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Social Protection Training for Lao PDR

Social Protection Training for Lao PDR

Module 1
Introduction to Social Protection

Activity 5: Building a picture of social protection in Lao PDR

	Procedure:	1. Ask participants: “Which of these animals best represents social protection in Lao PDR?” 2. Participants are asked to stand near the animal that they have selected. 3. The groups that have gathered at each animal will discuss their reasons for selecting that animal for 10 minutes. 4. Volunteers summarize the groups’ answers in the plenary.
	Facilitator’s Note	Highlight the key words in the groups’ answers that were used to describe social protection in Lao PDR

Session 2

The existing social protection system in Lao PDR

This session aims to begin to build a picture of the social protection needs of the country

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Which of these animals best represents social protection in Lao PDR?






Existing social protection in Lao PDR

- **Social transfers**
  - **Contributory**
    - Compulsory
      - Social security for formal sector workers, i.e., NSSF
      - Social health insurance, i.e., NHI
    - Voluntary
      - Social security for self-employed workers, i.e., NSSF
  - **Non-Contributory**
    - Cash
      - Cash benefits, e.g., MECG
    - Non-cash
      - Non-cash benefits, e.g., school meals

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Social protection system in Lao PDR

National Health Insurance

School meals, scholarships

Social Protection Floor		Target Population			
		Public Sector	Private Sector	Informal Sector	
				Non-poor	Poor
Health	Health coverage	Yes	Low coverage	Almost universal	Almost universal
Children	Child/family benefit	Incomplete	Incomplete	Incomplete	Incomplete
Working age	Sickness	Yes	Low coverage	Low coverage	No
	Maternity	Yes	Low coverage	Low coverage	No
	Loss of working capacity	Yes	Low coverage	Low coverage	No
	Employment injury and occupational diseases	Yes	Low coverage	No	No
	Unemployment	Yes	Low coverage	No	No
	Death of the breadwinner	Yes	Low coverage	Low coverage	No
Elderly	Old-age pensions	Yes	Low coverage	Low coverage	No

Source: ilo.org

Social health protection

Under the NSPS:

- Aims to achieve **80% population coverage by 2020** and **universal health coverage by 2025**
- Current coverage under existing social health protection programmes is estimated at just 25.2%
- **Extension of coverage to non-poor informal economy workers** seems to have **largely stalled**

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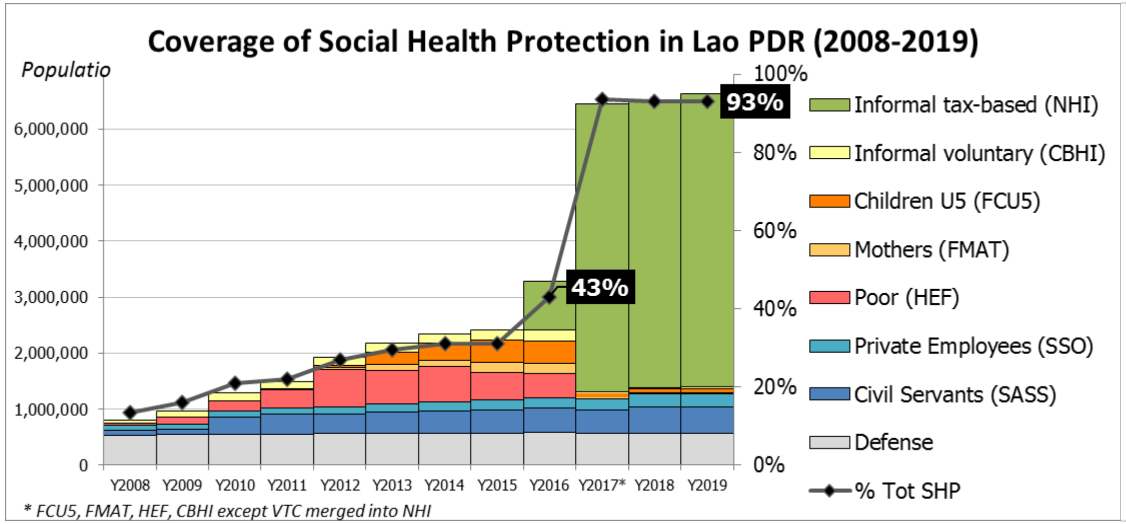
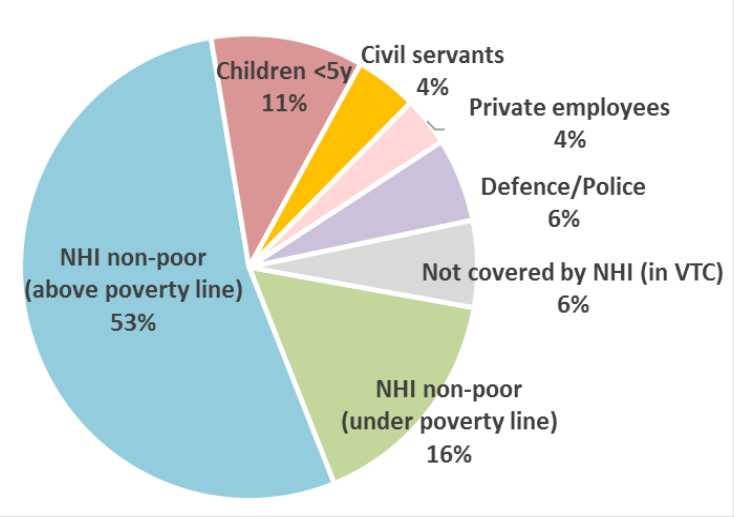
Social health protection





