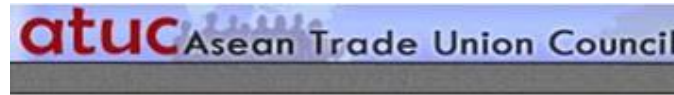




ILO/Japan
Multi-bilateral
Programme



International
Labour
Organization

Social protection situation and challenges in ASEAN

Celine Peyron Bista

ASEAN Trade unions workshop

Phnom Penh, 26-27 August

Agenda

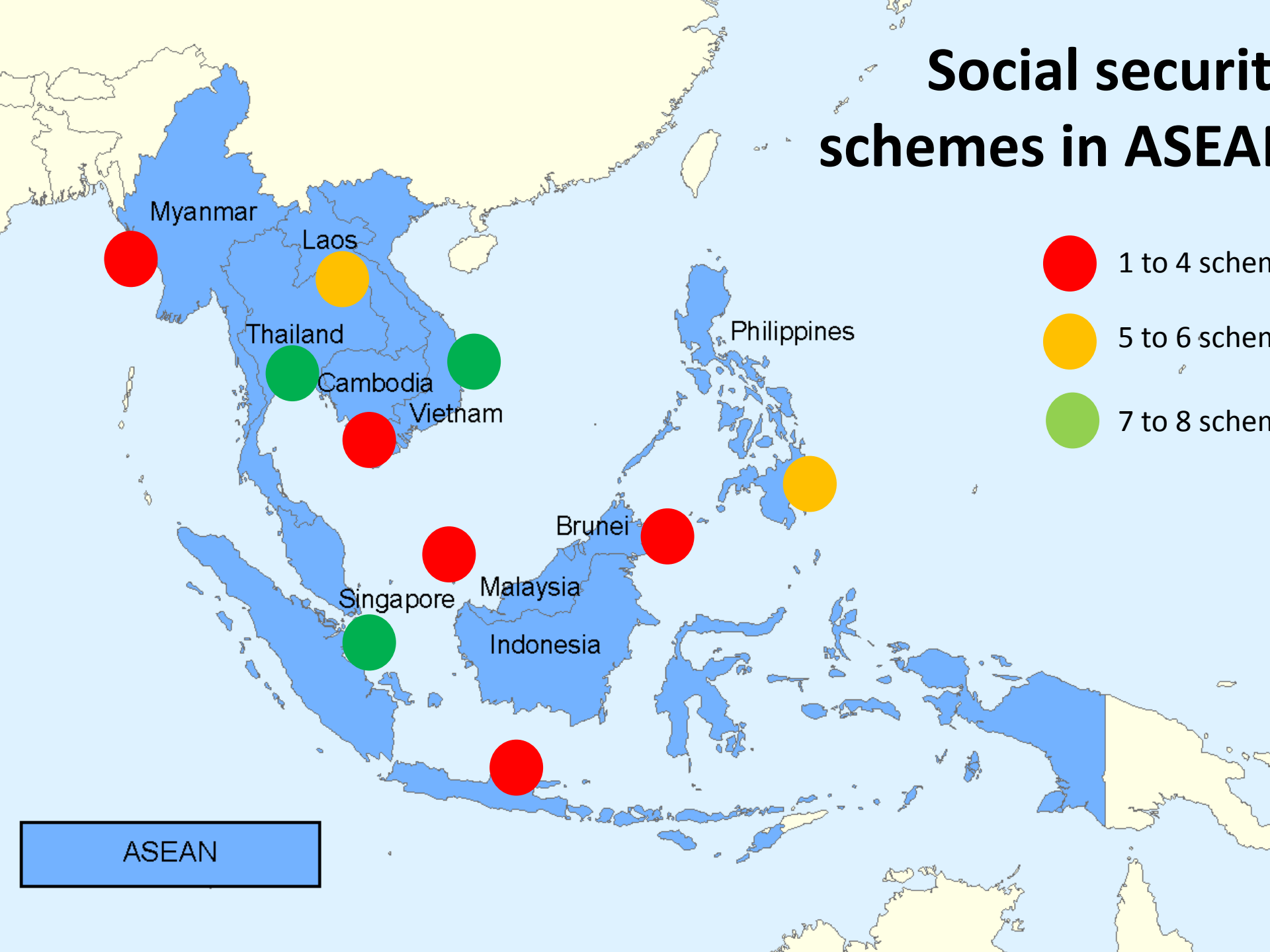
- PART 1: Overview of social protection situation and selected examples of social protection extension in ASEAN
- PART 2: The guiding principles of ILO instruments
- PART 3: Challenges in social protection & how guiding principles can help
- PART 4: Concrete examples of actions

Part 1

Overview of social protection situation in ASEAN and selected examples of social protection extension in Asia



Social security schemes in ASEAN



Overview of social security schemes

Country	Number of policy areas covered by at least one programme		Existence of a statutory programme							
	Number of policy areas covered by at least one programme	Number of social security policy areas covered by a statutory programme | Strict definition	Sickness (cash)	Maternity (cash) ¹	Old age ²	Employment injury ³	Invalidity	Survivors	Family allowances	Unemployment ⁴

ASEAN

Brunei Darussalam	4	Very limited scope of legal coverage | 1 to 4	△	▲	●	●	●	●	None	None
Cambodia	...	...	...	▲	...	...	...	...	...	▲
Indonesia	4	Very limited scope of legal coverage | 1 to 4	△	▲	●	●	●	●	None	▲
Lao People's Dem. Rep.	6	Limited scope of legal coverage | 5 to 6	●	●	●	●	●	●	None	None
Malaysia	4	Very limited scope of legal coverage | 1 to 4	△	▲	●	●	●	●	None	▲
Myanmar ⁵	3	Very limited scope of legal coverage | 1 to 4	●	●	▲	●	▲	▲	Not yet	Not yet
Philippines	6	Limited scope of legal coverage | 5 to 6	●	●	●	●	●	●	None	▲
Singapore	7	Semi-comprehensive scope | 7	●	●	●	●	●	●	●	None
Thailand	8	Comprehensive scope of legal coverage | 8	●	●	●	●	●	●	●	●
Viet Nam	7	Semi-comprehensive scope | 7	●	●	●	●	●	●	None	●

Budget for social protection

Social protection expenditures as % of GDP

Major area, region or country	Public health care (% of GDP)						Public social protection (excluding health care) (% of GDP)		
	Latest for disaggregation ^a		Latest available year ^{a)}			Latest available year ^{a)}			
	Year	Source	Year	Source	Year	Source			
Cambodia	2.23	2013	1.45	2013	ADB	0.79	2013	GSW	
Indonesia	2.63	2010	1.03	2010	WHO	1.60	2010	ILO/SSI	
Lao People's Democratic Republic	1.74	2005	1.22	2010	WHO	0.52	2010	ADB	
Malaysia	2.99	2012	1.99	2012	ADB	1.00	2012	ADB	
Myanmar	0.94	2010	0.24	2010	IMF	0.70	2010	ILO	
Philippines	1.55	2012	0.56	2012	ADB	0.99	2012	ADB	
Singapore	2.83	2011	1.20	2011	IMF	1.63	2011	IMF	
Thailand	7.24	2011	2.27	2011	IMF	4.98	2011	IMF	
Viet Nam	6.28	2010	2.54	2010	WHO	3.74	2010	ADB	
Brunei Darussalam	N/A								

Old-age benefits

Men and women receiving an old-age pension (contributory or not)

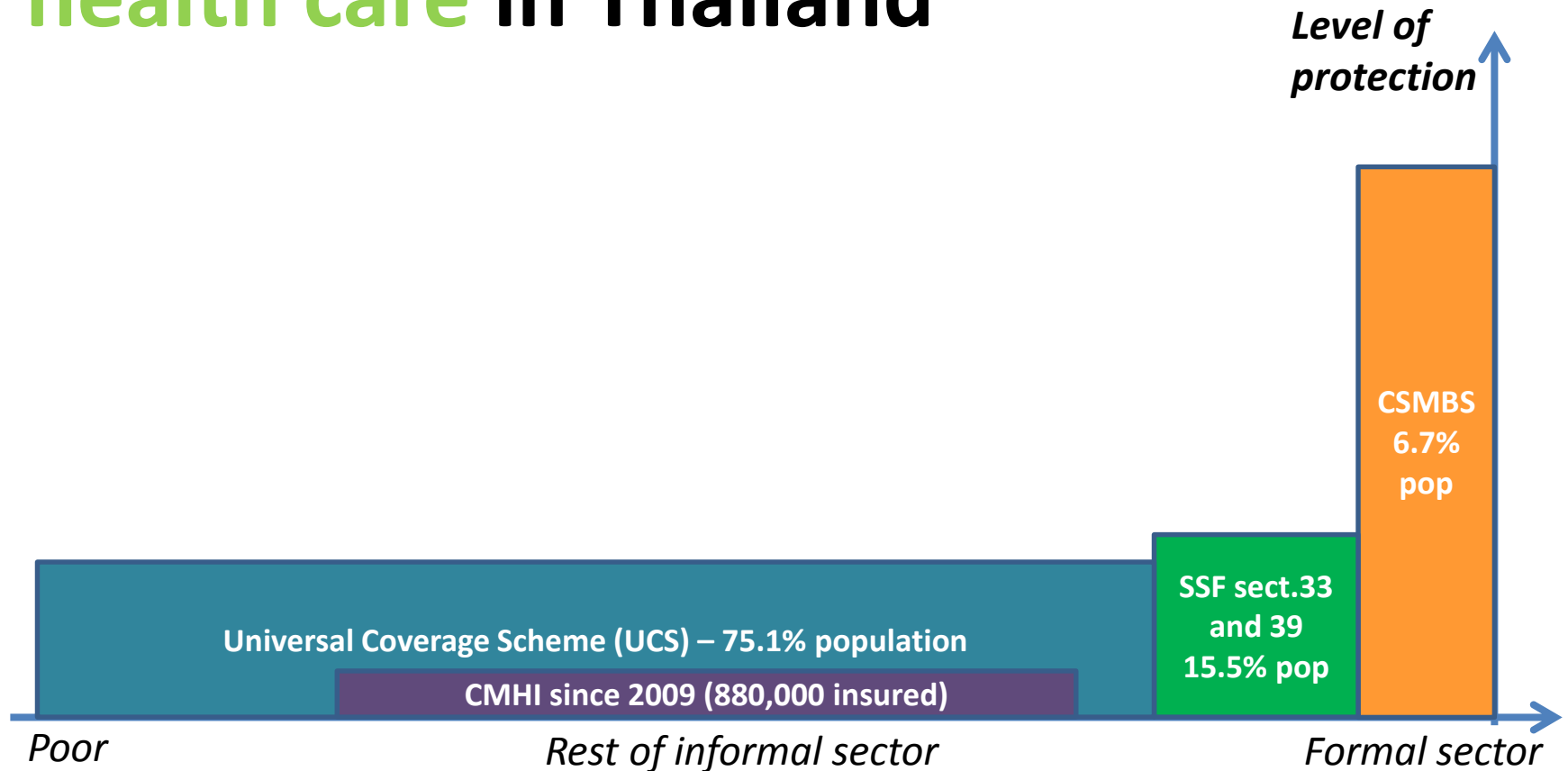
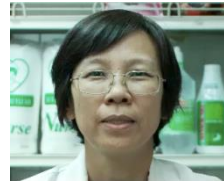
Major area, region or country	Proportion by sex (%)			Proportion by type of programme (contributory or not), (%)			Statutory pensionable age (basis for reference)	
	Total	Male	Female	No distinction available	Contributory	Non-contributory ¹	Year	population
Brunei Darussalam	81.7	...	...	...	...	81.7	2011	60+
Cambodia	5.0	...	...	...	...	...	2010	55+
Indonesia	8.1	...	...	...	...	...	2010	55+
Lao People's Dem. Rep.	5.6	...	...	...	...	...	2010	60+
Malaysia	19.8	...	...	...	16.2	3.6	2010	55+
Philippines	28.5	...	...	...	24.3	4.2	2011	60+
Singapore	0.0	...	...	...	0.0	0.0	2011	55+
Thailand	81.7	77.9	84.6	...	13.1	68.6	2010	60+
Viet Nam	34.5	...	...	...	25.8	8.7	2010	60+ Men | 55+ Women

