

Social Protection with Health Care – Data from Selected Countries



May 2020

Introduction

The Covid-19 pandemic has brutally exposed the lack of social protection, including health care, for the world's poorest, and for many people in middle-income countries. Workers in the formal and informal sectors have been faced with the choice of staying at home and starving or going out to work at risk to their lives and the lives of their families and neighbours.

Trillions of dollars are being mobilized to combat the health, economic and social impacts of Covid-19, mainly in the richest countries. A small fraction of this would be enough to extend social protection to all those who do not have it. The ITUC is calling for a Global Social Protection Fund to be established urgently. Investing in social protection saves lives and provides the basis for economic development. The international community must rise to this challenge – for those most in need and for humanity as a whole.

To highlight the need, key data from eight countries, Guatemala, Haiti, India, Indonesia, Nigeria, Serbia, Somalia and the Ukraine are presented here along with testimony from people who are desperately need social protection with access to health care.

Guatemala



Country features

Low-income country	Population 17.25 million	GDP USD 85.3 billion	Total labour force is 7,250,681 (33% women)	Employment to population ratio is 60%	The share of informal employment is estimated at 70%
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Key data

Lack of income

Poverty and inequality in the country are persistently high. Poverty, measured at the upper middle-income class line (US\$5.5 per person per day in 2011), increased between 2006 and 2014 from 43.4 to 48.8 percent, adding almost 2 million people into poverty. Extreme poverty (having less than US\$1.9 per person per day) affected 8.7 percent of the population in 2014, almost half a million more people than in 2000.

Health care provision

0.8 doctors per 1000 people and 44 public hospitals in total – 18 percent of population have access to private healthcare. Fourth highest rate of chronic malnutrition in the world, high maternal and child mortality, and a high prevalence of diabetes and heart diseases. Although healthcare is guaranteed by the Guatemalan constitution, many indigenous families living in rural areas face barriers to access health care. Local health posts are understaffed and understocked, often lacking vaccines, medicines and essential supplies.

Global supply chain sectors

Guatemala's economy primarily depends on remittances, apparel, banana, coffee and sugar

Workplace closure

Full closure – except for essential services (May 2020)

Mechanisms for union engagement on: Social Protection Systems, Income distribution and Food delivery systems

The Tripartite Commission created last year is not meeting due to the lockdown. The Institute of Social Security has a tripartite advisory body also not currently meeting.

Greatest area of concern

Covid-19 is dramatically affecting the lives of workers. Government assistance is selective and it doesn't reach those who really need it. The future is uncertain as many workers are being dismissed during the pandemic - serious difficulties are expected.



“My situation as a worker is difficult. Because of Covid-19, the cost of basic food has increased and my salary is not enough. I was suspended for two days without pay for asking to be provided with transportation to carry out my work within the restrictions of the lockdown. We also have uncertainty about what will happen after the crisis with our jobs, as they permanently violate our rights.”

Duras Armando Dias, Street cleaner, Guatemala

Haiti



Country features

Least developed country	Population 11.12 million	GDP USD 10 billion	Total labour force is 5,080,454 (47% women)	Employment to population ratio is 57.9%	The share of informal employment is estimated at 85%
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Key data

Lack of income

80 percent in extreme poverty living on less than 2 dollars per day. Haiti is the poorest country in Latin America and among the poorest in the world in terms of per capita GDP and a Human Development Index (HDI) ranking of 169 out of 189 countries in 2019. The latest official poverty estimate (2012) suggested that over 6 million Haitians lived below the poverty line of USD 2.41 per day, and more than 2.5 million fell below the extreme poverty line of USD 1.12 per day.

Health care provision

Haiti's health care system remains very weak. It is estimated that there are only 90 intensive care beds for the entire country, only 45 of which have respiratory equipment. Life expectancy is 63 years and infant mortality is 55 per 1,000 births (2015). 59 per 1,000 born in Haiti die before reaching their first birthday.

Global supply chain sectors

Haiti's economy primarily depends on remittances (estimated USD 2.1 billion in 2015), apparel and agriculture (for local consumption).

Workplace closure

Partial closure— borders and schools are closed, gatherings of more than 10 people are banned, but street markets are still busy during the day.

