



RESEARCH, NETWORK
AND SUPPORT FACILITY



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TOPIC OF THE MONTH**Social protection, a fundamental right denied to workers of the informal economy**

By Jacques Charmes, RNSF Research Expert

Just like work, social protection is – or should be – a basic right, at least for its two most important dimensions: health/work injury/maternity benefits and old age pensions. If work is a basic right, social health insurance, and work injuries risk protection should be an entitlement for workers in order not to be deprived of their income when they face these risks. The same applies when old age comes with the inability to work and earn a living. Such an entitlement to a basic income should allow decent living conditions.

A variety of social protection systems

In many countries, social security is based on contributions - proportionate to the salary - paid by the employer and the employee. In some countries, this system has been extended to the self-employed, the farmers and even the domestic workers. In others, social security is based on Health Funds or Pensions Funds from taxes (universal) or individual private contributions (volunteering for an insurance contribution). But no matter the system, the workers who depend on the informal economy are generally not included. They remain dependent on the goodwill of social assistance programs. Such programs are often subject to implementation of political favouritism towards certain population groups. The contribution to social security is a criterion for defining the scope of formal employment since 2003 when the ILO adopted the definition of informal employment.

***The options for those who do not benefit from official social protection systems***

Reasons why some workers fall outside the system:

- Their employers do not want to declare them in order to minimise labour costs;
- Workers do not want to be declared in order to instead receive higher cash wages;
- If they are self-employed, they prefer immediate money to future insurance benefits;
- They are unregistered, not paying taxes or not voluntarily insuring themselves against these risks.

In other words, for all people dependent on the informal economy, the options are:

- Relying on their family or community when they are not able to work and earn a living anymore. Such forms of solidarity have played a major role in the past but they are less and less able to cope with the new needs in a globalised world.





- Relying on their savings, if any (in cash or in kind: e.g. cattle, land) but these are often limited.
- Relying on public social assistance programmes. These may include direct (conditional) cash transfers or employment schemes with high labour intensity that generate employment during slack seasons and droughts (such as the schemes mentioned by Action Aid in India, in this newsletter issue).

There are many ways and means to cope with social insecurity among the poor. Some of the good practices identified from an RNSF analysis of 33 previous EC projects or other non-EC projects dealing with the enhancement of livelihoods for populations depending on the informal economy can be highlighted:

- One of the major obstacles encountered is that the poor are generally reluctant – or rather they are not really ready or eager- to go spontaneously to city centres to register and pay contributions or premiums to the institutions in charge of the various kinds of social protection. Another approach is recommended and should be implemented. The institutions in charge should go and meet with the target populations to convince and incentivise them, to understand their needs, their claims and facilitate their registration. In Northern Ghana, an EC-funded project supported the local administrations and institutions to do just that. They directly supported the women's income-generating community groups to pay the contributions in several instalments through local micro-credit/micro-insurance initiatives (see the RNSF report to be released soon on IESF).
- With respect to informal employees, the action must concentrate on outreach and incentivise employers to formalise by registering their employees in social security schemes. A good practice for governments can also be to implement a special taxation regime for informal economy operators. In Argentina, the Monotax system consists of a unique tax for such enterprises, simultaneously complying with tax and social security legislation.



IMPACT INSURANCE

Suggestion from Mei Zegers, RNSF Team Leader.

Please note this very interesting website with the latest information about Micro Insurance:

<http://www.impactinsurance.org/>

As the website states: "Micro-insurance is a mechanism to protect low-income households against risks, such as illness, death in the family, or crop failure. The costs and benefits of this kind of insurance are specifically adapted to suit the needs and incomes of low-income households. Micro-insurance is particularly important for those in the informal economy who tend to be underserved by mainstream commercial and social insurance schemes. It helps low-income people avoiding difficult, often devastating risk coping measures such as putting children to work, eating less food, or selling productive assets.

Evidence has shown that low-income workers invest more in their livelihoods, and get higher returns, if they are protected by insurance. Insurance often also provides important tangible benefits, such as a hot line for medical advice or health camps that provide vaccinations."

Aside from visiting the Impact insurance website for updated useful information, you can also subscribe to the newsletter from Impact Insurance here: <http://www.munichre-foundation-newsletter.org/microinsurance.html>

**THIS MONTH ON:****Welcome to experts joining the IESF platform**

Jindra Cekan is a specialist on project sustainability, food security/ livelihoods and knowledge management.

Anoop Satpathy is a specialist on formalizing the informal economy and labour issues. He is also a specialist on decent work/labour conditions, monitoring and evaluation.

Charles Dhewa from Zimbabwe is the Executive Director of Knowledge Transfer Africa.

