

► Social Protection Spotlight

March 2021

Extending social security to workers in the informal economy

Information and awareness

Large social protection gaps for workers in the informal economy

More than 60 per cent of the global workforce is in informal employment (ILO 2018) and the large majority of those people face serious decent work gaps, including a lack of social protection coverage. In fact, the large majority of workers in informal employment are among the 71 per cent of the global population who have no or little access to social protection (ILO 2017).

The lack of social protection is a significant source of vulnerability for this group of workers. The lack of access to health care and at least a basic level of income security keeps many of them in a vicious cycle of vulnerability, poverty and social exclusion. This constitutes an enormous challenge not only to their individual welfare and enjoyment of human rights (in particular the right to social security) but also to their countries' economic and social development (ILO 2017; OECD and ILO 2019; RNSF 2017).

The Sustainable Development Goals set out in the 2030 Agenda for Sustainable Development underline the role of social protection in reducing poverty and inequality and promoting human development. Given that informal employment represents the large majority of the labour force in many countries (ILO 2018), there is an urgent need to extend social protection coverage to workers in the informal economy so as to truly "leave no one behind".

Drawing on a more comprehensive publication (ILO 2021a), this issue brief discusses the importance of raising the awareness of workers – and of employers where they exist – about the need to extend social protection coverage to those in the informal economy. Strategies are



presented for increasing such awareness based on international experiences.

The importance of awareness raising for the extension of social security

If workers and employers do not know what social protection schemes are available to them, what their rights and responsibilities are and how they can access such schemes, then social protection policies and programmes have little chance of succeeding. Limited access to information and awareness may significantly hinder the extension of social security. In many countries, a large majority of workers have a low level of education and earn their livelihood in the informal economy, often with limited access to information about social security. An empirical study conducted in Indonesia supports the importance of awareness-raising for encouraging the enrolment of workers in the national health insurance scheme. The study found that one of the major obstacles to registration was a lack of insurance literacy among workers in the informal economy (Dartanto et al. 2016).

Awareness-raising of workers and employers is a catalyst for the extension of social security to the informal economy. Extension efforts critically depend on the government's capacity to make available information about legal entitlements, benefits and enrolment processes. It is also extremely important to sensitize the public that social protection is a right and benefits not only workers but also employers and societies at large.

It is important to note that building trust is equally important. Both workers and employers need to be aware of the importance of social protection for them; they also need to be convinced that the social protection system is well governed and can effectively deliver benefits and services.

Informing workers and employers about their rights and obligations

To ensure access to social protection, it is important to make key information available and accessible for all, in formats that are simple to grasp and not unnecessarily complicated. Disseminating information through multiple channels is essential to address the diverse characteristics of workers in the informal economy and realize the full potential of awareness-raising for advancing the extension of social security. Workers' and employers' organizations and civil society organizations may play a key role in disseminating information to workers and employers and raising their awareness.

What do workers and employers need to know?

Employers and workers need to be informed about their rights and obligations, especially with regard to the following questions:

- What are workers' and employers' obligations for the payment of contributions? What specific obligations do employers have? What specific obligations do workers have and how can they make sure that contributions are being paid on their behalf?
- What benefits are available and under what conditions?
- Where and how can employers and workers register for the payment of contributions and receipt of benefits?
- Where and how may appeals be made against a decision or complaints submitted to challenge a decision or the amount of benefits?
- What is the process for the payment of contributions and receiving benefits?

- Who is liable if benefits are not delivered on time and what redress mechanisms are available?

Additional questions for the self-employed may arise (ILO 2021b), such as:

- What are the specific modalities of self-employed workers?
- Are simplified mechanisms available for the payment of contributions?

The implementation of new laws and schemes should always be accompanied by campaigns that inform workers and employers about the importance of social security in general and specific schemes in particular. Such campaigns should include explanations about the law/scheme; the available benefits and eligibility conditions; the contribution requirements, if any; the administrative procedures for registering employers and workers; and their respective rights and obligations.

Strategies to ensure the availability of information availability vary by country. For example, the Philippines implemented a large-scale information campaign to accompany the extension of social security to domestic workers. The specific objective of the campaign was to change the public's attitude towards domestic workers by redefining the term "domestic worker" as "*kasambahay*" or "household helper" (ILO 2013). Kenya took an innovative approach to extending the Mbao pension scheme by distributing information on the scheme to artisans during free ear check-ups (ISSA 2011).