Mechanisms for union engagement on: Social Protection Systems, Income distribution and Food delivery systems

No mechanisms. The few existing social dialogue channels have been mired in corruption for years.

Greatest area of concern

With 40% of people already unemployed and around 90% of activity in the informal economy, the pandemic is having a severe impact with almost all economic activities shut down.

There is no social protection for informal workers.

Many people face starvation due to lockdown. Workers fear that companies closed during the shutdown close forever.



“I work at Sewing International S.A (SISA) as a daily worker in the textile sector. Since March 19, the government has ordered to close the factories, since then I have been starving at home. I do not see anyone to give me food or financial aid that could allow me to live through this difficult time. The government has promised to give workers 50% of their wages, so far, I have received nothing. So, finally I had to go back to the streets to find something to eat. Because it is better to be killed by Covid-19 than to stay hungry at home.”

Wilner Eliacin, Textile worker, Haiti

India



Country features

Lower-Middle Income country	Population 1.3 billion	GDP USD 2,719 trillion	Labour force participation rate 42,9% (20% women)	Employment to population ratio is 46.7%	Share of informal employment is estimated at 93%
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Key data

Lack of income

10.7 percent of the employed population is in extreme poverty. The number of income tax payers is 845,000 or 0.17 percent of the total labour force in 2019.

Global supply chain sectors

Fuels, chemicals, stone and glass, as well as textiles and clothing, are among the main export sectors. Remittances 3 percent of GDP with a total of USD 79 billion.

Mechanisms for union engagement on: Social Protection Systems, Income distribution and Food delivery systems

The government of Prime Minister Modi is attacking fundamental workers' rights and eroding working conditions. Social safety nets are for the organised sector workers only and tripartism/bipartism to some extent. Informal sector workers have no social protection. The government spends 2 percent of the GDP on the core safety net. Long-standing public distribution system in India - some 1 percent GDP covering 10 percent of the labour force.

'MGNREGA' was initiated as an anti-poverty measure for rural poor. Major gaps in coverage and delays of more than 6 months in some states.

Lockdown restrictions stopped old-age pension recipients withdrawing funds.

All other central government schemes cover less than 10 percent of the labour force.

Trade unions are providing assistance to people most in need, but the scale of needs requires major government support. Substantial sums have been committed but these are insufficient and recipients have difficulty in getting promised cash transfers.

Some movement restrictions were eased in early May.

Health care provision

Health expenditure is 1.33 percent of the GDP (in 2017-28). The 28.7 percent of households have one or more members covered by health insurance. Out-of-pocket health expenditure estimated to be 65 percent. 0.8 doctors and 2.1 nurses/ midwives per midwives per 1,000 people. Acute shortage of life saving machines such as ventilators with only limited availability (medical colleges and private hospitals). Lack of PPE and other related equipment means many doctors and nurses and workers have the virus. Due to quarantine, shortage of medical staff is also reported in many places.

Workplace closure

Nationwide lockdown under which all transport services air, rail and road have been shut down, all inter-district and inter-state movement prohibited, and all industrial and commercial activities suspended. Some relaxation for essential production units but with limited staff.

Greatest area of concern

The major fear for the workers is loss of jobs and increased working hours.

Trade unions are campaigning against an amendment to the Factories Act to increase working hours.

from 8 to 12. Impacts on informal economy workers have been devastating and reported rates of infection and death across the country are extremely alarming. Migrant workers were stranded in urban cities in unsafe conditions with the lockdown.



“I came to Delhi from Bihar and have been working for the last 15 years. Now, due to lockdown, I am jobless. I used to work on a contract basis with an income around INR150 (USD1,99) per day after the settlement of the daily rent for the rickshaw to the owner. I lives in the slums with my wife and 3 kids. Our family is starving. We get some food from the government and some from well-wishers or social organisations that distribute food packages to the poor in slums.”

Ram Singh, Rickshaw puller, India

Indonesia



Country features

Lower Middle Income Country	Population 267,000,000	GDP USD 1.042 trillion GNI per capita 3,840 USD	Total labour force is 136,000,000	Employment to population ratio is 64%	The share of informal employment is estimated at 75%
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Key data

Lack of income

4.3 percent of workers (above 15 years old) are still living in extreme poverty. 32.8 percent are registered taxpayers. Poverty rate 9.4 percent (25.14 million people).