Unemployment protection

Unemployment insurance, still lacking behind in ASEAN

Brunei Darussalam	No programme anchored in legislation
Cambodia ^{2, 18}	Severance payment ^a
Indonesia ^{2,21}	Severance payment ^a
Lao People's Dem. Rep.	No programme anchored in legislation
Malaysia ^{2,23}	Severance payment ^a
Myanmar ²⁴	Unemployment insurance as part of social security law (August 2012, not yet implemented)
Philippines ^{2,27}	Severance payment ^a
Singapore	No programme anchored in legislation
Thailand ^{1, c}	Social insurance
Viet Nam ^{1, c}	Social insurance

Universal access to health care in Thailand



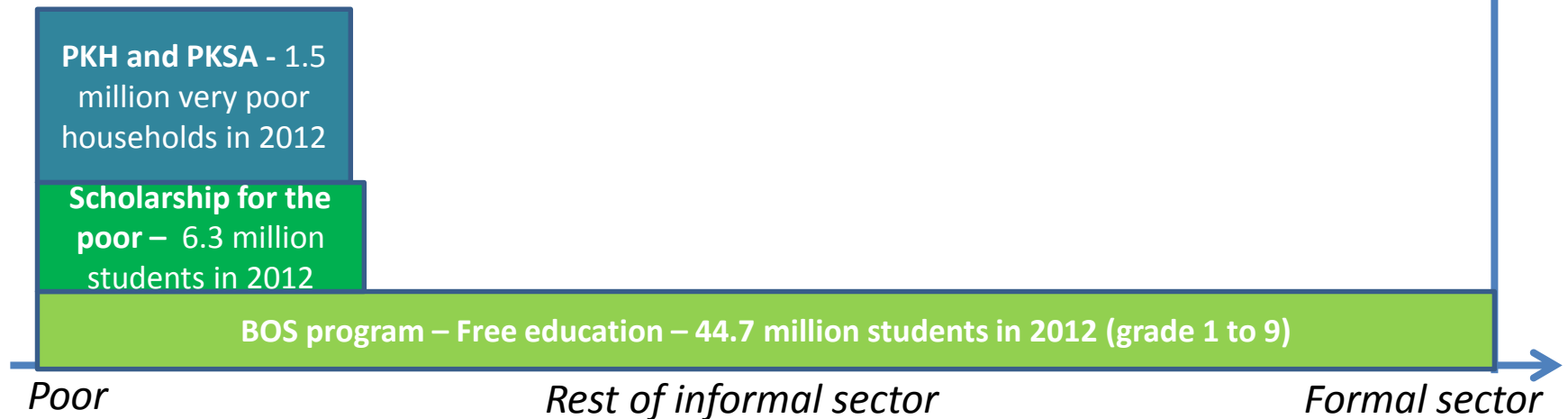
Quasi 100% Coverage

(issues: large number of undocumented migrant workers are not covered by the Compulsory Migrant Health Insurance (CMHI) due to problems of affordability)

Cash transfers & scholarships for poor children in Indonesia



Level of protection

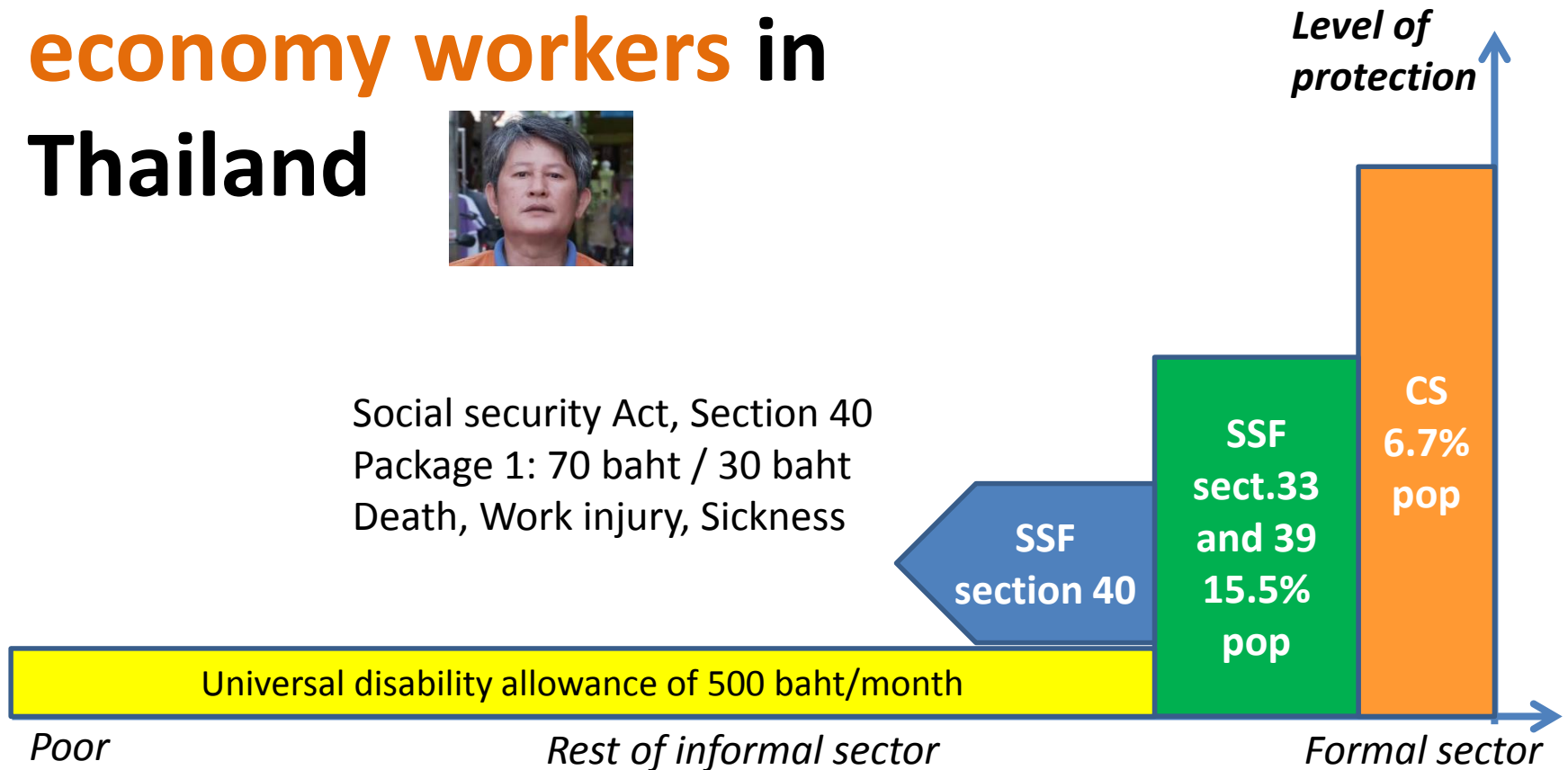


Limitations: The PKH program should be expanded to cover at least all poor households (instead of only very poor); lack of health and education supply may curb the impact of the program.