Making information accessible

Once the relevant information is available, its accessibility emerges as a central issue. Accessibility of information is related to several factors such as simplicity, language and proximity. Information should be provided in a simple, straightforward and accessible language that anyone can quickly and easily understand without any prior knowledge of the subject. Ideally, it should be translated into all the languages spoken in the region or country, including those spoken by ethnic minorities and migrants. This is key to ensuring an inclusive information dissemination process and the highest possible participation in social protection programmes.

Physical proximity can also play a critical role in disseminating information in a way that is meaningful to people. For that reason, it may be useful to increase the number of physical access points, such as social security offices or information terminals where people may seek answers to their queries or obtain more information. Staff in such offices should be trained to disseminate information in an interactive and timely manner (see box 1).

► Social Protection Spotlight

Extending social security to workers in the informal economy

► Box 1 : Increasing access to information through physical proximity in Madagascar

To be closer to its members, the National Social Insurance Fund of Madagascar increased the number of its regional-level agencies in 2012. In some remote areas, a mobile office was established to disseminate information and raise awareness about social protection schemes and benefits. This facilitated access to information for populations that had previously been isolated. The staff of local offices provide advice, services and information that are adapted to people's specific needs and they also receive and process claims. Being close to the insured population means that people have a way to directly access the information they need.

Source: Based on ISSA (2014)

Using multiple channels

Information may be channelled through multiple sources and formats, such as print media, internet, radio, television, toll-free telephone numbers, text messages and billboards. The combined use of different channels will ensure that access to information is not restricted only to users of a specific type of media or technology but reaches the full range of workers and employers in the informal economy. Public awareness campaigns conducted in Thailand, the Republic of Moldova and Viet Nam focused on the importance of social security and workers' and employers' rights and obligations (see box 2).

Using appropriate communication channels and adapting them to different groups of workers and employers may enhance outreach and ensure that campaigns address their specific needs and characteristics. For example, in Jamaica, leaflets for raising awareness on the rights of domestic workers were distributed along popular transport routes. In Paraguay, potential employers of domestic workers received information brochures attached to their electricity bill (ITUC and UN Women 2013; Both et al. 2018). In South Africa, under the Basic Condition of Employment Act, employers are obliged to display a statement about employees' rights at the workplace, which must be written in the official language used at the workplace.

In Cabo Verde, a campaign for self-employed workers implemented a campaign to specifically address self-employed workers in urban and rural areas (see box 3).

► Box 2 : Using media to raise awareness about social security in the Republic of Moldova

In the Republic of Moldova, a media campaign aimed to raise awareness on the pitfalls of undeclared work, with key messages like "I contribute, therefore I benefit from social security." The campaign included a daily broadcast of video and radio clips, the placement of billboards and posters in public places and the distribution of leaflets to reach a wide range of the population who are currently or potentially involved in informal employment across the country.



In Thailand, the main message of a public service announcement was "Why is social protection important to me, and to you?" The

campaign, which was prepared with the support of the International Labour Organization (ILO), was used in the context of a national dialogue on a social protection floor.

Source: Based on Hirose and Hetteš (2016)

For awareness-raising campaigns to be successful, it is important to use messages that resonate with the target audience. For example, in Zambia, awareness-raising campaigns were adapted to specific groups of workers, such as domestic workers and workers in micro and small enterprises (see box 4).

Better understanding workers' and employers' needs

Fully understanding workers' and employers' needs and their specific challenges is key to adequately responding to their needs. In that context, surveys of enterprises and workers may help determine the level of satisfaction with benefits and services provided and enhance interaction with the social security administration. For example, the National Social Security Fund in Cambodia undertook surveys to better understand the level of information awareness of workers and enterprises, especially with regard to their rights and obligations, and also to gauge their level of satisfaction (NIER 2017b; 2017a). This further served as a basis for raising the awareness of employers and workers and extending social security coverage (Cambodia 2018). Targeting communication to the situation and needs of specific categories of workers is essential. For example, a toolkit prepared by WIEGO and

► Social Protection Spotlight

Extending social security to workers in the informal economy

the International Federation of Domestic Workers (2018) offers an important resource kit for this target group.

