

ALL WORKERS IN ASEAN, INCLUDING INFORMAL WORKERS, HAVE THE RIGHT TO SOCIAL PROTECTION

HOME-BASED WORKERS IN SOUTHEAST ASIA

An estimated 244 million workers are in informal employment in the ASEAN region, representing as much as 78.6% of the region's workforce aged 15 and older. (ILO, 2019) The rate is generally higher for women, those with lower education levels, and living in rural areas.

Based on the HBWs in the World: A Statistical Profile¹, South-Eastern Asia² has the highest percentage of HBWs as a share of total employment (23%) of non-agricultural employment.

The percentage of women informal employment is slightly higher than men (83% of women and 74% of men). Women HBWs are almost twice as likely as men to be contributing family workers (27% vs 15%). Conversely, men are more likely than women to be employers or own-account workers. Services is the main branch of HBWs for both women and men, 60% and 50% respectively.

MAJOR WORK-RELATED RISKS

- **Low earnings and long hours of work:** HBWs tend to have low earnings because of irregular and/or cancelled work orders, rejected goods, delayed payments, and unreliable supplies of raw materials (particularly for the sub-contracted) and fluctuating demand and rising input prices (particularly for the self-employed).
- **Home as workplace:** Including small size, poor quality, insecure tenure, and lack of basic infrastructure services. The poor quality of habitat has a direct bearing on the productivity of HBWs as well as the health and well-being of the workers and their families.
- **Occupational safety and health (OSH):** Many HBW groups report eyes problems, especially among older workers. Exposure to dust and other irritants results in allergies and respiratory diseases. Those engaged in food face splashes of hot oil, water and heat while cooking. Many HBWs also work with chemical hazards with a lack of knowledge about OSH and have no access to personal protective equipment (PPEs) and their workplace is usually not covered by routine labor inspection.
- **Lack of childcare:** Since the majority of HBWs are women, they juggle their income-earning activities alongside childcare and domestic responsibilities.

- **HBWs remain invisible and not recognized as workers** in many parts of Southeast Asia. This limits their access to labor protection and rights, while employers do not provide contributions for their social security. HBWs often have little voice in decision-making about public policies and services that are crucial to their productivity, and in protecting them against life-cycle risks and economic crises.

- **Vulnerable to violence and exploitation:** The denial of their labor rights leaves them vulnerable to exploitation because their work is often through informal arrangements and in isolation.

ACCESS TO SOCIAL PROTECTION

Only a minority of workers in informal employment, including HBWs, have access to comprehensive social protection systems. In many countries in Southeast Asia, social protection benefits accrue mostly to those in formal employment that can afford to make contributions, and poor households that have some access to social assistance. A large number of people, the so-called missing middle, are left without any form of protection.

The needs of HBWs are often not considered in the design and implementation of social protection programs, leaving the majority of them lacking access to health care insurance, maternity and child benefits, disability and old-age pension, and unemployment benefits. In particular, they face the following issues in accessing both contributory social security and poverty-targeted social assistance:

Access to social security and health care insurance: In ASEAN, effective access to health care is still limited, particularly for self-employed workers, rural workers, and other hard-to-reach groups (ILO, 2019), including HBWs.

The coverage of contributory schemes under social security is particularly low for HBWs due to various legal, financial, and administrative barriers.

Legal: HBWs may be legally excluded from general labour and social security legislation

Financial: While many ASEAN countries have allowed voluntary affiliations, "have little income or have volatile income, live in poverty or are at risk of falling into poverty, which limits their capacity to contribute (regularly) to a social insurance scheme." (ILO, 2019)

Administrative: Weak governance structures, limited awareness about social protection issues, some of the barriers and challenges to joining the Voluntary Self-Employed Scheme (VSS) include low quality of services at the public hospital selected by social security beneficiaries; communication challenges; difficulties in applying for social security; and problems with the contribution collecting system.

¹ The data in this report are based on the 118 countries in the ILOSTAT Database that have a place of work question in their survey, representing 86 per cent of global employment. The data are from the years 2000 to 2019.