Health care provision

Healthcare workforce approximately 1.2 million – 73 percent health workers and 27 percent support staff. 30 percent are nurses. 0.38 doctors and 1.2 hospital beds per 1,000 people. Health insurance is only 0.5 percent of GDP, which covers only 30.5 percent of population. Private households finance 50 percent of their total health costs.

Global supply chain sectors

Crude palm oil and rubber contribute 16 percent of total non-oil exports. Palm oil accounts for between 1.5-2.5 percent of GDP. Massive dismissal and furloughs started from the mid-March in primary industry. Some agreements were made for payment of between 45 percent and 60 percent of salary. Textiles, leather and footwear contributes USD 19 billion per year - 10.5 percent of total exports. Remittances contribute 1 percent of GDP.

Workplace closure

In mid-April 1.5 million workers had been laid off in over 83,000 enterprises. The total number of workers affected by Covid-19 reached 1,943,916 when informal workers are included.

Mechanisms for union engagement on: Social Protection Systems, Income distribution and Food delivery systems

No new regulation on social security introduced. Social dialogue is insufficient. Unions are calling for specific social dialogue on the crisis, as well as a binding agreement with the employers' federation. Indonesian President has shown some willingness to discuss with unions. One important union agreement with garment factory Wacoal stopped the dismissal of 800 workers by transforming production to make surgical masks. There have been similar agreements in some other companies.

Greatest area of concern

Workers are deeply concerned about termination of employment and non-paid furlough.

In the manufacturing sector, many factories continue operating, with garment sector employers implementing 3-shift system. Nevertheless, workplaces are crowded with a serious shortage of PPE.

Workers in platform businesses are severely affected, for example Grab drivers' income has fallen to 2.5% of their previous average.

There are serious deficiencies in implementation of the government's responses to Covid-19. The government pledged to release IDR451 trillion, including for social protection and basic needs, however due to corruption many people have not been benefited yet.

Some government services, such as the pre-employment card programme, are online so many dismissed and furloughed workers who have no internet literacy cannot access them.



“I could not sleep, was restless every day. I usually receive a salary every month that I use to rent a small room every month, buy rice and side dishes, for my children and also my mother who lives with me. I am more worried about the uncertain tomorrow. I don't know how I get money because I and my family need life. It feels like life is too cruel right now. Anybody can help me?”

Mother, Indonesia

Nigeria



Country features

Middle-income country	Population 205 million	GDP USD 410 billion	Total labour force is 60 million (45% women)	Employment to population ratio is 48.6%	The share of informal employment is estimated at 70%
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Key data

Lack of income

Poverty remains widespread. The poverty rate in over half Nigeria's 36 states is above the national average of 69 percent. High poverty reflects rising unemployment, estimated at 23.1 percent in 2018, up from 14.2 percent in 2016. Low skills limit opportunities for employment in the formal economy. 23 percent of people are without income (26.6 percent for women). 31 percent of youth are not in employment, education or training.

Health care provision

0.38 doctors per 1,000 people. Serious lack of facilities and equipment especially in rural areas. Promised government reforms have not been delivered at state and local levels. Life expectancy is 55 years for men and 56 for women, and the probability of dying under five years old is 120 per 1000 live births. National health insurance coverage is around 5 percent and just 3 percent of health expenditure is covered by the national scheme.

Global supply chain sectors

Hydrocarbons and raw agricultural products. Remittances approximately USD 25 billion per year.

Workplace closure

In early May, the government relaxed restrictions in Abuja, Ogun and Lagos states, after more than four weeks of lockdowns.

Mechanisms for union engagement on: Social Protection Systems, Income distribution and Food delivery systems

Organised labour has not been adequately engaged by government. The Nigeria Labour Congress has made tremendous efforts to get government to engage both workers' and employers' organisations especially with regards to post lockdown economic response to the impact of Covid-19 on jobs and income.

Greatest area of concern

The greatest area of concern for workers includes the risks of infection, loss of productive hours, loss of income especially for informal sector workers, loss of jobs, hunger and destitution.



“It is better they kill me! What do you want me to do? Do you want me to steal?”

I have a wife and children. I am looking for money to feed them. You told us to stay indoors but you did not provide us with money or food.”

