective of establishing a programme of action to address the problem systematically.

... and of problems in balancing work and family

The importance of maternity protection as a condition for equality in employment and as a means to protect mothers and their children, has been highlighted by the growth in female employment. Inspired by the Maternity Protection Convention, 2000 (No. 183), the ILO is working with NGOs in India, in collaboration with the STEP programme, to expand the coverage of maternity protection to more women workers and explore the potential for extension of micro-insurance to cover maternity protection. Awareness raising on maternity protection has also been stepped up in the region. Problems of reconciling work and family life are also increasingly on the agenda for both men and women workers, as well as governments and employers. The ILO is conducting research on these issues in Japan and the Republic of Korea. Issues of working time, including excessive and unsocial working hours, are closely related to this problem. Increasing working time flexibility and deregulation are giving rise to new working-time patterns and forms of work organization at enterprise level. This has also been the subject of preliminary ILO research in the region and studies are now being conducted in Japan and the Republic of Korea.

Social security

The Social Security (Minimum Standards) Convention, 1952 (No. 102), reflects the consensus of member States that it is the role of the State to ensure the social security of its population. Whether or not this is provided by public administrative bodies or through private initiatives, the State should remain the guarantor. In Asia, the basis for achieving income redistribution through social security varies greatly from country to country. With respect to schemes that mainly cover formal sector workers, a number of countries, including Singapore, rely fully on the individualized approach of provident funds; other countries, such as Thailand, opt for redistributive social insurance benefits, as reflected in its defined benefit pension system, though this provides low income replacement benefits. China has a dual system under which there is a combination of individual accounts and solidarity-based pensions.

Redistribution of income and poverty alleviation are best achieved through a combination of social assistance and social insurance policies. The needs of the poor and workers in the informal sector might for the time being best be served by a tax-financed social assistance scheme, while income mooting for workers with a regular wage income who face a number of social risks can best be done

through income-related social insurance benefits. The financing of the combination of the two systems must be fine-tuned in each national case so as to maximize the overall resource bases for the national social transfer systems. In addition, solutions must be found which respect traditional patterns while developing community-level solidarity simultaneously with national schemes under which communities share the social risks they all face. The skills and structures need to be developed to govern complex, pluralistic, national social transfer systems consisting of a variety of different measures catering to the needs of different groups without foregoing the guarantee of access to some basic social security services for all.

Given their increasing level of per capita income, many Asian countries still spend relatively less on social protection than countries in other parts of the world even if one accounts for the different population structures. In many ways the formal social protection systems in Asia are still nascent. When comparing the size of the social sector to the overall economic performance even in post-crisis years and benchmarking it against the international experience, it appears that many Asian countries could afford further improvements in their national social protection systems.

Even though middle-income economies in Asia experienced a rise in wage employment and their economies grew rapidly prior to the Asian crisis of 1997, the scope of national social protection systems remained relatively limited from an international perspective during that period. This is not to diminish efforts over the past decade made by some countries such as Thailand gradually to expand social security while continuing to target, primarily, workers under formal contractual employment. Much effort is still necessary to address the needs of the large number of workers outside of formal employment but who nonetheless contribute significantly to economic development.

As mentioned above, few countries had implemented social security programmes before the Asian crisis of 1997. Thailand launched its comprehensive social security legislation only in 1991,¹ some decades after such neighbouring countries and trading partners in the Association of Southeast Asian Nations (ASEAN) as Malaysia, Philippines and Singapore. This was due mainly to concerns in government

¹ Until the Social Security Act was promulgated in 1990, the only significant improvement had been the conversion of the Workmen's Compensation Scheme from an employer liability benefit into a social insurance scheme in 1974.

circles about the impact of social security contributions on labour costs and competitiveness, and as a result of insufficient understanding of the essential role of well-designed and self-financed schemes in improving productivity and contributing to harmonious labour relations and thus to social and economic development. Indeed, governments had failed sufficiently to grasp that social security: encourages social peace which reduces the frequency of industrial conflict and increases willingness to work; makes it easier to meet delivery commitments; and leads to improved product quality and a better investment climate. As reiterated at various Asia-Pacific Economic Cooperation (APEC) meetings held to discuss the aftermath of the financial crisis in the region, political stability plays an important role in investment decisions, especially those made by foreign direct investors.

