

Addressing Economic Inequality through Social Security

A Transformative Approach to Supporting Vulnerable Populations

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Executive Summary

Social security is the set of public policies and programs designed to reduce and prevent poverty and vulnerability throughout the life cycle. It includes child and family benefits, maternity protection, unemployment support, employment injury, sickness, and health protection, as well as old-age, disability, and survivors' pensions.

The Covid-19 pandemic exposed inequalities and significant gaps in social protection coverage, comprehensiveness and adequacy across all countries. The pandemic, coupled with various other social and economic crises, exposed vulnerabilities of billions of people who were not adequately protected from the socio-economic shock waves that were transmitted across the globe. These recommendations draw from recent post-pandemic policies of governments in Asia seeking to provide a more level playing field.

The policy recommendations identified in this policy brief aim to empower the most vulnerable, specifically migrant and low-income workers in Asia's informal sector. The goal is to strengthen social security measures for the most vulnerable in Asia by sensitizing policymakers to adopt transformative policies that address their needs.

Drawing from existing practices in various Asian countries, this study highlights policies that create opportunities for work without exploitation. As women are predominantly employed in the informal sector, in low paying jobs, as migrant workers, and in home-based work, these recommendations aim to be gender transformative.

Introduction

Besides playing a crucial role in building and sustaining public trust, social security contributes to economic growth by raising labour productivity and enhancing social stability (International Labour Organisation [ILO], 2001). The presence of healthcare systems, pension schemes, cash benefits, medical and accident insurances, unemployment subsidies, and child benefits create a feeling of security among the workforce, which can significantly stimulate innovations in economy and world of work.

Policymakers need to consider the economic, social, and political background of a country when determining social benefits. As there is no "one-size-fits-all" approach to social security benefits, the interplay of interests among different groups influences the social benefits any country offers.

Transformative approach addresses the root causes of the problem. A **gender transformative approach**, in particular, challenges power relations, gender norms and stereotypes that perpetuate inequality.

DID YOU KNOW?



55.9%

of the population in the Asia-Pacific region lacks access to any form of social protection (ILO, 2021).

In countries where a higher percentage of the workforce is employed in the informal sector, there is greater demand for improvements in working conditions. Political parties often promise improvements in working conditions to attract votes. However, populist measures promised during the electoral campaigns frequently result in the perpetuation of gender stereotypes. For example, restrictions on Nepali young women migrating for work¹ or the provision of free sewing machines for women in India to foster skill development and encourage home-based work², while popular, do not transform gender equations.

As part of this research study, a comprehensive desk review of recent social security policies in various Asian countries was conducted. The study highlighted why these policies were considered innovative and explored their potential for replication or scaling up in different countries. Examples were selected based on their transformative potential and their ability of being replicated or scaled up in different contexts.

Recognizing the heterogeneity of workers' realities in the informal economy, this policy brief contains a number of references to specific groups of workers that, in many countries across Asia, represent a significant share of workers in the informal economy, and are often particularly challenging to cover and highly vulnerable to shocks. These groups include **migrant workers, herders (workers taking care of domesticated animals), home-based workers, informal sector workers, and sex workers**. As these categories of workers are both economically vulnerable and subject to social stigma, the following good examples aim to address this by (i) providing benefits and (ii) reducing societal discrimination. **These examples are transformative as they seek to reduce systemic inequalities and improve protection against issues such as climate change, exploitative working conditions, informalization of work, and discrimination, as well as challenge prevailing mindsets.**

Good Examples of Social Security Benefits in Asia

Expanding social security benefits for the marginalized

Herders

- Pension Insurance
- Employment support
- Small loans
- Insurance against climate-related shocks

Home-Based Workers

- Education and skill upgradation
- Injury benefits
- Funeral grants

Informal Sector Workers

- Guaranteed work in rural areas
- Childcare policies
- Crèche facilities
- Healthcare

Migrant Workers

- Work accident insurance
- Old age savings
- Death insurance
- Cash benefits

¹ According to the Guidelines for Sending Domestic Workers for Foreign Employment 2074, Nepali women willing to migrate as domestic workers to countries such as Saudi Arabia, Qatar, Kuwait, the UAE, Oman, Bahrain, Lebanon, and Malaysia should be at least 24 years old (Section 3).

² The 'Free Silai Machine Yojana, 2024' aims to provide free sewing machines to over 50,000 women in each state across India.

Only 44.1 per cent of the region's population is covered by at least one social protection benefit, with varying levels of coverage across countries: (ILO, 2021).

28.4%
Bangladesh

24.4%
India

27.8%
Indonesia

17%
Nepal

9.2%
Pakistan

36.7%
Phillipines

68%
Thailand

38.8%
Vietnam

100%
Mongolia

Good Examples of Social Security Benefits

Mongolia offers both compulsory and voluntary forms of social insurance and has introduced a reimbursement for pension insurance premiums paid. The Ministry of Labour and Social Security of Mongolia, in collaboration with the UNDP Joint SDG Fund and FAO, implemented the program 'Extending Social Protection to Herders with Enhanced Shock Responsiveness' between 2020-2022. This initiative aimed to improve herders' health and social insurance coverage to mitigate their future vulnerabilities to poverty and climate-related shocks.