Extension of social insurance to **informal economy workers** in Thailand



Social security Act, Section 40
Package 1: 70 baht / 30 baht
Death, Work injury, Sickness

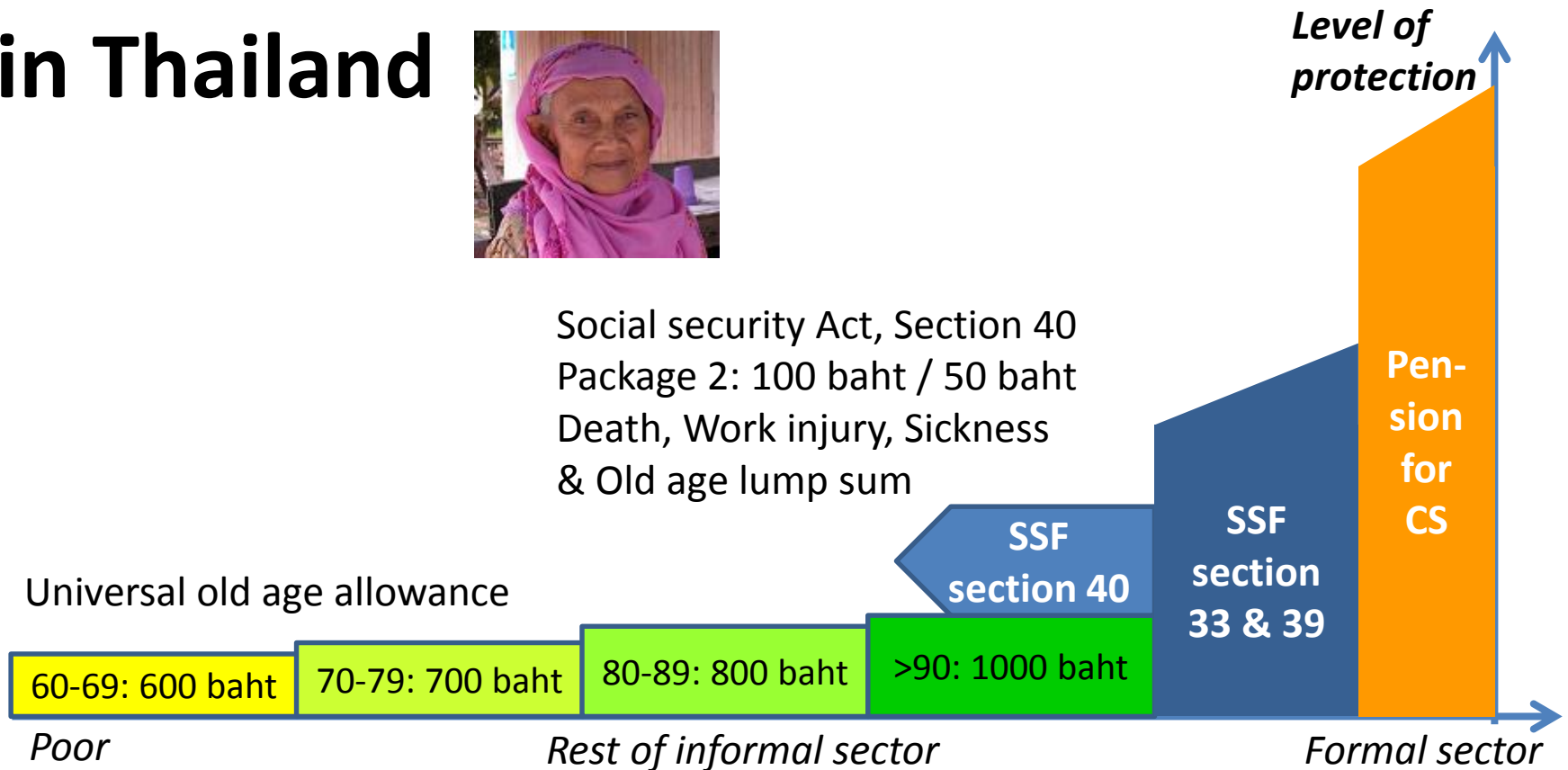


With the introduction of subsidies, coverage has increased from 68 persons to 1.3 million in 18 months. However the target population = 24 million informal economy workers. Also only 50% pay contributions regularly.

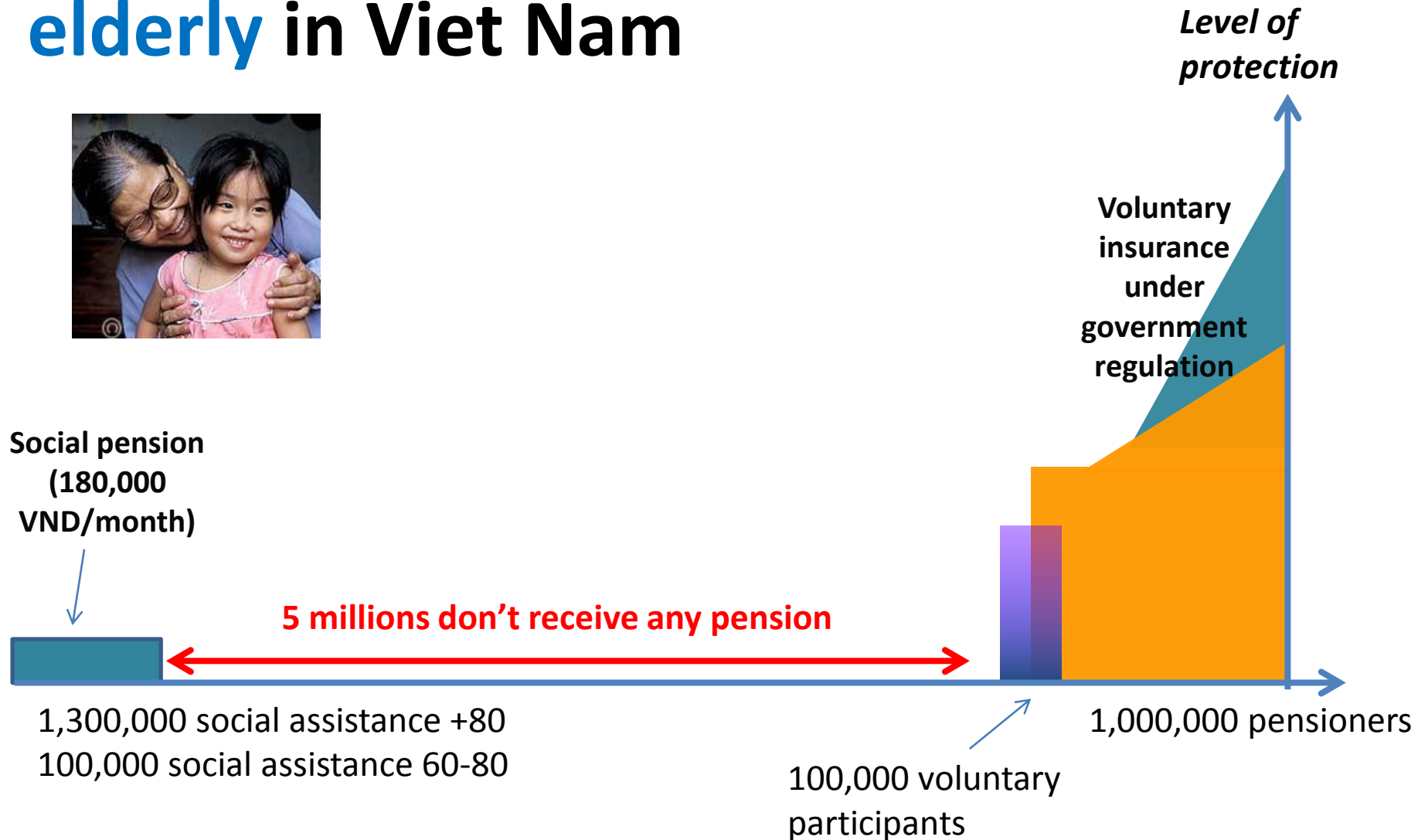
Income security for the elderly (>60 years) in Thailand



Social security Act, Section 40
Package 2: 100 baht / 50 baht
Death, Work injury, Sickness
& Old age lump sum

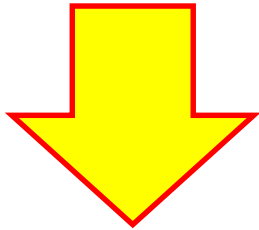


Income security for the **elderly** in Viet Nam



Social protection: a priority for ASEAN leaders

Declaration on strengthening
social protection adopted by
ASEAN leaders on 9 October
2013

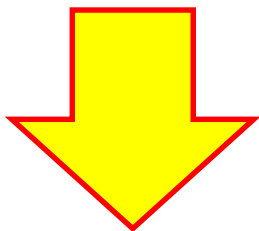


Towards nationally defined **social protection floors** and more
comprehensive social security systems in ASEAN

Towards an **improved protection for migrant workers**

Plan of Action for the implementation of the ASEAN Declaration

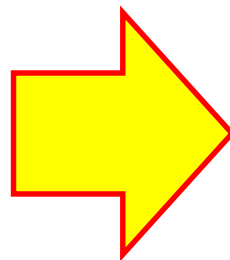
Member States now developing a Plan of Action for the Implementation of the Declaration



Identification of **common social protection gaps** (baseline information= Regional ABND)

Concrete actions for the implementation of the ASEAN Declaration

Determination of a **time frame**



Developing a **monitoring framework** for measuring social protection progress in ASEAN

Part 2

The guiding principles of ILO's SPFs Recommendation and Convention No.102



ILO's standards for implementing the right to SS

C.102 Social Security (Minimum Standards) Convention, 1952

R67 Income Security
Recommendation, 1944

R69 Medical Care
Recommendation, 1944

C 19 Equality of Treatment (Working Injury) Convention, 1925

C 118 Equality of Treatment (Social Security) Convention, 1962

C 157 Maintenance of Social Security Rights Convention, 1982

C 121
Employment
Injury Benefits
Convention,
1964

C 128
Invalidity,
Old-Age and
Survivors'
Benefits
Convention,
1967

C 130
Medical Care
and Sickness
Benefits
Convention,
1969

C 168
Employment
Promotion and
Protection
against
Unemployment
Convention,
1988

C 183
Maternity
Protection
Convention,
2000

R.202 Recommendation on Social Protection Floors, 2012

What is social security?