Joy Stephens has 30 years of experience in grass-roots projects in Nepal and Tanzania covering sustainable community development and women's empowerment, including income generation/micro-finance and adult literacy.

Eric Huby is an international expert in the field of education and vocational training.

Gilbert Sendugwa is a specialist in advocacy and he is currently the head of the secretariat of the Africa Freedom of Information Centre.

IESF GOES PUBLIC

IESF Group on Capacity4Dev is finally going to change its status from private to public. This will enable the RNSF to improve the visibility of IESF and to increase interactions with other experts and organizations operating in the field of the informal economy as well as with other websites and platforms. Please, note that the Two- Way Groups consisting of the RNSF Team and Partner Agencies will remain **private**.



We are following the stories of people whom the Implementing Partners are supporting in our Newsletter. Here we introduce you to two new beneficiaries, Rafael from Colombia and Abdou from Senegal. In the last newsletter we introduced Rosa from Bolivia and Rose from Rwanda. We will follow how their stories unfold, as well as those of others, in future newsletters.

STORIES FROM THE FIELD: RAFAEL

Access to employment and Entrepreneurship in Urabá

By Department of Antioquia - Staff

ANTIOQUIA, COLOMBIA. Today, Rafael Vitar is a shoemaker, but it has not always been his job. When he was very young he learned how to be a welder working in a small village for fifteen years but was then unemployed. For almost ten years he searched for a job. He had to move to Turbo and then travel around the country. In Nueva Colonia, a small town on the Atlantic coast near the border with Panama, he realized that there was no shoemaker in town. So he learned how to repair shoes, both women's and men's shoes. He soon started to sell shoes, building a business out of nothing. Without any education, far from home and his family, Rafael became an active member of the local community and decided to improve his skills. For this reason, he took part in the project "*Generacion de capacidades para acceder al empleo y al Emprendimiento en Urabá*" promoted by the

Department of Antioquia. Rafael has attended courses, meetings and training activities, with the aim of consolidating his business and creating new jobs. Today Rafael has expanded his activities and sells sandals both in Nueva Colonia and in nearby Rio Sucio, Chocó. ■



GOBERNACIÓN DE ANTIOQUIA

THE DEPARTMENT OF ANTIOQUIA is one of the 32 departments of Colombia, located in the central Northwestern part of Colombia with a narrow section that borders the Caribbean Sea. Most of its territory is mountainous with some valleys, much of which is part of the Andes mountain range. The department has a population of 6.6 million. Medellín is Antioquia's capital city, and the second largest city in the country.



Rafael attending training class in Antioquia



STORIES FROM THE FIELD: ABDOU**Integrated services in the rural sector for social inclusion**

By Lionel Croes

MBOUR, SENEGAL. Abdou Konaté cultivates and sells Hibiscus (*Hibiscus sabdariffa*) in the department of Mbour. Thanks to his income, he was able to start raising sheep, turkeys, chickens and build a henhouse. At the age of 43, Abdou Konaté has succeeded in making a living from farming. By becoming a member of the COOPAM (Agricultural Cooperative Malicounda) he has been able to cultivate the land of his ancestors by planting hibiscus. The dried red flowers of *Hibiscus sabdariffa*, locally called *bissap*, are made into a locally popular and wonderful drink and can be also used for other purposes. His crops allowed him to expand his production area and create a building to raise sheep, turkeys, chickens and ducks. Abdou is among the beneficiaries of the OSIRIS project (*Offre de Services Intégrés en milieu Rural pour l' Inclusion Sociale*), that is aimed at strengthening the rural actions of the *Réseau des Organisations Paysannes et Pastorales du Sénégal* (RESOPP). RESOPP is a Union of Cooperatives gathering to date about 33,000 members in five regions of Senegal. The OSIRIS project team met him to explain the new OSIRIS project and services available.

*Abdou Konaté at the farm***What does it mean for you to be a farmer?**

For me, the farmer is a person who does multiple activities in his job (breeding, cultivation, marketing) and lives in the countryside. Like many others, I was born into a family of farmers, which is why I continued their activity. You need some experience to be a farmer, you need to know the basics, how to do it and, above all, how to do it well. It's a job like any other.

What is the role of your family in agriculture?

The whole family participates. It is the first choice of the family, for both younger and older members, they help me in cultivating and they learn a lot. I leave the children free to choose their future. However, many young people in Senegal have degrees in their pockets but do not find a job. Agriculture is perhaps the only remedy but many of them do not work in this field.



Why did you choose to grow bissap (Hibiscus sabdariffa)?

By putting the result first. I noticed there was a lot of speculation about the growing of hibiscus and it was requested in the market in Dakar, that's why I looked at this product. So today I have things I did not have yesterday... There has been an evolution from the past. If I make a comparison between my parents, who grew millet for 3 months then had a consumption of 9 months, and me that was only able to produce sufficiently for only 4 months of consumption. This is due to soil depletion and the dilapidated farm equipment. Hence the choice of cultivating hibiscus which has a better return.