- National Health Insurance: Tax-based financing

Social health protection

- **National Health Insurance**: In 2019, in line with Decree 470, tax-based financing was combined with contributions from workers in formal employment. This ensures that those without the means to contribute are not excluded from accessing treatment.

- **Co-payment at facility level**
  - 5,000 kips at Health center level
  - 10,000 kips for outpatient treatment at district and provincial levels
  - 30,000 kips for inpatient treatment at district and provincial levels

- **Exempted**
  - expectant mothers and children under 5 years old
  - poor patients
  - formal workers contributing to the scheme

Social protection floor for children

Existing schemes	Target group	Coverage
Free schooling (block grants to abolish school fees)	Students at all levels of education.	Students in pre-primary, primary and secondary education. Inadequate level of block grants. Unofficial fees still exist.
Cash grants / scholarships for secondary education	Students in poor families.	2 901 students (2017)
School meals	Primary and secondary school students in disadvantaged districts.	2 135 primary schools out of a total of 8 884; 200 secondary schools out of a total of 1 586 (2017)
Village Nutrition Centres (Poverty Reduction Fund– Livelihood Opportunities and Nutritional Gains (PRF-LONG)	Mothers and young children	429 mothers and children (2017)
Mother and Early Child Grant (MECG)	Pregnant women and infants	2 596 (2022)

Social security for the working-age population

Formal economy workers

- Social protection system includes benefits under the **Labour Law (No. 43/NA of 2013)**
- Contributory social security system under the **Social Security Law (No. 34/NA of 2013)**

Social security for the working-age population

Formal economy workers

- **National Social Security Fund (NSSF)**
    - Merged two existing schemes: **(1)** the State Authority for Social Security (SASS) for public sector employees; and **(2)** the Social Security Organization (SSO) for workers in the formal private sector
    - Was set up to **improve risk sharing and sustainability**
    - Extends legal (voluntary) coverage to informal and self-employed workers, with the stated objective of rapidly expanding membership

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Social security for working-age population

Formal economy workers

Scheme/benefit	Target group	Coverage
NSSF schemes • unemployment benefit • sickness benefit • employment injury • occupational disease and nonwork-related disability benefit • maternity benefit • childbirth grant • survivor's benefit • death grant • Pensions	• formal economy workers • public sector workers • voluntary self-employed and informal members	15% of the total population including dependents (as of 2020) No. of NSSF members: • Civil servants: 180 609 (57.4%) • Formal enterprise: 121 698 (38.7%) • Voluntary insured member: 12 446 (4.0%)
Under the Labour Law: • severance pay • paid sick leave • paid maternity leave	• formal economy workers	Incomplete. Lack of compliance among employers

Social security for the working-age population

Formal economy workers

- Civil servant and formal enterprise scheme members **receive 9 benefits**
- Voluntary insured persons receive **7 benefits** (no unemployment and employment injury)
- Labour Law benefits: low levels of employer compliance

