

# **International Trade Union Confederation (ITUC)**

## **- project proposal to the ASEM LEMC3-**

### **1. Title of project:**

**“Towards a Global Social Protection Floor in Asia and Europe”**

### **2. Background**

The advent of globalisation, the consequent labour competition and urbanisation have contributed to the erosion of traditional forms of solidarity and safety nets in many developing countries. In the developed countries, the financial crisis deteriorated the livelihoods of many individuals and the large ageing population places more and more burden on the shrinking younger generations. These trends have raised more support for the extension of social security worldwide. The understanding that the establishment of a social protection floor would contribute to the economic sustainability and would reinforce social cohesion gains ground.

In the context of wide spread informal economy in many developing countries, formal social security arrangements are almost absent for the vast majority of the working population placing large numbers of poor people at risk from economic and natural shocks and stresses. After the depletion of any financial reserves the poor people sell off their livelihoods assets and resort to low-yield economic activities causing a decrease of their productivity. Basic social protection could guarantee that an economic shock is not enough for classes to drop back into (extreme) poverty and ensures that any progress made is not lost.

The questions on implementing a Social Protection Floor are many. One of the challenges is the accommodation of informal workers into basic social protection schemes. Other important issues concern the funding of such schemes, the policy mix to achieve universal coverage taking into account the special needs of certain vulnerable groups, the links between labour and social protection, the ability of poor countries to effectively put such schemes in place, the ways in which developed countries could contribute, the focus of social protection systems, the role of governments and social partners in the design and implementation and the financial sustainability of such systems.

#### *Social Protection Floor and ASEM initiatives*

ASEM has discussed issues of social protection previously in the framework of the Labour and Employment Ministers Conferences, the 2nd ASEM Development Conference and the Social Partners Fora. However, it was only until recently that a project was dedicated specially on the matter: the ASEM Workshop on Social protection Floor and the Informal Economy held in Nice on 27-28 September 2010. The Workshop identified key issues of the Social Protection Floor, provided with important points to be taken under consideration by policy-makers and highlighted some orientations which could give rise to recommendations the 3<sup>rd</sup> Labour and Employment Ministers Conference.

The ASEM Workshop concluded on three topics that could be developed in the future ASEM technical project on social protection to be approved by the 3<sup>rd</sup> LEMC:

- a) *Deepening analysis of the social protection needs of different categories of informal workers,*
- b) *Universal access to basic social services and in particular health services,*
- c) *Minimum social protection for the elderly.*

The ASEM Workshop of Nice also concluded that the establishment of an “*expert facility*” would “*enable the organisation of short-term missions in partner countries which have needs/issues concerning social protection and to mobilise experts from the EU Member States.*”

### **3. Purpose of project**

#### *General description of purpose*

The purpose of the project is to identify the different categories of informal workers and provide recommendations on how to efficiently provide social protection to them. The project should also highlight ideas on effective funding of social protection for the identified categories of informal workers.

#### *Expected results*

- Classify different categories of informal workers, taking into account their special needs of social protection
- Identify challenges in reaching and informing different categories of informal workers, considering the nature of their activities and the social structures of their environment
- Identify the most efficient schemes/mechanisms that would deliver social protection to the different groups, taking into account the different needs of different groups
- Recognise the appropriate sources of funding for the social protection schemes/mechanisms, bearing in mind the financial sustainability of the endeavour
- Identify usual capacity deficiencies and competency shortages of delivering states

#### *Objective*

The objective of the project is to provide all the information needed with a view to facilitating developing and developed countries to put in place effective social protection schemes for different categories of informal workers.

### **4. Description of project**

#### *General description*

The project is a Conference on social protection and informal economic activities the results of which will be epitomised in a short and comprehensive manual edition to be used by government officials and social partners in countries which build up Social Protection Floor.

### *Topics/Subject matters*

- The structure of the informal economic life
- Entitlements and assets of informal workers
- Special needs of informal workers
- Sustainable and sound funding of social protection
- Effectiveness of social protection schemes
- Capacity building for providing social services and participatory social protection schemes

### *Participants*

The participants in the Conference will be experts on issues of informal economic activity and/or social protection schemes. The participants should come from Asia and Europe, from governments (12 participants), business (6 participants), trade unions (6 participants) and ILO and other international organisations (2 participants).

### *Resource persons*

Four experts on informal economic activities –preferably- from three developing and one developed country and four experts on social protection schemes and social policy, one of them from ILO.

### *Methodology*

The Conference will focus on three developing and one developed country used as examples for examining the informal economic activities.

Session(s) 1: Experts, preferably from these four countries, should be prepared to provide statistical information, existing legal provisions, patterns of economic behaviour, structural and livelihoods analyses on groups of informal workers. In the end of the session(s) 1 there will be a mapping of different groups and their needs.

Session(s) 2: Experts should be prepared to provide with information on four different social protection schemes in terms of funding solutions, including innovative financing, performance standards and effectiveness, participation in and ownership of schemes, and capacity building solutions for delivering states. In the end of the session(s) 2 there will be an understanding of financing and effectiveness building of four different social protection schemes.

Session(s) 3: Experts will work in four small working groups in order to make proposals on building effective, well-funded, sustainable social protection schemes on four categories of informal workers (one of each four different countries). In the end of the session(s) 3 there will be a compilation of proposals for an effective Social Protection Floor based on the needs and characteristics of four informal workers' groups.

### *Venue*

The venue of the Conference is to be determined.

### *Dates/Time frame*

The exact date and programme of the Conference is to be determined. The Conference will be held in 2011 and the manual edition will be ready in 2012.

### *Budget*

It should be possible to organise the Conference for 30,000 euros.

## **5. Follow-up and continuance**

The Conference should be followed up by a comprehensive manual edition which will sum up the results of the Conference and will further develop knowledge and proposals on the issue of Social Protection Floor for informal workers. A team of four experts will work for one year in order to develop it.