In **Pakistan**, the Baluchistan Home-Based Workers Act 2022 exemplifies a mechanism for extending social protection to home-based workers. It includes a strategy for the registration of home-based workers and envisions benefits such as medical care, sickness benefits, maternity benefits, employment injury benefits, and funeral grant.

In **India**, initiatives such as crèche facilities for children of sex workers, preceded by the decision of the Supreme Court on Budhadev Karmaskar vs State of West Bengal (2022), aim to ensure that these children do not face discrimination and have access to essential care and education.

In the **Philippines**, the Republic Act No. 11210, commonly known as the '105-Day Expanded Maternity Leave Law,' ensures that all female workers, regardless of their civil status or the legitimacy of their child, are entitled to 105 days of paid maternity leave. Additionally, there is an option to extend the leave for an extra 30 days without pay. This law applies to women working in the informal sector as well.

In **Mongolia**, mothers and fathers, who are unable to pursue their work due to the duty to look after their children aged 0-3 years, while the other partner has to work, receive a quarterly monthly allowance ('Paid Mother' or 'Paid Father' program 2021).

The Government of **Indonesia** has integrated the protection scheme for migrant workers and their families into the National Social Security System through Law No. 18 of 2017 concerning Protection of Indonesian Migrant Workers. Subsequent regulations, such as Minister of Manpower Regulation No. 4 of 2023, replacing two previous ministerial regulations issued in 2018 and 2017, have further refined social security provisions for migrant workers. These provisions cover various risks and provide benefits such as work accident insurance, death insurance, old age savings, and scholarships for the children of migrant workers.

In **India**, the National Rural Employment Guarantee Scheme was expanded during the Covid-19 pandemic to assure work for women and issue job cards to migrant workers as well.

Punjab Mazdoor Card 2023 is a scheme launched by the Government of Punjab in **Pakistan** with the aim of providing social protection to workers in the province. The card provides various benefits to workers, including financial assistance, health insurance, and access to other services.

Conclusion and Recommendations

Social security alone cannot replace macroeconomic measures towards job creation, housing and education. Addressing structural inequalities has to go hand in hand with social security measures. Social security benefits protect individuals at times of need, such as, natural disasters, pandemics, pregnancy, sickness, old age or unemployment. However, by themselves, they do not ensure equity. To advance social benefits as a political issue with the goal of creating a more level playing field and transforming norms and attitudes, this study recommends the following for policymakers:

- **Inter-Asian Experience Sharing:** Facilitate and participate in inter-Asia regional exchanges on good policies and best practices on social security.
- **Education and Skill Upgradation:** Provide skill upgradation for home-based workers, conduct pre-departure trainings for migrant workers, and educate migrant workers about potential risks to prevent exploitation.
- **Inclusion of Men in Childcare:** Encourage paternity leave in all workplaces.
- **Challenge Gender Stereotyping in Childcare Policies:** Aside from compulsory paternity leave, implement policies that provide equal leave for natural childbirth, surrogacy, and adoption. Also, include leave provisions for abortions and miscarriages to reduce stigma.

- **Ensure Access to Adequate Social Security Benefits:** Protect the most vulnerable from the impacts of climate change and environmental degradation by ensuring they have adequate social security benefits.
- **Expand Social Security for Informal Economy Workers:** Expand social security to cover workers in the informal economy, considering current labour market structure and demographic transition.
- **Monitor Implementation of Existing Regulations:** Ensure that migrant workers and their families benefit from social security regulations and that access to benefits is improved.
- **Promote Bilateral and Regional Cooperation:** Support initiatives for bilateral and regional cooperation to enhance social security access and portability within the framework of migration.
- **Challenge Gender Stereotypes:** Implement policy measures that encourage women to work overseas without fear of exploitation.
- **Enhance Transparency:** Improve and ensure transparency in the implementation of social security schemes to build public confidence and support for a taxation system that enhances living standards.



Policy Recommendations

Migrant Workers

- **Pre-Departure Orientation:** Provide orientation training for migrant workers to ensure their safety and security;
- **Long-Term Protection:** Implement long-term protection schemes, such as the death insurance (JKM) scheme in Indonesia, which extends coverage even after the migrant workers return to their home country.

Sex Workers

Non-Discrimination: Ensure sex workers can access benefits without discrimination, such as subsidized food grains, education, and crèche facilities for their children.

Informal Sector Workers

Single Window Schemes: Adopt single-window schemes, such as the Punjab Mazdoor Card, which provides multiple benefits—including health, skill building and education benefits—through a single portal. As the card is linked to the bank account of the beneficiary, this ensures transparency and efficient disbursal of benefits.

Home-Based Workers

Formalization: Promote the formalization of the sector through legislation that ensures registration of home-based workers and social benefits for those registered.

Herders

Climate-Related Protection: Provide protection against climate related shocks, such as cash assistance to purchase warm clothing, vitamins and medicines to endure harsh winters.

It is crucial to proactively implement social security measures before the next pandemic or any other disaster strikes. By planning ahead, policymakers can safeguard the most vulnerable populations from severe economic deprivation.

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