Maternity



Sickness / ill health



Unemployment



Work injury



Medical care

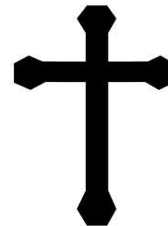
Families with children



Invalidity



Death of the breadwinner



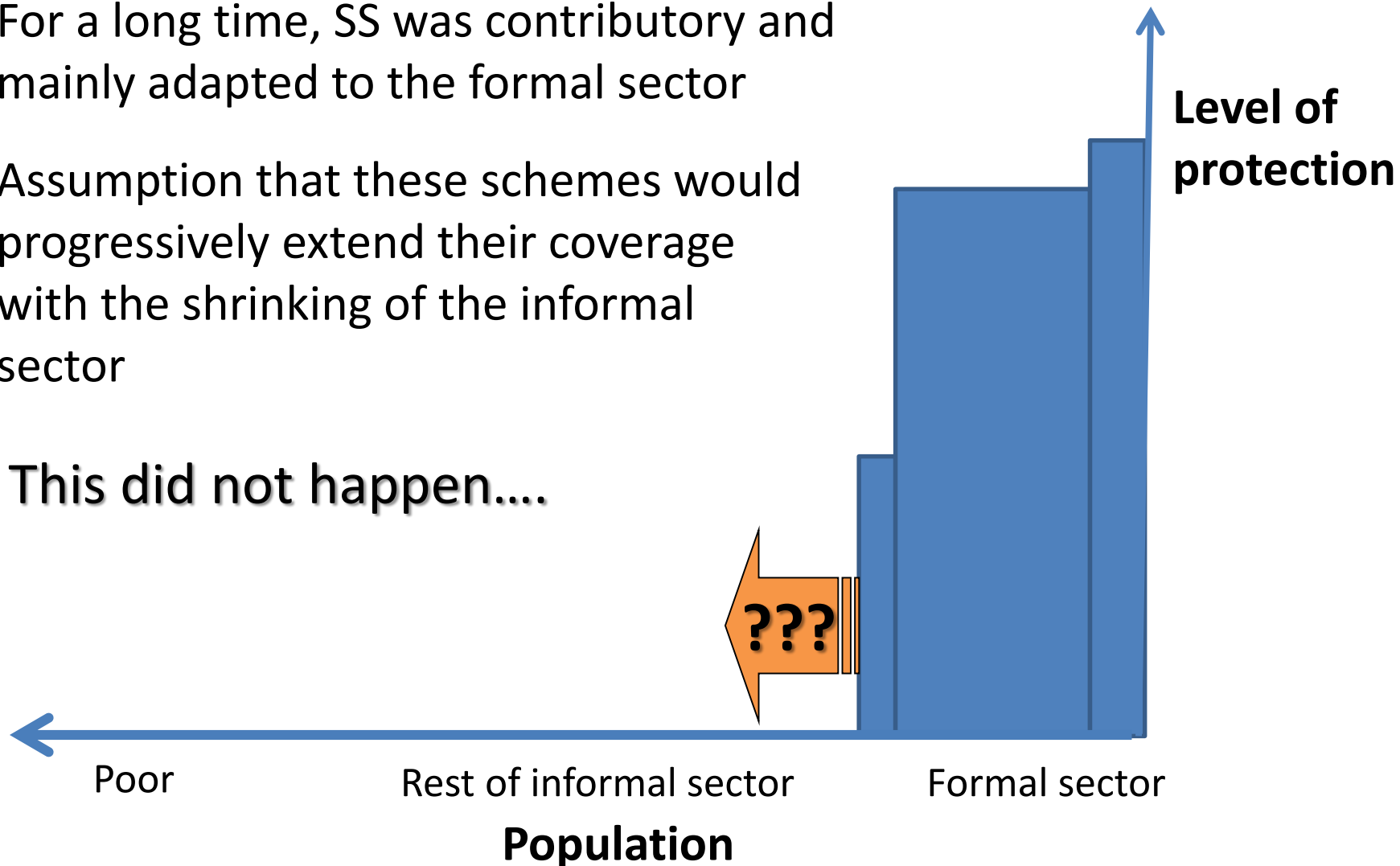
Old age



Life cycle

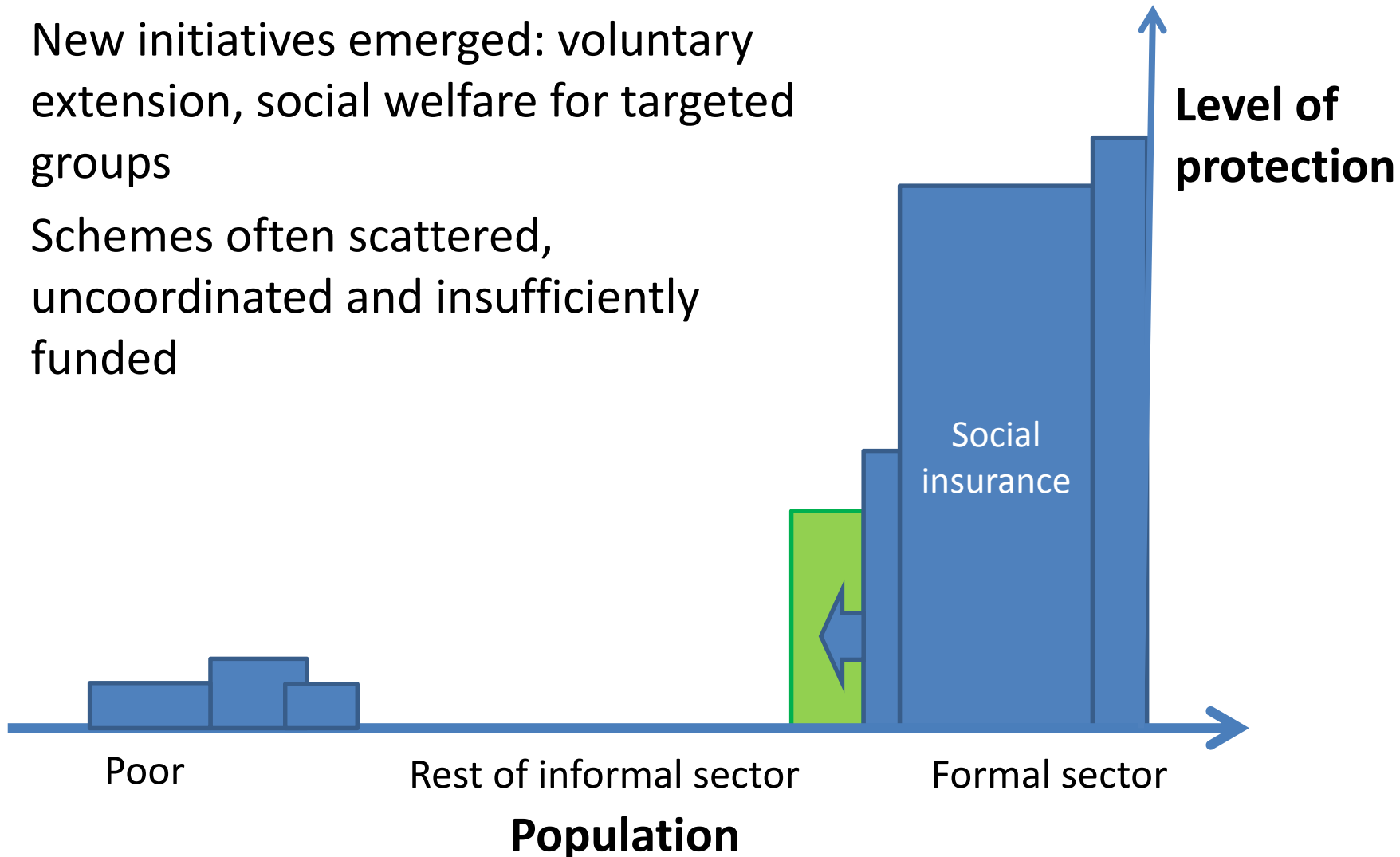
Extending social security to all

- For a long time, SS was contributory and mainly adapted to the formal sector
- Assumption that these schemes would progressively extend their coverage with the shrinking of the informal sector
- This did not happen....



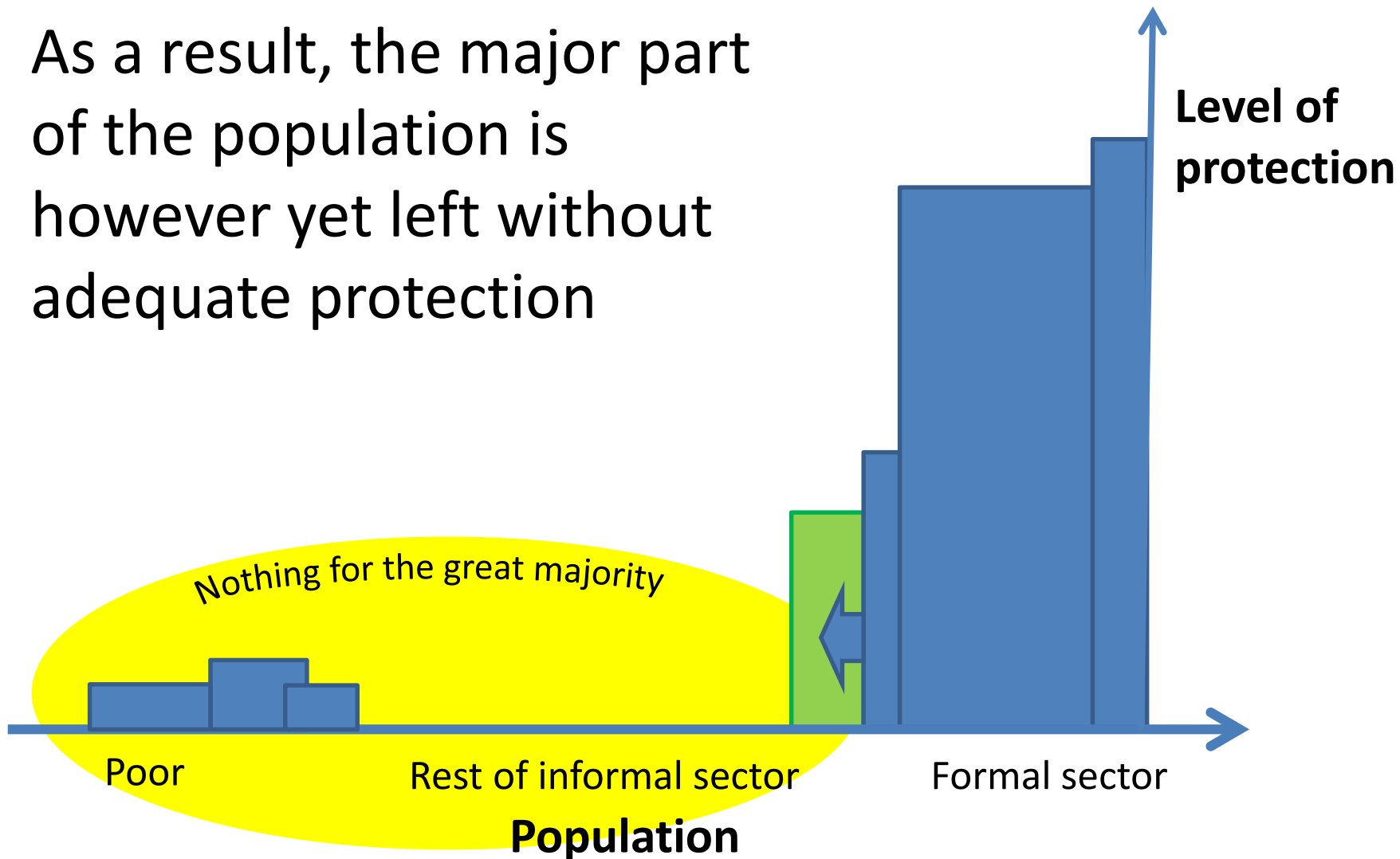
Current situation in most developing countries, including Asia