Do you think farming is a profession of the future?

Yes, definitely. The young who choose to be farmers and develop their skills will be fine. It's all about choice. It can be the job of the future if our leaders give us the means, support us and accompany us. Plus, those who choose agriculture as a profession should be organized as RESOPP, for example, which supports its members.

How do you evaluate your project?

Before founding the cooperative, I had a little work that kept evolving progressively. Since the project started, I volunteered and I am ready to join the various services of the OSIRIS project. Today we have better living



conditions thanks to the Cooperative. Before, farmers had to leave town to seek services. But now, thanks to the proximity of the cooperative, everything has become easier. We have access to inputs and credit. In the past, I used to cultivate five hectares of Bissap, today I exceed the 10 hectares. ■



AIDE AU DÉVELOPPEMENT GEMBOUX was founded in 1985 by the Department of Agronomy of the University of Gembloux, a Walloon city located in the Belgian province of Namur. The NGO was officially recognized by the Belgian Development Cooperation in order to support family farming, promotion of agro-ecology, responsible consumer habits and healthy diets in the Horn of Africa and the rest of the world.



NEWS FROM THE PROJECTS

In this section you can find updates from some of the project supported by RNSF. Summaries by Mei Zegers

Rwanda : AJPRODHO JIJUKIRWA

The first year of the Youth Employability in the Informal Sector Project ended on the 31st of January 2016. The main task of the project for the first year was Voluntary Saving and Loan Associations (VSLA) formation, technical assistance and supervision to VSLA groups formed. The target value for VSLA was 320 VSLAs consisting of 8000 VLSA members. The processes of Voluntary Saving and Loan Associations (VSLA) formation, which started in May, was finalized with 323 VSLA groups formed out of 320 VSLA groups planned (101%).



Local people attending a meeting organized by Ajprodho Jijukirwa

Bolivia: FAUTAPO

The FAUTAPO team held an inception workshop with the two municipalities that helped to ensure their full ownership of the project. There has been a very large interest from community members to attend the training that is organized through the project. Application of clear criteria has ensured that those who are likely to benefit most could be selected for training. Training focuses on the specific needs of participants. Neither municipality had any social protection programs in place and the project is working with them to develop a special accident insurance program.



Volunteers at work in Somalia

Somalia: WORLD VISION

The project team had a major worry about whether their business training course would be appropriate to Somalia but fortunately this has proved to be no problem so far. WV Australia developed the course in stable countries and the project team was not sure how it would work in a fragile country like Somalia. The team now says "It turns out that, so far, the participants are very enthusiastic and really like it. We are very happy with this component."



Kenya: OXFAM GB

The project team completed various studies including an interesting [gender and power analysis](#) of project communities which is shared on the IESF. Mobilization of the target groups of domestic workers and small scale traders has included capacity building on group formation and leadership. The project team contributed to the content and passage of the Nairobi Public Participation Bill to ensure that it would resonate with women who are dependent on the informal economy. Advocacy and leadership training with government is being initiated.



The project is promoted by Oxfam with SITE Enterprise Promotion and National Organization of Peer Educators (NOPE) since December 2014.

Côte d'Ivoire: AVSI - Senegal: AGR

Among other activities, AVSI has launched a social protection programme for artisans through micro-insurance to cover their health costs. Health expenditures are a major challenge for many people dependent on the informal economy. Likewise, AGR has a health insurance component that is managed by local Senegalese NGO GRAIM.



Oxfam Italia at work in Haiti

Haiti: OXFAM Italia

Several contextual challenges have affected the project and its community members. This included issues surrounding the mobility of cross border traders with the Dominican Republic. Elections and transport workers strikes have also had an impact. Nevertheless, the project is making progress including the completion of studies on the border situation, household analysis, mapping of the key actors and social protection situation. These studies are key to good project implementation in line with reality. ■



REPORTING: ACTION AID INDIA**Towards Universalization of Social Security in India**

By Chandan Kumar and Sushant Agrawal

Economists such as Amartya Sen and Jean Dreze distinguish two aspects of social security: 1) protection and 2) promotion. The former denotes protection against a fall in living standards and living conditions through ill, health or accidents. The latter focuses on enhanced living conditions, helping everyone overcome persistent deprivation. It is widely recognized that social security constitutes a basic human right and is consequently enshrined in major international human rights instruments.

The International Labour Organization (ILO) estimates that at the beginning of the twenty-first century, access to any form of social protection remains a dream for 80% of the world's population.