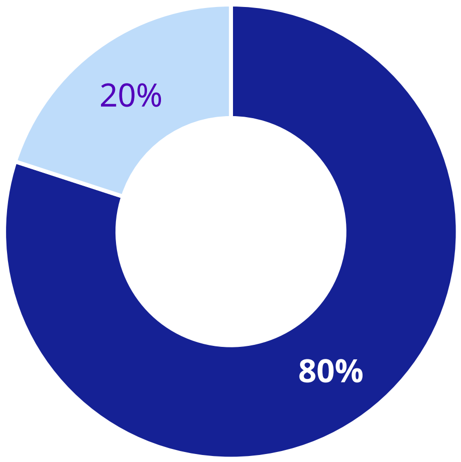
Social security for working-age population

Contributions to the NSSF

Type of benefit	% of contribution by type of benefits		
	Civil servant	Formal enterprise	Voluntary insured scheme
Health insurance	1.5	1.5	1.5
Work injuries or occupational diseases	0.5	0.5	n/a
Short-term benefits (maternity, sickness, death)	2.5	2.5	2.5
Long-term benefits (pension, loss of working capacity, family)	12	5	5
Unemployment benefit	–	2	n/a
Total:	**16.5**	**11.5**	**9**
Share of contribution:			
Employers	8.5%	6%	9%
Employees	8%	5.5%	

Social security for working-age population

Informal economy workers and the poor



- **About 80%** of the economically active population **earn a living outside of formal employment**

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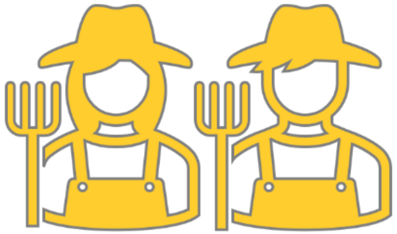
Social security for working-age population

Informal economy workers and the poor



- **About 72%** are in **agriculture**
- A large proportion of them are subsistence **farmers**
- **Receives the least coverage** of any form of social protection
- There are only **12,446 voluntary members under LSSO** (LSSO 2020 Annual Report)

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Social security for working-age population

Informal economy workers and the poor

- **Seasonal lack of work or income** leads to cycles of food and income insecurity
- Policies to address this group have not yet been fully developed
- Other social welfare or anti-poverty programmes: ad hoc disaster relief assistance and small-scale programmes **targeting specific vulnerable groups or the poorest areas**

Social protection for the elderly

- **No social protection schemes** specifically target the elderly
- **6.3%** of the elderly receive pensions as part of the contributory formal social security system
- **Lack of basic income security for a majority of the elderly** who are ineligible

Social protection for the elderly

Recommendations

- **Creation of a minimum social pension** for the elderly without a pension
- **In-kind benefits**:
  - Free access to healthcare
  - Housing
  - Transportation

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Activity 6: *Who Wants to Be a Millionaire?*

	Procedure:	1. Ask participants multiple-choice questions based on existing data on the social protection system in Lao PDR. 2. Give 30 seconds for each group to discuss their answer and pick a letter. 3. When the time is up, the groups will show their responses. 4. The facilitator will show the correct answer.


WHO WANTS TO BE A
MILLIONAIRE
WHO WANTS TO BE A

5	**1 MILLION kips**
4	500,000 kips
3	300,000 kips
2	200,000 kips
1	100,000 kips

5	1 MILLION kips
4	500,000 kips
3	300,000 kips
2	200,000 kips
1	100,000 kips

In 2019, what percentage of the population had National Health Insurance Scheme coverage?

A. 87%

B. 93%

C. 62%

5 1 MILLION kips

4 500,000 kips

3 300,000 kips

2 200,000 kips

1 100,000 kips

What percentage of the population is covered by old-age social protection measures?

A. Below 5%

B. Between 5 and 10%

C. Above 10%

5	1 MILLION kips
4	500,000 kips
3	300,000 kips
2	200,000 kips
1	100,000 kips

How many people are in informal employment in the country?

A. 45.5%

B. 60.5%

C. 75.5%

5	1 MILLION kips
4	500,000 kips
3	300,000 kips
2	200,000 kips
1	100,000 kips

How much is the National Health Insurance Scheme co-payment at the health centre level?

A. 5,000 kips

B. 10,000 kips

C. 30,000 kips

5	1,000,000 kips
4	500,000 kips
3	300,000 kips
2	200,000 kips
1	100,000 kips

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1,000,000 kips

What percentage of GDP is spent on social protection measures in Lao PDR?

A. Below 1% of GDP

B. Between 1–2% of GDP

C. Between 2–3% of GDP