- New initiatives emerged: voluntary extension, social welfare for targeted groups
- Schemes often scattered, uncoordinated and insufficiently funded



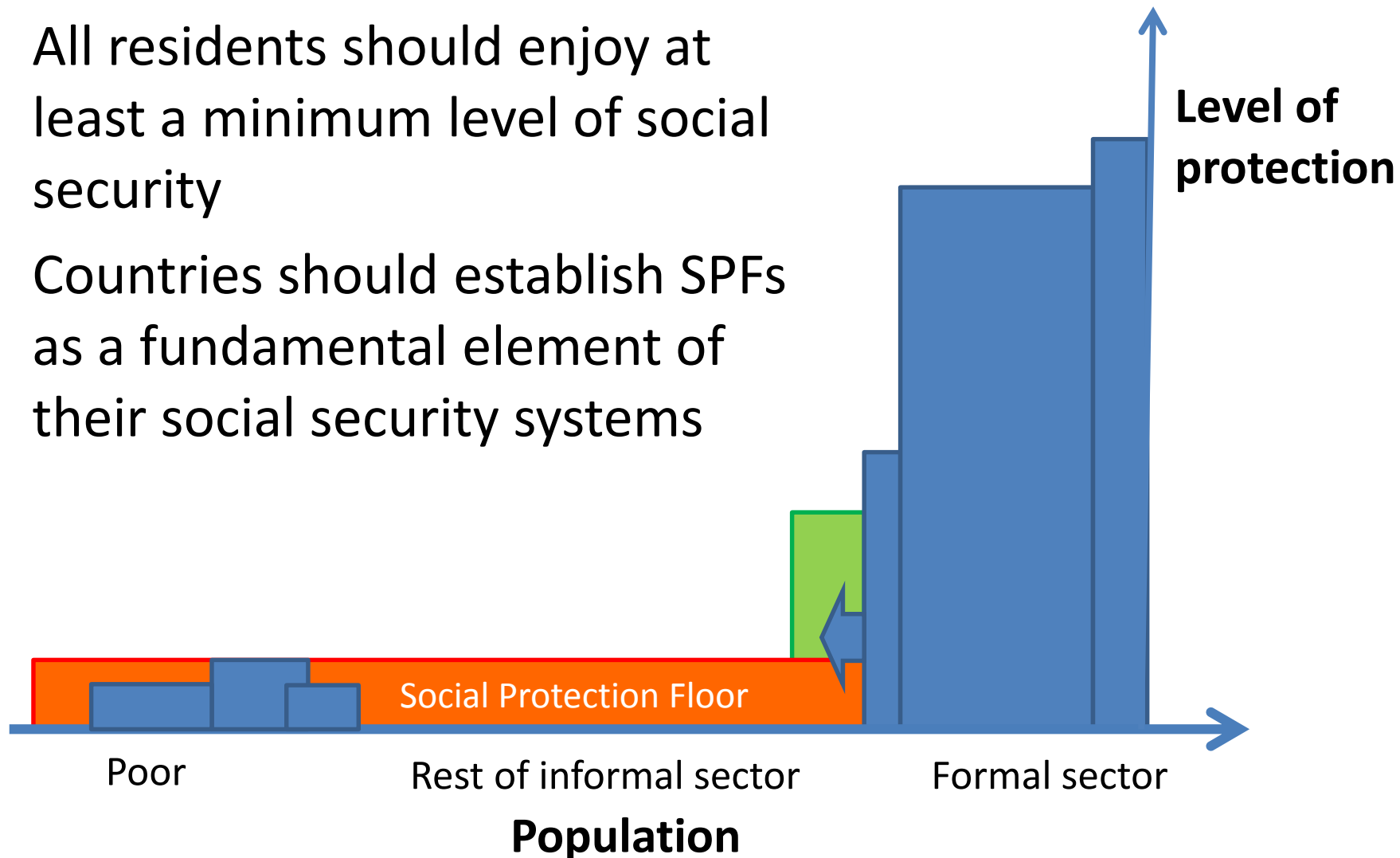
Current situation in most developing countries, including Asia

- As a result, the major part of the population is however yet left without adequate protection



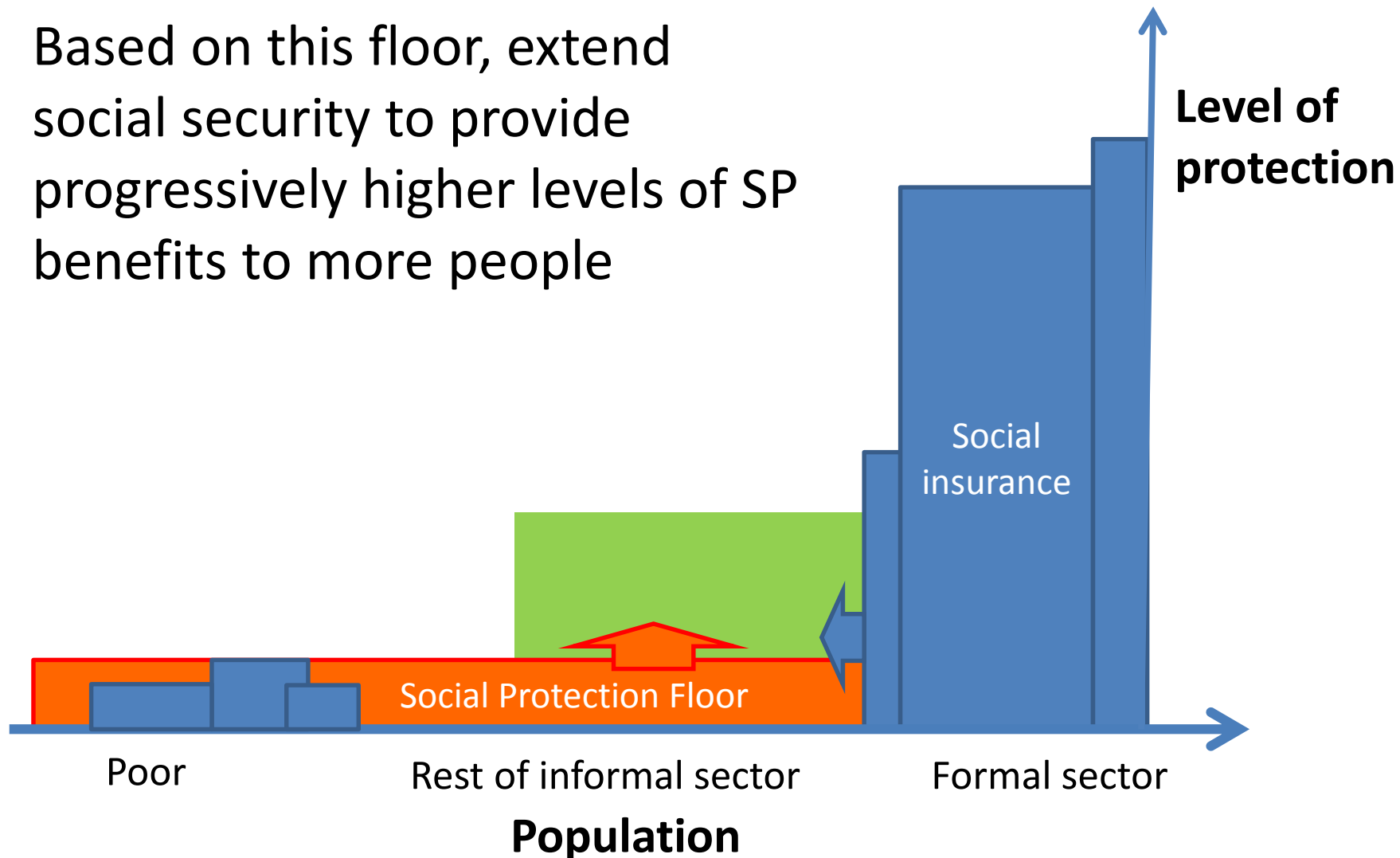
Achieving the right to social security

- All residents should enjoy at least a minimum level of social security
- Countries should establish SPFs as a fundamental element of their social security systems