► **Box 3 : Raising awareness among self-employed workers in Cabo Verde**

Cabo Verde provides a good example of a comprehensive awareness-raising and communication strategy. A proactive approach was adopted to enhance the impact of the extension strategy, divided into three stages. In the first stage, a communication campaign to target self-employed workers located in urban areas was developed, using several channels, including information brochures, TV spots, radio programmes and newspaper advertisements.

In the second stage, partnerships with workers' organizations were established to enhance the outreach to independent workers. During workshops with different groups (such as religious, producers' and women's organizations) direct information on the social insurance scheme was shared with the self-employed.

The third stage focused on establishing physical proximity to rural workers by enhancing the presence of the social security institution in rural areas. Additional measures included working with children and young people to make future contributors aware of the benefits of social protection and to suggest that they might also encourage their parents to register.

Source: Based on Durán Valverde et al. (2013)

Building partnerships

Building partnerships with workers' and employers' organizations, civil society organizations and other development partners is an effective approach to disseminating information and raising awareness, particularly when countries implement new social protection laws (Olivier 2009). Civil society organizations may play a critical role in supporting the implementation of such laws. In the Philippines, a sensitization campaign for the declaration of National Domestic Workers' Day, which was conducted by civil society organizations, significantly contributed to raising awareness and creating a foundation for national dialogue and political commitment at the national and local levels, ultimately leading to the implementation of the Domestic Workers Act in 2013.

In the case of agricultural workers, physical remoteness and a low level of education often lead to limited access to information about rights in general and existing public laws, policies and schemes in particular. It is key to take into account the specific circumstances of such workers and adapt communication channels to their

needs and situation. For example, in Tunisia, a publicity campaign conducted by the Government, employers and workers' organizations played an important role in the success of the reform of the social security system in 1996.

► **Box 4 : Adapting awareness raising activities to specific groups of workers and employers in Zambia**

In Zambia, most employers are not aware of their obligations to register their domestic workers with the National Pension Scheme Authority (NAPSA). An awareness-raising campaign directed at employers of domestic workers explains why old-age pension benefits are a necessity and how to register domestic workers with NAPSA.



The lack of knowledge and awareness of social security topics was also identified as a major obstacle to the extension of social protection coverage in the construction sector. The Zambia Green Jobs Programme supported the development of communication material and guidelines that were adapted to the construction sector. NAPSA and the



Workers Compensation Fund Control Board (WCFCB) used those materials to undertake sensitization and awareness-raising campaigns among employers and workers in micro and small enterprises in the construction sector, in collaboration with workers' and employers' associations. The social security awareness materials reached over 1,500 workers, resulting in increased knowledge and appreciation of the importance of registering with social security schemes.

Source: Based on Zambia (2016), see also ILO: YouTube video entitled "Give your domestic workers a NAPSA pension today"

Providing individualised information on social security entitlements

Many countries have recently become more active in informing their members about their contribution records and entitlements. For example, insured persons in Jordan receive a letter every year that informs them about the contributions paid on their behalf, including details about their contribution periods and deductible wages. This annual account system for insured persons

provides them with an estimate of the level of pension that they can expect upon retirement (ISSA 2009b). In Mexico, the Mexican Social Security Institute (IMSS) has developed an online system to provide participating workers with information about the number of weekly contributions made per year, as well as the contribution records of their five most recent employers (ISSA 2009a). In Turkey, insured members may check their insurance status online (see box 5).

With better knowledge of their contribution records and entitlements, workers are more likely to monitor their own contribution records and insist that their employers pay contributions correctly and regularly on their behalf. Participation of members in the social security system increases accountability and thereby enhances its effectiveness and efficiency.

Raising awareness among employers

Employers' knowledge of social security topics and their awareness of the importance of social protection for their workers and their businesses is essential for any strategy to extend social security. Employers should know why social protection is important for their workers and their enterprises, and how they can register their employees and pay contributions on their behalf.

Social security authorities should take into account diverse business environments and adapt their communication and awareness-raising activities to the needs of different groups of employers. This helps to promote "social security literacy", sensitizing employers about their responsibility to register their workers and contribute to social security programmes, as well as the importance and benefits of social security.

Information about the social security rights of workers and obligations of employers should be widely available through multiple channels that have the potential to reach a broad variety of people. This may be achieved by integrating knowledge on social security programmes and benefits into relevant training programmes and skills development and entrepreneurship programmes. Since such training courses target specific types of businesses or economic units, it is important to deliver tailored information about social security. This is particularly useful for micro and small enterprises, own-account workers and agricultural workers, because they may not necessarily see their situation and interests reflected in general information campaigns. For example, in Zambia, an information campaign specifically targeted micro and small enterprises in the construction sector (ILO 2021).