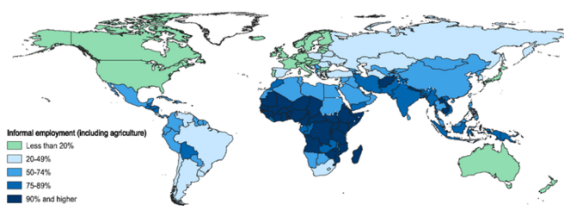
² According to the classification of countries in the geographic regions in the report, East and South-Eastern Asia includes the following countries: Cambodia, China, Fiji, Indonesia, Lao PDR, Mongolia, Myanmar, Philippines, Samoa, Thailand, Timor-Leste, and Tonga

SOCIAL PROTECTION

FOR WORKERS IN THE INFORMAL ECONOMY: ILO'S INFORMATION AND PERSPECTIVE

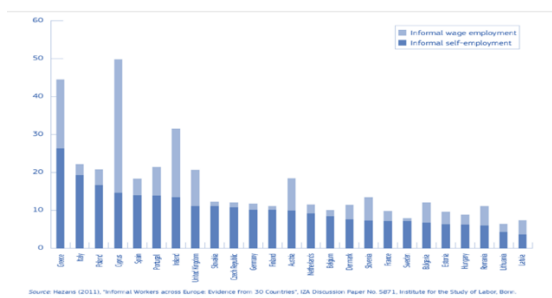
The informal economy is more prevalent in the global south but is not exclusive of developing countries. In many countries, both developing and industrialized, there are linkages between changes in the organization of work and the growth of the informal economy. Informal employment ranges from 10%-50% in Europe and 31% to 99.6% in Asia.

FIGURE 1. SHARE OF INFORMAL EMPLOYMENT IN TOTAL EMPLOYMENT INCLUDING AGRICULTURE (2016)



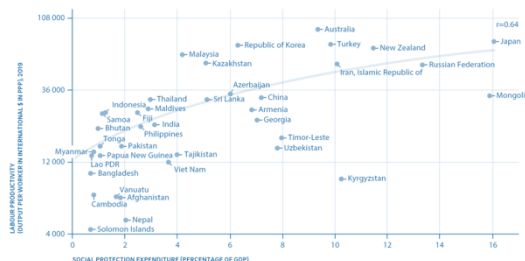
Source: ILO, 2018

FIGURE 2. SHARE OF INFORMAL EMPLOYMENT IN TOTAL EMPLOYMENT IN ASIA



• A growing body of evidence shows that the extension of social security coverage, by promoting access to health care and education, contributes to enhancing nutrition and health status and plays an important role in promoting productive employment.

FIGURE 5. SOCIAL PROTECTION AND PRODUCTIVITY



* FROM: ILO FAQ: Social Protection for Workers in the Informal Economy

• According to ILO Recommendation No. 202 on Universal social protection does not stop at a basic level of protection. But also sets out that countries should progressively ensure higher levels of social security for as many people as possible and as soon as possible. Social protection systems should respect and promote the principles of non-discrimination, gender equality and responsiveness to special needs; social inclusion (including those persons in the informal economy); and respect for people's rights and dignity.

• The Global Partnership for Universal Social Protection to Achieve the Sustainable Development Goals (USP2030), represents a multi-stakeholder initiative to support the implementation of SDG 1.3.1. Founded in 2016 and co-chaired by the ILO and the World Bank, calls on all countries to live up to their commitment to develop nationally owned social protection systems for all, including floors, by undertaking the following five actions, to support the global commitment to universal social protection:

ACTION 1. Protection throughout life cycle: Establish universal social protection systems, including floors, that provide adequate protection throughout the life cycle, combining social insurance, social assistance, and other means, anchored in national strategies and legislation.

ACTION 2. Universal coverage: Provide universal access to social protection and ensure that social protection systems are rights-based, gender-sensitive and inclusive, leaving no one behind.

ACTION 3. National ownership: Develop social protection strategies and policies based on national priorities and circumstances in close cooperation with all relevant actors.

ACTION 4. Sustainable and equitable financing: Ensure the sustainability and fairness of social protection systems by prioritizing reliable and equitable forms of domestic financing, complemented by international cooperation and support where necessary.

ACTION 5. Participation and social dialogue: Strengthen governance of social protection systems through institutional leadership, multi-sector coordination and the participation of social partners and other relevant and representative organizations, to generate broad-based support and promote the effectiveness of services.

* From International Labour Conference 109th Session, Geneva, 2021 CDR "Recurrent Discussion Committee: Social security"

WHAT CAN GOVERNMENTS OF ASEAN MEMBER STATES DO TO ENSURE THE SOCIAL PROTECTION FOR INFORMAL WORKERS?



CAMBODIA

1.6 millions of Cambodian informal workers face poor working conditions and low incomes, and access to social protection services is still limited. They recently faced even more challenges due to the pandemic. They do not have enough money to go to the hospital, pay school fees for their children, or to repay bank loans. Today, most HBWs are unable to pay the contribution to join the voluntary social security health care scheme.