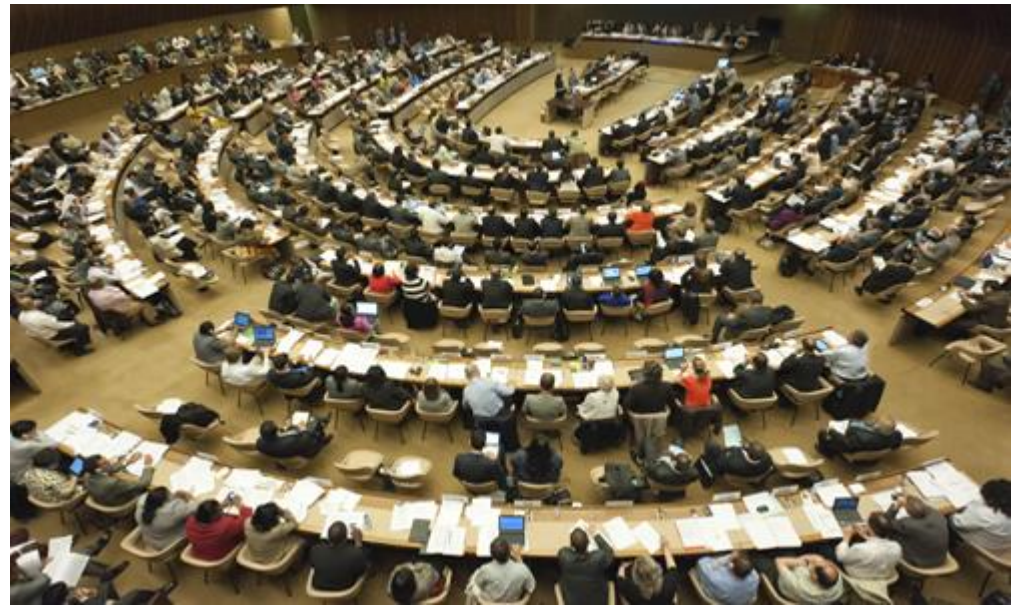
The social protection floor

- Based on this floor, extend social security to provide progressively higher levels of SP benefits to more people



The SPF endorsed globally

- R202 was endorsed by the 185 member states of ILO in June 2012 with 456 'yes' votes and 1 'not present'
- R202 serves as a guidance to member states to establish or maintain nationally defined SPFs



The SPF: an amazing opportunity

A set of guarantees



All residents have access to **essential health care**

2

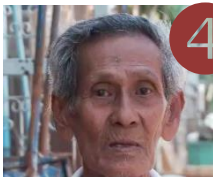
All **children** enjoy **income security** through transfers in cash or kind → access to nutrition, education and care



All those in **active age groups** who cannot earn sufficient income enjoy a **basic income security** (particularly in case of sickness, unemployment, maternity, disability)

4

All **residents in old age** have **income security** through pensions or transfers in kind



What is SPF?

- **Nationally defined SPF_s**



- No 'one size fits all' approach : each country defines the levels of benefits that it can/is willing to provide
- Each country also decides how to do it – through universal schemes, targeted social assistance, social insurance, a combination...

What is SPF?

- Investment in human capital and good for economic growth



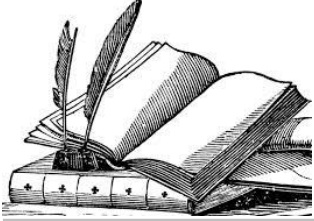
- Long-term investment in educated and health labour force
- Higher level of social security, higher consumption.

Part 3

Challenges in social protection & how the guiding principles can help



Lack of coherence & fragmentation



	Legal framework	Institutions
Mandatory social insurance	Provisions in 1 or 2 Laws (aligned with labour code) <i>Thailand: SSAct, WCAct</i>	Ministry of Labour Ministry of Health
Social security for informal sector (voluntary insurance, social assistance)	Multiple laws & decrees (social welfare, health, employment, social security) <i>Thailand: SSA, Nat Health Sec Fund, Qty of life, National Savings Decentralization Acts</i>	Multiple ministries (health, rural devlt, labour, SW, interior, finance, education, antipoverty programmes...) <i>Thailand: 3 old age pension (MOL, MOF, MOI/MSDHS)</i>

Lack of coherence

Fragmentation

Guiding principles in R202 & C102



Legal framework

Institutions

Mandatory social insurance

Provisions in 1 or 2
Laws (aligned with labour code)

Ministry of Labour
Ministry of Health

Social security for informal sector (voluntary insurance, social assistance)

Multiple laws & decrees (social welfare, health, employment, social security)

Multiple ministries (health, rural devlt, labour, SW, interior, finance, education, antipoverty programmes...)

Guiding principles

Coherence with social, economic and employment policies

Coherence across institutions responsible for delivery of social protection

Affordability & poor governance



Financing & sustainability

Governance & representation

Mandatory social insurance

Bi/Tripartite
Actuarial studies

Tripartite board
Complaint/appeals

Social security for informal sector (voluntary insurance, social assistance)

Relying mainly on govt budget; no M&E
Thailand: no consolidated DB (MSDHS, MOI)

Persons of concerns not represented
No information on entitlements

**Affordability,
Fiscal space, M&E**

**Political risk
“Social control”**

Guiding principles C102 & R202



Financing & sustainability

Governance & representation

Mandatory social insurance

Bi/Tripartite
Actuarial studies

Tripartite board
Complaint/appeals

Social security
for informal
sector (voluntary
insurance, social
assistance)

Relying mainly on govt
budget; no M&E
*Thailand: no consolidated DB
(MSDHS, MOI)*

Persons of concerns
not represented
No information on
entitlements

 **Guiding
principles**

*Financial, fiscal and economic
sustainability
Regular monitoring and
periodic evaluation*

*Tripartite participation
Efficient and accessible
complaints & appeal
procedures*

Limited coverage & benefits



Coverage

Benefits

Mandatory social insurance

Mandatory affiliation
(enforcement problems)

Related to the
contribution rate

Social security for informal sector (voluntary insurance, social assistance)

Often ad hoc (no NID,
targeting philosophy)
*No unified identification/
targeting system -> confusion*
No consolidated DB

Minimum in most
cases; predictability;
quality of services

*"On demand";
quality/availability HC*



Coverage gaps



Limited income
security & quality

Guiding principles C102 & R202



Coverage

Benefits

Mandatory social insurance

Mandatory affiliation
(enforcement problems)

Related to the
contribution rate

Social security for informal sector (voluntary insurance, social assistance)

Often ad hoc (no NID, targeting philosophy)

Minimum in most cases; predictability; quality of services

 **Guiding principles**

*Universality of protection
Equality of treatment*

*Entitlement to benefits prescribed by Law
Adequacy & predictability
High quality public services*