► **Box 5 : Online information for insured members about health insurance in Turkey**

Turkey created an information system combining the databases of three different social security institutions in 2012. The system allows users to obtain quick access to information on pension and health insurance status, registration and premiums, from or near their homes, by using simply their citizenship identification number and date without having to make burdensome trips to the social security office. Updates are made in the system automatically every time there is a change in a member's entitlements – payment of premiums, change in insurance status, grant of a pension, etc. By merging three independent social security databases in one, members may more easily access information on their insurance entitlements.

Source: Based on ISSA (2013)

Educating society

Social protection education can help societies create a favourable culture and environment in which to extend social security coverage. In order to raise awareness for social security rights and responsibilities, some countries, such as Argentina, Belize, Ghana and Peru, have integrated education programmes in general education curriculums and vocational training. The most comprehensive social security education programme exists in Uruguay (see box 6).

Even where a comprehensive education programme does not (yet) exist, timely initiatives may help to raise awareness from an early age. For example, in Madagascar, junior clubs and activities during festive activities have been used to raise awareness (ISSA 2015), while in other countries awareness-raising about social security coverage is also linked to initiatives to enhance financial literacy and improve knowledge about pension coverage. Such social security education is an important component of efforts to build a "social security culture" as part of overall civic education (ISSA 2007). More broadly, it aims to improve people's understanding and awareness of the different risks faced across the life cycle, ensuring that people are aware of their rights and obligations and understand the value of social protection coverage, while also providing information about available social security schemes and benefits and how to use them effectively (see box 7). Ultimately, the function of greater awareness is to enable people to make informed choices, claim their rights and take effective action to improve their social security coverage.

► Social Protection Spotlight

Extending social security to workers in the informal economy

► Box 6 : Social security education in Uruguay

In Uruguay, the social security institution (BPS) develops activities that aim to inform and educate citizens about the social security system, their rights and duties within it and the role and relevance of social security in their lives. A sophisticated social security education programme is part of the curriculum of public schools and universities, as well as vocational training institutes, starting from a very early age (5 years) until graduation. The programme includes learning units that are adapted to every age, and incorporated in curricula of public schools and universities, as well as vocational training institutes, starting from an early age (5 years) until graduation.

Source: Based on BPS Uruguay (2018); see also video "Uruguay: Building a culture of social protection".

Promoting a comprehensive strategy for the extension of social protection coverage

While awareness-raising of employers and workers is critical for extending social protection coverage and facilitating transitions to the formal economy, it requires a comprehensive strategy to overcome the various challenges to extending social protection coverage, including legal barriers, administrative barriers, financial barriers, lack of trust and barriers related to weak compliance and incentives. In most cases, a combination of different measures is required to address those different barriers and offer an effective, equitable and sustainable solution.

► Box 7 : Building a culture of social protection in Cambodia



In Cambodia, the National Social Security Fund (NSSF), with the support of the ILO, developed a comprehensive communication strategy to create awareness of social security benefits and foster a culture of participation in social insurance.

In the first stage, a survey was carried out to assess the level of understanding of potential beneficiaries and social security staff and their motivation to participate in NSSF. Although the NSSF has been active for almost a decade, the survey showed that knowledge of NSSF benefits was low and that most workers and employers tended to be unaware of the value of NSSF benefits.

In the second stage, the communication strategy was launched through different channels, including the internet, radio and social media campaigns. It aimed to motivate people to enrol by improving the quality and flow of communication throughout the client's journey. Information on benefits and registration and other administrative procedures was simplified, thereby ensuring easy access to comprehensible information and building trust into the system. Furthermore, the strategy aimed to sensitize people on the value of social insurance and raise awareness of social security rights and obligations by promoting the most relevant benefits to stakeholders in targeted radio and social media campaigns. This was complemented by concrete real-life stories to provide examples of the value of NSSF benefits.

The Government simultaneously invested in the supply side, increasing the efficiency and accessibility of the administration, and sought to design benefits so that they respond to people's needs and circumstances.

Source: Based on ILO (2019a)

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This brief is part of a larger policy resource package on the extension of social security to workers in the informal economy, see informaleconomy.social-protection.org.

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