We recommend the Cambodian government to support informal workers:

- Reducing contributions fee of the voluntary social security health care scheme, including maternity services, and allowing their children to access health services.
- Facilitating grant interest-free loans to informal workers and allow them to access public utilities (water, electricity, and public transport) at a lower cost.



INDONESIA

Indonesia Informal workers, especially HBWs, have not been fully access to social protection. Therefore,

we recommend the Indonesian government to:

- Set a priority to include informal workers, especially HBWs in the Social Welfare Integrated Data, which is the source of data for accessing and obtaining social assistance programs from the community such as Free Contribution Employment Insurance for Informal Workers, the Family Hope Program, etc.
- Provide regulation to protect sub-contracting homeworkers related to work relations, in the Standard Operating Procedures, including regulated wages and other work conditions in accordance with the characteristics of homeworkers towards decent work.
- Support the skills development, capital and knowledge of marketing strategies, for self-employed workers who run small businesses, to ensure the sustainability of their businesses and income.
- Support the formation of cooperatives and businesses that lead to a Social Solidarity Economy of informal workers



LAOS PDR

We recommend the government of Laos PDR to:

- Create a new benefit package to better serve the needs of informal workers and reduce the fee from 9% of the minimum wage to 5-6% for the affordability of the informal workers.
- Improve treatment services of health centers, district hospitals and provincial hospitals.
- Establish district-level service units and conduct mobile registration services.
- Develop online registration and contribution payment.



PHILIPPINES

We recommend the Philippines government to:

- Expand the universal health care to cover informal workers and their families.
- Ensure Social security for informal workers throughout the life cycle.
- Ensure rights of informal workers and facilitate their transition from informality to formality through to passage of Magna Carta of Workers in the Informal Economy (MACWIE) and the Workers in the Informal Economy Act (WIE) by making it an urgent concern.
- Address unpaid care work of women through recognition, reduction, redistribution, representation, and rewards through the provision of basic utilities (clean and potable water, electricity, as well as childcare, elderly care, and other community-based services
- Ensure the passage of the maternity cash benefit bill for women in the informal economy.



THAILAND

In principle, we *recommend* for Universal Social Protection, so that everyone can access the provided adequate benefits for all life cycle needs, with standard services and gender responsive.

But for the short term, we *recommend* for improving the benefits of the voluntary social security scheme for informal worker insurers (Article 40) to add:

- Unemployment benefits, guarantee daily income, the same rate of minimum wages.
- Maternity protection, in terms of income security for at least 90 days with daily income guarantee, the same rate of minimum wage
- Provide childcare centers for both formal and informal workers women workers who are breastfeeding mothers.



VIETNAM

Many Vietnamese informal workers still lack of understanding on labour rights, the importance of social insurance, therefore, they do not apply to be the insurers.

We recommend the government of Vietnam to:

- Enforcing the labour contact between employers and subcontracting homeworkers,
- Raising awareness of informal workers on benefits of voluntary social insurance and promoting their accessibility.
- Supplement the benefits of maternity, sickness, occupational accident, occupational disease, and unemployment insurance regimes in the benefits of voluntary social insurance.

HOMENET SOUTHEAST ASIA CALL FOR STRENGTHENING SOCIAL PROTECTION FOR INFORMAL WORKERS IN ASEAN



1. ASEAN and all member states set Universal Social Protection as the regional and national agenda. Implementation of the ASEAN Declaration on Strengthening Social Protection.
2. All ASEAN member states ratify, formulate, and implement national laws and policies in line with ILO Convention 102 Social Security (Minimum Standards) (1952), The ILO's Decent Work Agenda, ILO Resolution concerning decent work and the informal economy (2002), ILO Recommendation 202 Concerning National Floor of Social Protection (2012), ILO Recommendation 204 Concerning the Transition from the Informal to the Formal Economy (2015)
3. All ASEAN member states establish and strengthen essential universal social protection in their respective country, including the extension of contributory and non-contributory schemes and access to quality public services for workers in the informal economy as per ILO Recommendation 204 on the Transition from the Informal to the Formal Economy.
4. ASEAN and all member states provide the space for direct representation of informal economy worker organizations in social dialogue and collective bargaining spaces where social protection policies are designed, implemented, and monitored including tripartite negotiations and national economic and social councils.

HomeNet Southeast Asia is a sub-regional network of membership-based organizations of informal home-based workers located in Cambodia, Indonesia, Laos Philippines, Thailand. And Vietnam. It aims to enable organized home-based workers to democratically run and manage self-sustaining organizations and networks at the national and sub-regional levels.

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