When the Asian crisis occurred, the lack of comprehensive social protection programmes and the corresponding administrative infrastructure with which to provide social assistance relief to a significant proportion of the population made it difficult for governments – such as those of Indonesia and Thailand – to reach out to the needy. Given the important role that social protection plays in securing sustainable human development and livelihoods, it is vital that social security systems attempt not only to prevent people from becoming poor but also to assist them in dealing with various contingencies – such as the sudden loss of employment. Indeed, social security systems may be considered to have two basic functions:

- a preventive function, whereby all present and formerly economically active persons build up entitlements in the event of contingencies such as unemployment, sickness, maternity, old-age, invalidity and death – thus contributing to building up human capital for sustainable development; and
- a curative function, whereby poverty is alleviated through short-term transfers, notably when there is economic hardship.

In times of economic difficulty there is frequently great pressure to allocate resources to short-term measures of poverty alleviation at the expense of longer term, sustained and integrated social security programmes. Many middle-income countries in Asia were put under tremendous internal and external pressure to abandon carefully designed implementation plans for building long-term social protection systems in favour of “quick fix” minimum social safety nets in the form of decentralized, temporary programmes. The social safety net approach is perhaps of value in a context of crisis response. It should not be considered a substitute for integrated and sustainable social

protection policies because it is reactive rather than proactive. However, social safety nets could remain a part of social protection measures, given specific situations, as the two are not mutually exclusive.

The Republic of Korea moved in the early 1990s to cover all workers under its various social protection programmes. These programmes include a comprehensive employment insurance system that delivers social insurance benefits and actively promotes employment.

Agreement among the ministers responsible for human resources at APEC and ASEAN meetings in recent years confirmed that one of the major lessons learned from the recent financial crisis in the region was that social policies had received insufficient attention during the decades of prosperity; they acknowledged that opportunities to develop effective systems of social protection had been lost.¹ There are still difficulties in establishing appropriate social priorities for development in middle-income economies of Asia, judging from the fact that when the crisis struck, already low social security contribution rates were further reduced for the period 1998-2000, although the scheme faced demands that benefits should be extended to many more unemployed workers.

Plainly, the economic crisis has placed social protection and social security under considerable pressure. However, by drawing attention to gaps and weaknesses and highlighting ways to strengthen protection systems, the crisis has also served to enhance social protection. There is now greater recognition of the need for comprehensive and coordinated policies to broaden the scope and effectiveness of social protection as a whole. This is recognized by the IMF, particularly with regard to the middle-income economies of Asia where it is active: "the IMF sought to ensure that the macroeconomic policy framework could accommodate social protection measures and emphasized to the authorities that such measures should be part and parcel of IMF-supported programs".²

The rapid ageing of the population in many Asian countries has implications for basing social protection on a mandatory retirement age. But, if increasing cash transfers to inactive older generations were to be avoided, then workers would have to be requested to

¹ APEC: *Joint Ministerial Statement of the Sixth APEC Finance Ministers Meeting* (Langkawi, Malaysia, 1999).

² P. Heller: *Human dimensions of the Asian economic crisis*, at the World Bank regional meeting on social issues arising from the East Asian crisis and policy implications for the future, Fiscal Affairs Department (Washington, IMF, 1999).

remain longer in the labour force. Societies would also need to invest in preparing social infrastructure and workplaces for the requirements of older populations and workforces. If future declines of the standard of living of the elderly are to be avoided then a skilful long-term planning and fine-tuning of policies in various areas of social and economic policy will be required.

Extension of coverage

There are many examples of social security schemes in developing countries which protect only a small minority of the labour force – chiefly employees of large enterprises in major urban areas. Unfortunately, the administrative tasks of registering establishments and their workers, collecting contributions and maintaining long-term records, tend to overwhelm such social security institutions and cause postponement of plans to extend coverage to smaller and more numerous urban work units and to the rural workforce. Perversely, those most in need of social protection in the urban informal sector and rural areas are the least likely to be covered by social security schemes. This situation is not only obviously unfair but it raises special problems for the smallest enterprises and their workers, who are unable to join the schemes until contribution rates have risen significantly and may no longer be affordable.