India is faced with the challenge of extending social security benefits to an even larger proportion of the population: the excluded 92% of its workforce. This percentage corresponds to 394.9 million of 457.5 million workers, according to the National Sample Survey Office (NSSO 2004-05). This group consists largely of people employed in the informal economy. Why are so many in India denied the benefit of social security and what could be our strategy for Social Protection for all?



In the Constitution of India, Article 41 of Directive Principles asks the state –within the limits of its economic capacity and development—to make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want. Article 42 says the state shall make provisions for securing just and humane conditions of work and for maternity benefits.

The Supreme Court of India in the case of Olga Tellis vs Bombay Municipal Co-operation has ruled that the right to livelihood is inherent in the right to life and therefore social security must be considered as a fundamental right. It is pertinent to mention here that the Second



Labour Commission 2002, constituted under National Democratic Alliance-I, has also recommended that social security must be considered as a fundamental right. The working group on Labour policy for the Ninth Five Year Plan has further repeatedly expressed concern for social security coverage for all.

Despite being a founding member of the ILO, India is yet to ratify social security conventions of the ILO, e.g. the Social Security (Minimum Standards) Convention, 1952 (No. 102), which is regarded as the main instrument to realize the right to social security for workers. The Convention talks about nine classes of benefit: medical care and benefits for sickness, employment, old age, employment injury, family, maternity, invalidity and survivors.

Indian formal industrial workers have fought and won some measures of social security. Some of these entitlements have been officially enshrined in the Constitution and legal frameworks. Over the last many decades state policy has, however, systematically deprived the large majority of the population who are informal workers. They do not have access to the many needed benefits and need to organize and struggle to obtain their rights.

There are enormous challenges to ensuring the social security of informal economy workers. While the state claims to have a universal and integrative vision, there is yet little evidence of progress for informal economy workers.

So far attempts to institute social security have been highly diversified both, at the central and state level and there is an absence of comprehensive programmes and schemes. There is no central authority on social security, which should have been put in place with defined objectives, responsibilities and jurisdictions.

The Indian government has provided small amounts of charity to informal workers through a large number of disparate and not well organized schemes and programmes. These schemes and programmes are purported to generate employment during slack seasons and droughts, and improve access of the poor to land and other productive assets.



Regional manager of Action Aid India speaking during a local conference





Work in the field in Tamil Nadu

These schemes are arbitrarily assigned to various ministries; they are in place for a short duration with inadequate funding and are non-statutory in their nature. The schemes are changed frequently, presumably based on bureaucratic imperatives or political exigencies, leaving the beneficiaries confused. Worse, the schemes have restricted coverage, applicable only to select group of beneficiaries.

The major concern is the failure to have successfully negotiated with political groups to frame/institutionalize a national policy for resource mobilization for a social security fund. However, we see that there is a huge unused fund that remains with different government departments such as interest generated through Pension Funds and Life Insurance, and different kinds of taxes collected from workers, to mention a few. These resources are meant to support the social security of workers but have always been allocated for other purposes with little benefit to people dependent on the informal economy.

The NDA II government has not yet indicated any support for the idea of legally guaranteed social protection for all workers. Government is proposing to issue a smart card, the Unorganized Sector Identification Number (U-WIN), to every worker in the unorganized sector with a unique identification number for accessing social schemes. What these benefits will be, their legal guarantee, in what manner it will be universal, and other aspects are all still up in the air.

ActionAid India is active to support progress to ensure that people dependent on the informal economy can access social protection. ActionAid India has just finished a research on labour law reform and the impact on the informal economy. To attain its goals, ActionAid India works with a range of academic and labour experts to improve the enabling environment, including a massive focus on social protection. The agency wants to increase advocacy and push the debate into a stronger social protection campaign mode.



The ActionAid India staff concludes that, "We want to collaborate with the government, create a social movement and include research institutes to push this forward. We feel that we need to really work on increasing international leveraging for what we are doing. This can be done in many ways, including with the 17 RNSF project Implementing Partners. We should push the concepts on social protection and social inclusion forward as a group. States should understand that this is a time for action. Social protection will not be achieved unless workers can actually be covered with social protection and have decent work." ■

act:onaid

End poverty. Together.

ActionAid India is an anti-poverty agency, working in India since 1972 with the poor people to end poverty and injustice together. Together with the people, Action Aid claims legal, constitutional and moral rights to food and livelihood, shelter, education, healthcare, dignity and a voice in decisions that affect their lives. Action Aid is an agency that is rooted with communities and social formations, learning from people's actions and building on alternatives. It promotes a critical yet constructive engagement with the state to advance and promote peoples' action for claiming rights.

In the last newsletter we had AVSI in the spotlight. This time it is ActionAid India. Who wants to collaborate with us for the next newsletters? Please let us know!

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