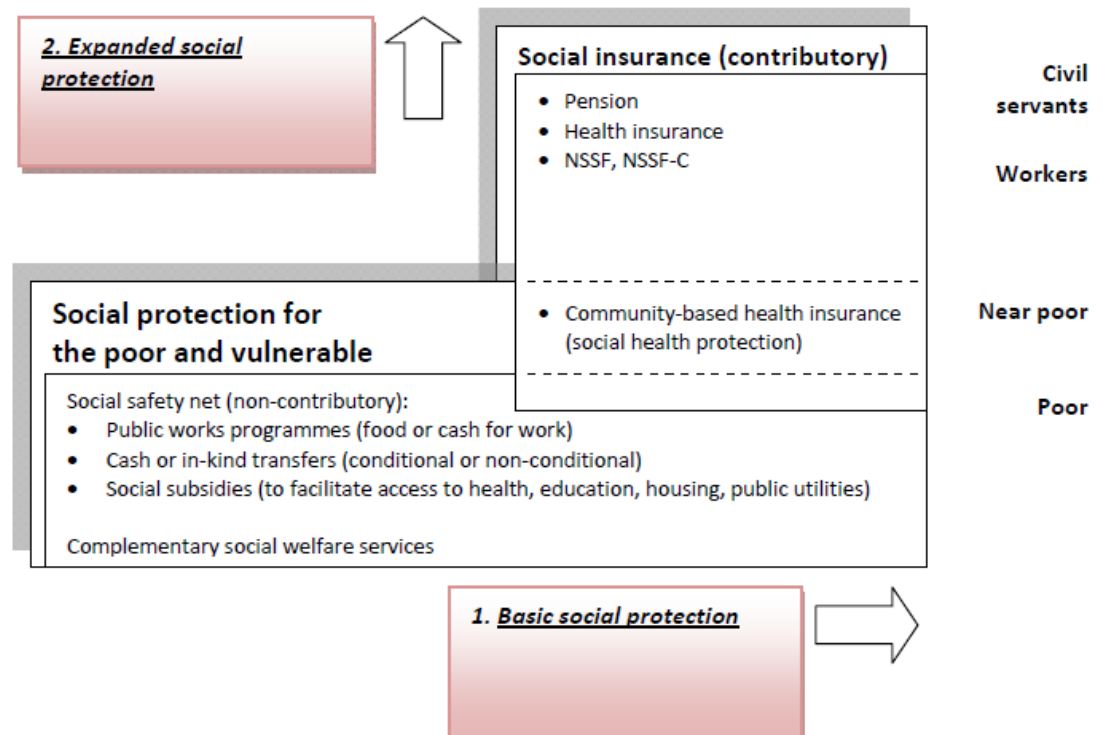
Part 4

**Concrete examples of actions:
guiding principles in practice**



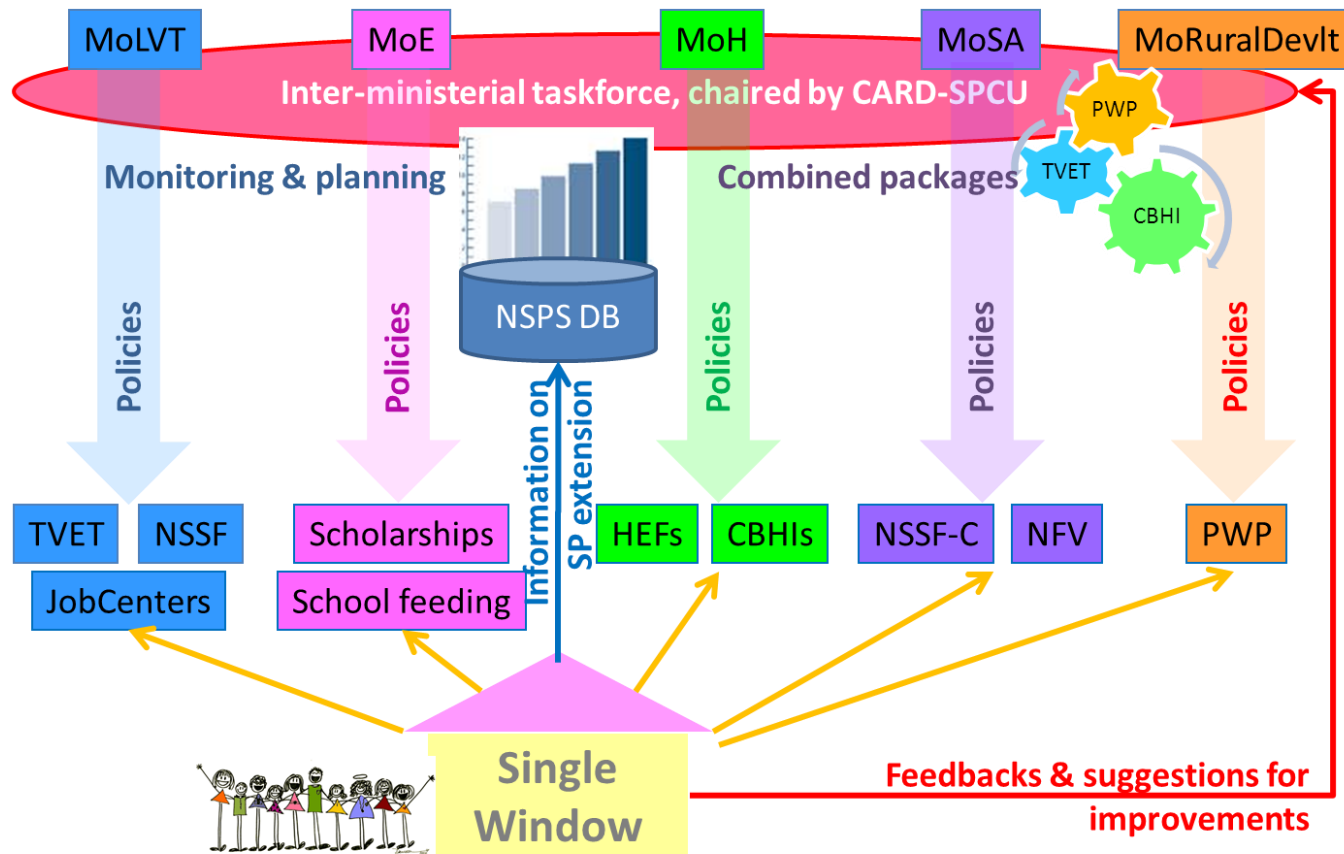
Coherent strategy

- **National consensus building on priorities** (ex Assessment Based National Dialogue)
- **Leading to national social protection strategies** (Cambodia, Mongolia, Lao PDR, Myanmar)



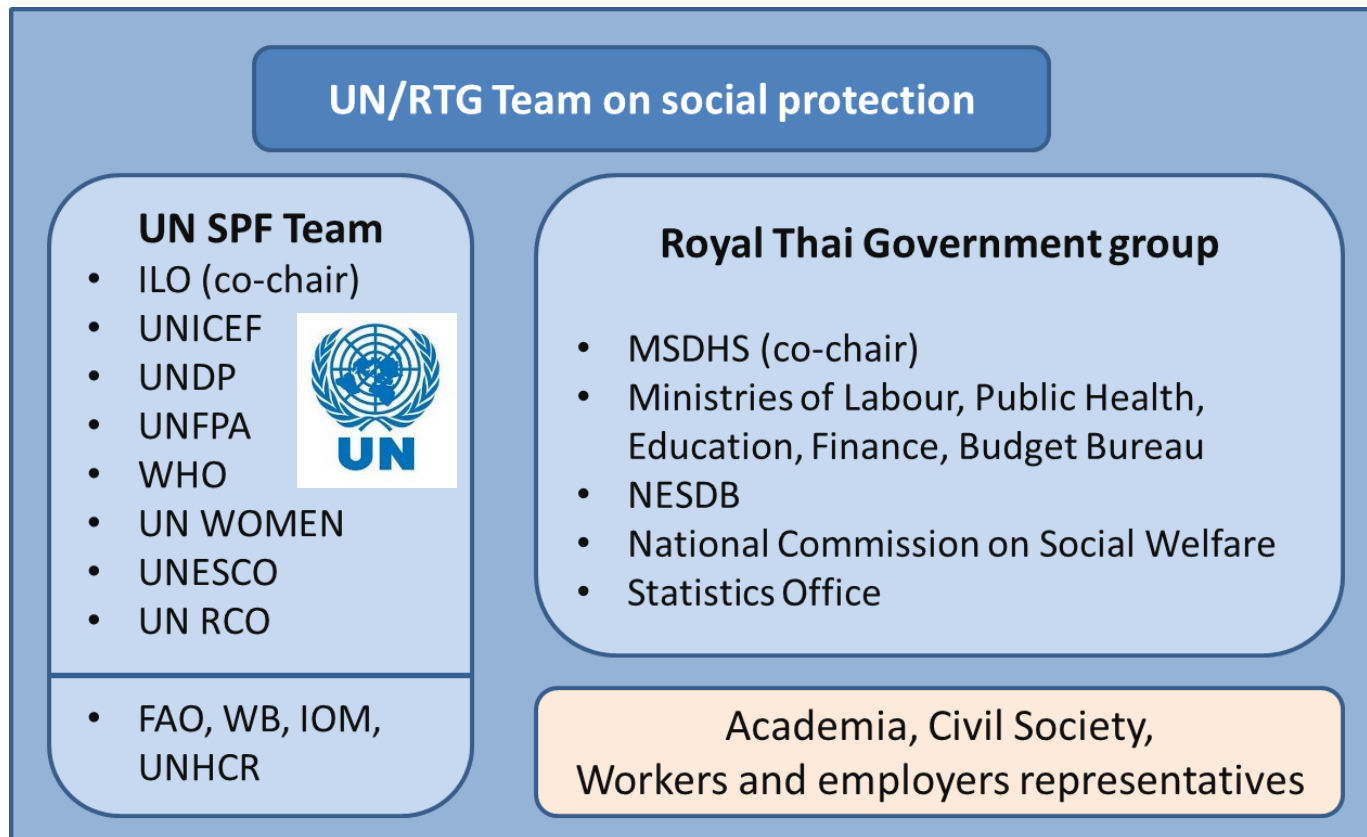
Coherence across institutions

- Coordinating mechanisms (ex CARD, NESDB, Vice President)
- Integrated delivery (ex Single Window)

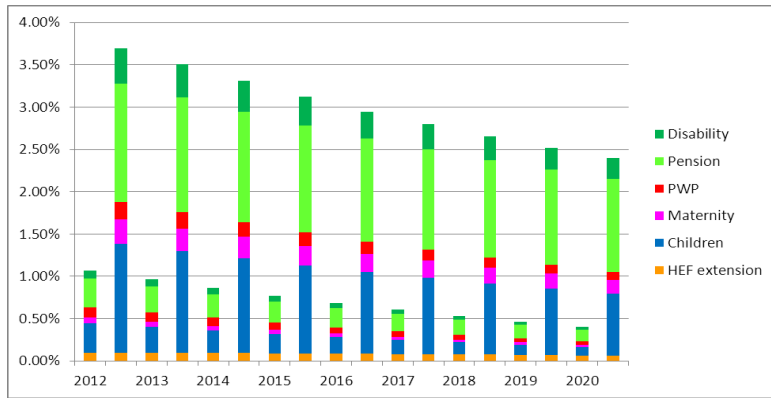


Coordinated technical assistance

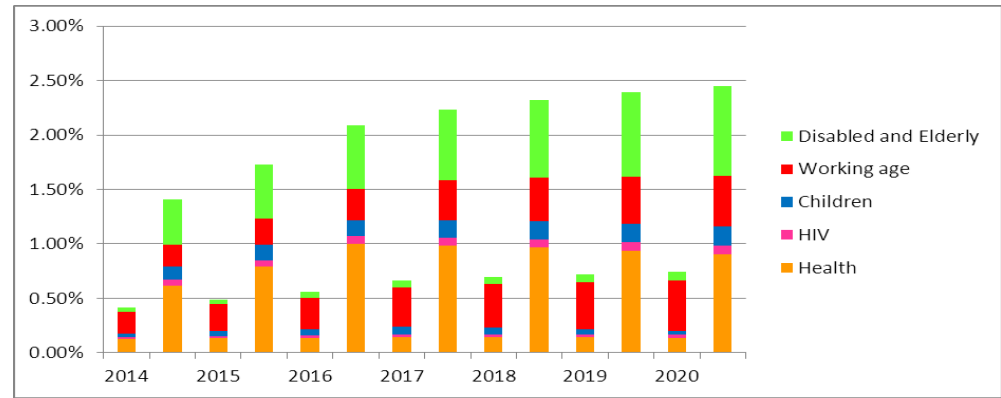
- **Taskforces and teams:** IWG in Cambodia, UN/RTG in Thailand, UNPDF in Indonesia ... in the framework of UNDAFs
- **Support to UNCTs** through undg-ap issues briefs on SP