The main reason for extending coverage to smaller enterprises is to facilitate labour mobility in a sector that is both dynamic and often unpredictable. This may be achieved by transferring responsibility for

Box 3.4. The greying of the world's most populous nation

In the region, the country most affected by ageing is China. This is largely a result of the one-child policy. Over the coming 30 years the ratio of active workers to senior citizens will follow a similar pattern as in Japan over the past three decades. Aware of the complications faced by Japanese society to cater to the needs of its large proportion of elderly, China has undertaken a radical serious reform of its pension system so as to be best prepared to face this serious situation. Various forums, in which the ILO has been an important participant, have been convened to receive the views of international experts. Chi-

na is due to implement reforms gradually by first piloting its planned modifications to shift the burden of social security away from state-owned enterprises towards the State. Due to China's massive size, solidarity pooling is mainly focused on municipal and provincial levels. This poses nonetheless serious constraints for the national authorities facing demands for resources from poor provinces and makes it necessary to set up new redistributive mechanisms between the richer coastal provinces and the poorer central and western regions.

Box 3.5. Ageing and health care – A gender issue

The need for health care, at least of certain kinds, is rapidly increasing at a time when individuals live longer but cannot rely as they did in the past on traditional family and community support. The health care needs of the aged are significantly distinct from those of younger generations. Further investments must therefore be planned, such as residential centres for elderly people, who have no family member to turn to for special care.

The combined impact of lower fertility rates, increasing labour force partic-

ipation of women and the rising proportion of aged persons in the population will necessitate more extensive social protection. The availability of caregivers, traditionally roles filled mainly by women, can no longer be taken for granted. Over time it is likely that expenditure on social services for the elderly will grow relative to services for children. Households will have to be prepared to devote a larger proportion of their income to provision for old age, as the average number of children they support declines.

maternity allowance payments – one cause of discrimination against women workers – from individual employers to the social insurance fund. At the same time, by bringing more workers into the unemployment insurance scheme, extension of cover makes the scheme itself more viable.

In Thailand the Workmen's Compensation Fund was already serving enterprises with 20 or more workers in the early 1990s and this provided a strong foundation for the country's Social Security Office. It is planned to extend coverage to all enterprise workers and their dependants in 2001. Coverage under the Thai social security scheme is likely to reach nearly 14 million persons – in addition to government workers who already have their own programme. Currently, those who do not qualify for health care under other schemes – more than half of the population – are taken care of by the Ministry of Public Health. Having extended coverage in this manner, Thailand is now seeking ways to offer universal health care. The Republic of Korea also provides another good example of coverage extension.

The difficulty in bringing social insurance to informal sector workers stems from their irregular and often precarious employment. In the absence of associative structures, there is seemingly no way to involve them in a contributory social insurance scheme, whether community-based or nation-based, based on mandatory regular payments. As a result, the death of a breadwinner and other risks can cause untold hardship. A solution, however, appears to lie in community-based social insurance which draws on social assistance subsidies to help workers who are unable to meet their contributory

Box 3.6. Social security reform: Priorities for West Asia

Within the ILO policy framework related to the reform and governance of pension schemes, a regional seminar was organized jointly by the ILO and ROAS (May 1998, Amman). The main topics discussed were: social security systems in the countries of the region, adequacy and social security principles in pension reform; social security reform at the global level; comprehensive quantitative modelling for a better pension strategy; the risks of pension systems; designing mixed systems of pension; extending personal coverage of pensions; governance of social security systems; and training activities.

The seminar has adopted important conclusions related to the development of social security schemes in the countries concerned focusing on the improvement of services, extension of the system and improving the management

and the efficiency of the social security institutions.

Based on its strategic objective to enhance the coverage and effectiveness of social protection for all, the ILO provided technical advice to Kuwait (actuarial studies); Oman (development of the social security schemes); the West Bank and Gaza (building social security system: legislation and institution); Jordan (actuarial study); Lebanon (pension schemes); and Yemen (reform of the pensions system).

Annual training courses for Arab countries are organized with a view to enhancing the technical capacities in the field of financing and managing pension schemes. Extension of social protection and improved governance of the system are considered to be priorities by the constituents of West Asia.

obligations. Of course the sustainability of voluntary community-based schemes depends on acceptance and appreciation by their members, who must perceive value in what they get as they have limited means to invest.