The masses don't fear corona virus as much as we fear hunger. Hunger virus is stronger than Corona virus.”

Taxi driver, Nigeria

<https://www.newsbreak.ng/video-taxi-driver-arrested-for-defying-covid-19-lockdown-strips-naked/>

<https://www.premiumtimesng.com/news/more-news/387685-lockdown-in-viral-video-abuja-driver-complains-of-hunger-strips-to-resist-arrest.html>

Serbia



Country features

Upper-middle income economy	Population 7,187,000	GDP USD 50,597 billion in 2019	Total Employment 2,193,000	Informal employment 18.2%
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Key data

Lack of income

'Risk of Poverty' rate is 24.3 percent (24.6 percent for men, 24.0 percent for women). Social welfare beneficiaries 754,000.

Health care provision

National Health Insurance Fund covers all citizens and permanent residents. All employees, self-employed persons, and pensioners must pay contributions to it. 2.9 doctors per 1,000 people.

Global supply chain sectors

Main exports in USD:
 Manufacture of motor vehicles and trailers – USD183.6m (12.3 percent share)
 Food – USD 146.3m (9.8 percent share)
 Rubber and plastic products – USD 143.3m (9.6 percent share)
 Metal – USD 137.6m (9.2 percent share)
 Electrical equipment – USD 30.5 mil. USD (8.7 percent share).
 Remittance inflow is 8.1 percent of GDP.

Workplace closure

12 percent of workers in Serbia have lost their jobs since the beginning of the pandemic, due to temporary closure (46 percent of companies), decreased workload (37 percent of companies), "cost cutting" (15 percent of workers) and permanent closure (3 percent of companies).

Mechanisms for union engagement on: Social Protection Systems, Income distribution and Food delivery systems

The only formal but not direct mechanism for engaging trade unions is through the Socio-Economic Councils at various levels. Trade unions are engaged in food distribution.

Greatest area of concern

Potential permanent closure of companies leading to job loss and infection of workers and their families due to inadequate protection.



“We’re fine - patient care is more effective with protective equipment!”

**Workers at Clinic for Infectious Diseases, Republic of Serbia.
TUC NEZAVISNOST**

Somalia



Country features

Least developed country	Population 15.44 million	GDP USD 7.7 billion	Total labour force is 3,846,888 (21% women)	Employment to population ratio is 40%	The share of informal employment is estimated at 90%
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Key data

Lack of income

Poverty incidence is 69.4 percent (72 percent in male-headed households and 66 percent in female-headed), and annual per capita income around USD 400. Youth constitute 70 percent of total population, with 67 percent of them unemployed. School enrolment is 30 percent (18 percent in rural areas).

Health care provision

Health indicators are among the lowest in the world. Measles immunisation rate is 46 percent. Two-thirds of people lack safe water, 11 percent of children die before their first birthday and the maternal mortality ratio is 850 deaths per 100 000 live births. 0.02 doctors per 1,00 people. 1.1 million displaced people live in unsanitary conditions.

Global supply chain sectors

Somalia's economy primarily depends on agriculture (for local consumption), livestock (for local consumption and exports), fisheries, and services sector (IT, financial sector). Remittances contribute 29 percent of GDP.

Workplace closure

Closure of land and air links severely affected transport, hospitality, cultural and other sectors, including informal workers. Education institutions closed and falling remittances from abroad have affected households and small businesses.

Mechanisms for union engagement on: Social Protection Systems, Income distribution and Food delivery systems

A social dialogue platform with Government and Employers was established in 2019 (Somali National Tripartite Consultative Committee – SNTCC). Apart from this platform, Trade Unions participate in national dialogues and policy discussions around issues related to social protection, income distribution and other important areas. Somalia has yet to develop any publicly-funded social protection system – primarily due to lack of fiscal space. Anticipated debt relief from international lenders may help to free up funding for the social sector.

In Mogadishu itself, the restrictions are affecting hundreds of construction workers, taxi operators, shop keepers, restaurant waiters and others who provide services. Overall, the most severely affected are the poor and vulnerable and day-labourers who engage in odd jobs for daily wages.

The huge informal workforce has no social protection while private sector employees urgently need compensation for lost income. The trade union centre FESTU is calling for an urgent and detailed study on the number of workers to be affected by Covid-19, the number of expected job-disruptions and levels of income lost. It is also calling for development of a coping mechanism for workers during lockdown and post-Covid-19 situations and analysis of vulnerable enterprises and means to support them.