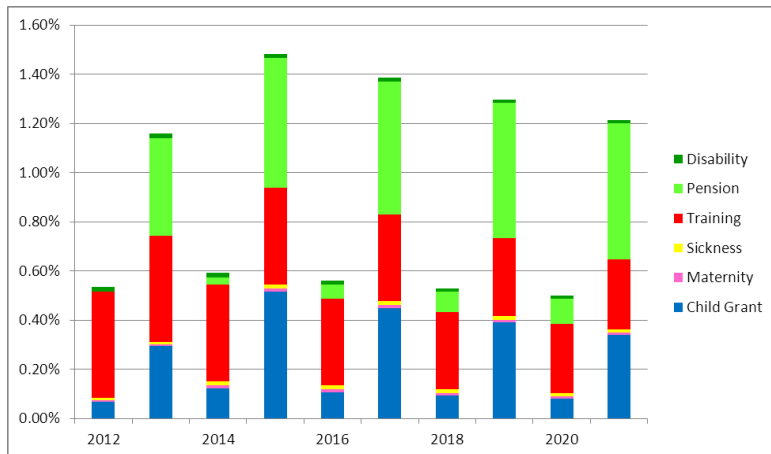
Financial, fiscal and economic sustainability assessment



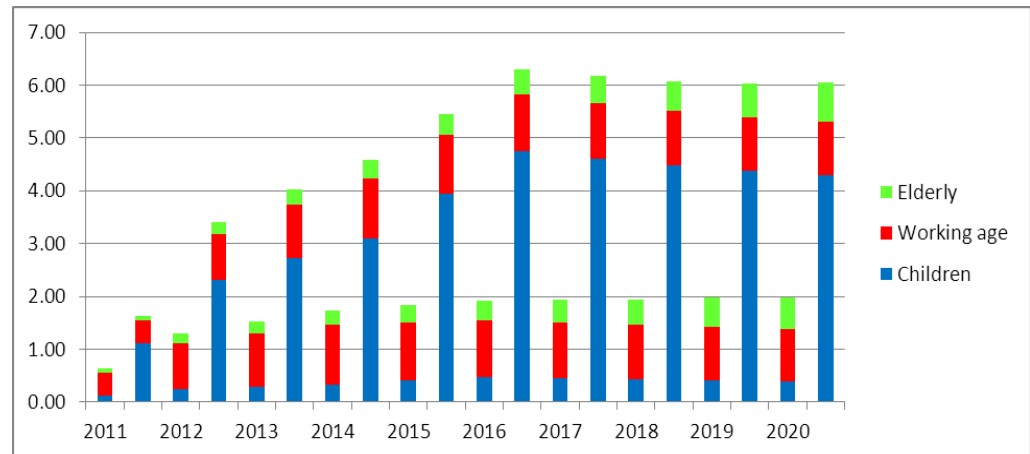
Cambodia; 0.4 – 2.4% GDP by 2020



Indonesia; 0.7 to 2.4% GDP by 2020



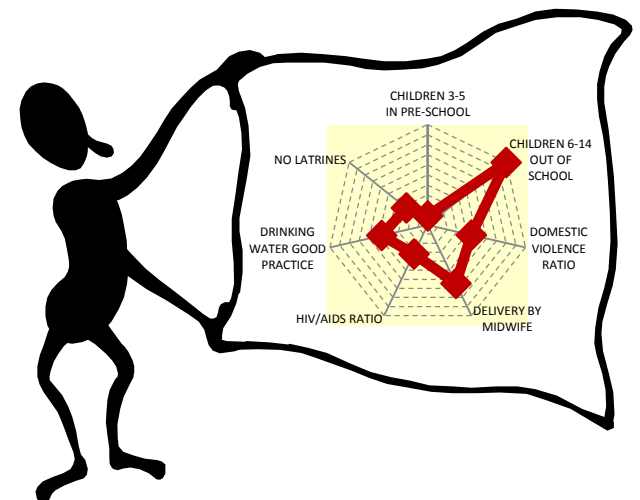
Thailand; 0.5 – 1.2% GDP by 2020



Viet Nam; 2% to 6% GDP by 2020

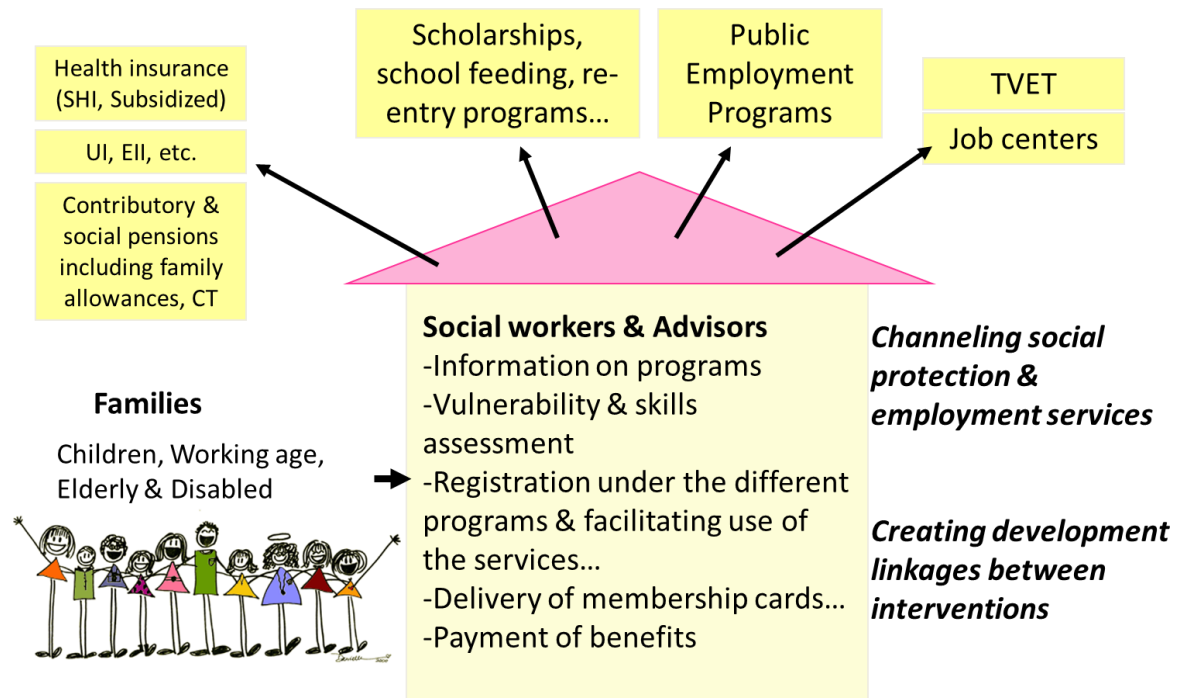
Monitoring systems and periodic evaluation

- Need to build information systems to gather and update information (ex: TNP2K Indonesia)
- Impact evaluation of interventions
- Periodic actuarial valuation and fiscal space analysis
- Role of decentralized “entry points” (SWS, PEOPLE service) for the updating of data



Coverage & benefit package

- Priority given to the poor by many governments
- Various targeting methods (means tested, area based...) using a mix of scientific and community based mechanisms
- Combined benefit packages & case management
- No leverage on
- quality/availability of public services



Voice of persons of concern



- Involvement of workers & employers representatives
- Ombudsman
- Information/awareness raising through decentralized structures
- SSDM/People service Cambodia: participation through local committees

Entitlements to benefits & Awareness raising

- Education and awareness raising through PSAs, Education tools, Radio drama, civil society networks, workers organizations ...



PSA “Why is social protection important to me?”

http://www.youtube.com/watch?feature=player_embedded&v=ZB40vKO5xSs



Education tool on SPF targeting children 10-12 years old

http://earth.thebigdot.com/ILO_fi
[nal/](#)

To sum-up



ILO's standards for implementing the right to SS

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Recommendation, 1944

R69 Medical Care
Recommendation, 1944

C 19 Equality of Treatment (Working Injury) Convention, 1925

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Benefits
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C 130
Medical Care
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Benefits
Convention,
1969

C 168
Employment
Promotion and
Protection
against
Unemployment
Convention,
1988

C 183
Maternity
Protection
Convention,
2000

R.202 Recommendation on Social Protection Floors, 2012

ILO's standards implementing

Minimum standards
(parameters) for each branch of
social security

9 branches

C 19 Equality of Treatment (Accident Compensation) Convention, 1925

R67 Income Security
Recommendation, 1944

C.102 Social Security (Minimum Standards) Convention, 1952

C 118 Equality of Treatment (Social Security) Convention, 1962

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C 118 Equality of Treatment (Social Security) Convention, 1962

C 157 Maintenance of Social Security Rights Convention, 1982

**All residents should enjoy
access to at least basic
social service and benefits**

4 guarantees

C 130
Medical Care
and Sickness
Benefits
Convention,
1969

C 168
Employment
Promotion and
Protection
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Convention,
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C 183
Maternity
Protection
Convention,
2000

R.202 Recommendation on Social Protection Floors, 2012

Six guiding principles

*Coherence with social,
economic and employment
policies*

*Coherence across institutions
responsible for delivery of
social protection*

*Financial, fiscal and economic
sustainability
Regular monitoring and
periodic evaluation*

*Tripartite participation
Efficient and accessible
complaints & appeal
procedures*

*Universality of protection
Equality of treatment*

*Entitlement to benefits
prescribed by Law
Adequacy & predictability
High quality public services*

The social protection floor can be different across countries

The social protection floor is good for growth

THE SOCIAL PROTECTION FLOOR IS A MINIMUM NOT A CEILING

SOCIAL PROTECTION SHOULD BE IMPLEMENTED BY ONLY ONE MINISTRY

TRUE or WRONG?

The social protection floor is only for citizens

The social protection floor is the first step towards higher levels of social protection

The social protection floor should be financed by Government budget only

The social protection floor provides access to basic social services and benefits

The social protection floor is only for the poor

THE SOCIAL PROTECTION FLOOR IS AN INVESTMENT IN HUMAN CAPITAL

Final words

- Implementing national SPFs is challenging
- R202 and C102 provide guiding principles...
... that need to be translated into action
- Actions have to be taken by trade unions
- ***Be creative!***