STEP programme and the extension of social security

The Government of Belgium has given the ILO funds to help communities serve the social security needs of their members through reliance on the mutual health fund concept. The programme supports national strategies to extend health care. In countries where the State does not provide social security coverage for informal sector workers, the Strategic and Tools against Social Exclusion and Poverty Programme (STEP) can help to develop micro-insurance schemes at the local level. These offer a vulnerable population the benefit of an immediate solution. Governments are encouraged to provide the necessary regulatory framework guidance and financial subsidies.

Most East-Asian governments are working towards universal coverage. As in Thailand, it is appropriate to start by making workers in the informal sector fully aware of the service available. It goes with-

out saying that the extension of social security presupposes that the necessary infrastructure, such as health-care facilities, is in place.

Micro-insurance: Is it an option?

For many of the poorest countries, micro-insurance may be the only available way for communities to have access to minimum protection. Government revenues, in such cases, seldom go far enough even to allow minimal income transfers to communities.

However, many of these independent schemes have proven financially vulnerable to unexpected events. When financial guarantees are wanting, unforeseen events can prove fatal. It is for this reason that the ILO encourages governments to constitute a financial “backbone” for these schemes, subject to their meeting certain minimum requirements.

In countries with acceptable income levels, like many in Asia, governments are encouraged to provide income transfers for their entire population – and community-based social insurance schemes with links to the State, notably as financial guarantor, are promoted.

HIV/AIDS

Within the framework of the new Programme on HIV/AIDS and the World of Work (ILO/AIDS), the ILO seeks to imprint a dimension of social justice on national responses to the pandemic in South-East Asia. In close consultation with the Joint United Nations Programme on HIV/AIDS (UNAIDS), the ILO provides technical assistance to its constituents to develop workplace policies on HIV/AIDS, focusing on prevention, non-discrimination and care for infected workers. The ILO’s tripartite structure gives it a comparative advantage in terms of access to workplaces and support from the social partners. This enables it to reach out to large target groups. The major challenges facing South-East Asia include:

- high levels of labour migration (cross-border and rural-urban);
- limited capacity of the constituents to respond;
- high incidence of commercial sex work;
- drug abuse at the workplace;
- stigmatization and discrimination of infected workers by management and colleagues;
- a perception of the pandemic on the part of certain governments as a “social evil”;
- poor OSH standards;

Box 3.7. The ILO versus HIV/AIDS in South-East Asia**Cambodia**

- Strengthening the national capacity to address HIV/AIDS in the world of work

Following a needs assessment in December 2000, a project has been proposed that would strengthen the constituents' capacities to respond to the pandemic, establish a participatory mechanism for addressing HIV/AIDS concerns in formal-sector enterprises, and mainstream HIV/AIDS modules in vocational training programmes.

Thailand

- Knowledge development on HIV/AIDS and the world of work: Good practices in Thailand

A technical memorandum, drafted in November 2000, focuses on good practices and potential ILO contributions to the national AIDS response.

- Developing a model on HIV/AIDS prevention and management in workplaces: Outreach to factories in Rayong Province

This two-year project aims to develop an effective model for HIV/AIDS prevention and management in formal sector enterprises in Thailand and to create workplace environments where discrimination based on HIV/AIDS status is eliminated. With support from UNAIDS, this

project has been submitted to the World AIDS Foundation for funding.

- Supporting indigenous and tribal peoples in countering HIV/AIDS

This planned DANIDA-funded joint ILO/INDISCO and ILO/AIDS initiative will initially examine HIV/AIDS vulnerability among indigenous and tribal peoples in the north of Thailand and seek out appropriate local responses to the pandemic.

- SSO prevention and promotion programme

In collaboration with the Social Security Office (SSO), the ILO is exploring possibilities for a health education programme for women factory workers in Thailand.

Viet Nam

- HIV/AIDS workplace-based education and prevention

Based on a Memorandum of Understanding (MOU) between the Ministry of Labour, Invalids and Social Affairs of Viet Nam (MOLISA) and the United States Department of Labor (USDOL), the ILO is developing a three-year-project focusing on HIV/AIDS awareness raising and training, as well as capacity building for social partners and national policy development to provide a better working environment for workers with HIV/AIDS.

- weak social protection systems; and
- a high incidence of child labour which is compounded by the pandemic.

The extension of HIV/AIDS-related studies in low-incidence but high-risk areas such as Lebanon should add to the rich experience on pre-empting the grave consequences of this pandemic.