Greatest area of concern

The greatest area of concern for workers in Somalia is the health challenge.

The first case of Covid-19 was reported on March 16. The government suspended all international flights and restricted entry for all travellers from worst-hit countries through to March 30. Public gatherings are banned and a night curfew was imposed on 15 April. The government has dedicated \$5 million to cushion against further transmission. Somalia expects to benefit from the World Bank Group's increased \$14 billion package of fast-track financing to assist companies and countries in their efforts to prevent, detect and respond to the rapid spread of Covid-19.



“People are no longer coming to our kiosk to buy tea or coffee since Coronavirus started. I am the breadwinner for my family of 9 (father, mother and 7 siblings), feeding them from what I earn after selling tea or coffee. Nonetheless I cook the tea every morning but no one comes to my kiosk. Yesterday I did not earn even one shilling, and went home empty handed.”

Jamila Hussein, Somalia

Ukraine



Country features

Lower-middle income country	Population 42 million	GDP USD 145 billion	Total labour force is 59.4% (51.4% women)	Employment to population ratio is 47.9%	The share of informal employment is estimated at 25%
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Key data

Lack of income

2.4 percent of population live below the income poverty line.

Health care provision

As of 02 April 2020, 1,543 healthcare facilities concluded agreements with the National Health Service of Ukraine for a total of 45,5bn Ukrainian Hryvna. 758 healthcare facilities failed to meet quality requirements. 270,700 hospital beds - 64.5 per 10,000 people. 3,7 doctors and 7.5 nurses per 1,000 people. Radical budget cuts expected to weaken health sector in 2020.

Global supply chain sectors

Real export growth is up by 5.6 percent and imports by 7.8 percent year on year in the same period. This has led to a widening trade deficit, but the current account remains stable, helped by substantial increases in services and primary income surpluses. Main sectors in which supply chains are involved are metallurgy, agriculture, chemical industry, machine-building, food industry, IT and services. Remittance inflow in 2019 was 10.5 percent of total GDP.

Workplace closure

The government of Ukraine extended certain quarantine measures until May 22 to reduce the spread of Covid-19. The government has imposed home-isolation measures affecting many people, including all persons over 60 (except for those involved in preventing the spread of Covid-19 and in critical infrastructure roles), as well as persons sick with Covid-19 or suspected of being infected with Covid-19. Subways in Kyiv, Dnipro and Kharkiv were closed. All other city transport, including buses and trams, may carry no more than 10 passengers at one time. City transport in Kyiv was limited to essential personnel with passes only.

Mechanisms for union engagement on: Social Protection Systems, Income distribution and Food delivery systems

Trade unions participate in the boards of the social insurance funds which are composed on the parity basis by three parties, state, trade unions and employers. However, the government already prepared some draft laws to weaken the engagement of trade unions and employers in the management of social insurance funds, by proposing to give the absolute majority of seats in the boards to the state representatives

All domestic passenger rail transport was suspended and intercity bus travel banned.

Drivers and passengers in vehicles entering Kyiv required to have their temperatures taken, and if symptomatic, the person is to be tested for coronavirus disease and sent to self-isolation.

Participation in income distribution at national level – consultations during budget process, minimum wage setting; at local level – local budgets; at enterprise level - limited to collective agreements. Recently the Parliament has supported trade union proposals to limit salaries of top civil servants and public sector managers to 10 times the minimum wage for the period of quarantine.

A gradual easing of restrictions began in mid-May.

Other types of social services are developed by individual trade unions, with a number of successful cases.

Greatest area of concern

During the quarantine the following groups of workers can find themselves without income:

- workers forced to take unpaid leave
- dismissed workers;
- informal economy workers;
- physical persons - private entrepreneurs who had to suspend their activities.

Officially employed workers however will not remain without income as they will be supported by the government.



“We are small company. Because of the quarantine the production was stopped completely. However, the government allowed to produce medical equipment, so we resumed the production of rehabilitation chairs, and now 12 workers, it’s 70% of our normal staff, are going to work regularly, of cause taking all safety measures and respecting social distancing.”

Mykola Strokous, Ukraine