

A case study

“The challenge of providing unemployment insurance and non-contributory income protection in Coresia”



“Unemployment insurance can provide income security during temporary unemployment resulting from crisis.”

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Facts about Coresia

The country and its people

Coresia is a country located at the south-eastern tip of the mainland of Asia with a land area of 730,240 square kilometres. The last Census of 2011 recorded the population as 64,082,421. Native Coresian and English are the languages spoken here. 51 per cent of the total population is female. Coresian society is an ageing one, with 25 per cent of its population projected to be in the 65+ age group by 2040. Most of the people in Coresia live in rural areas, a number estimated at 65.6 per cent of the population.

The rural areas cover large parts of northern Coresia, along with remote forests and mountains, which are home to many native and tribal communities. Life can be hard and money difficult to come by, especially during hot and dry monsoon seasons. Many younger people prefer to migrate to the cities and the Janto industrial belt in the south, and some even to other countries, in hopes of steady incomes and better lifestyles. The capital city, Anpor is a mix of modern offices and residential complexes together with shanty towns and local markets, reflecting the rapid economic development experienced by Coresia over the past two decades.

Economy and growth

The national currency is the Coresian Dine or COD (1 US\$ = 31 COD). Coresia had a per capita GDP of US\$ 5,622 in 2012. It has experienced moderate GDP growth over the last three years. With a growth rate of 5.8 per cent in 2012, it contrasts with the decennia preceding the 1997 financial crisis when GDP growth averaged at 7.4 per cent, mainly due to foreign direct investment (FDI). Over the next few years, the economy is expected to have to cope with external challenges, such as uncertainty over the debt crisis in major economies worldwide, and other challenges like the need to upgrade skills to move towards a less labour-intensive economy.

In 2012, the Government of Coresia set the national poverty line as COD 1,795. It was estimated that due to massive lays-off and rising commodity prices in the aftermath of the 1997 Asian financial crisis, about 20 per cent of the Coresian population fell below the poverty line. After the worst effects of the crisis had worn off, the economy started recovering and the national poverty rate dropped from 32.7 per cent in 1998 to 16.3 per cent in 2003. It presently stands at 12.8 per cent.

Even though economic growth in the last decade lifted a substantial portion of the population out of poverty, income growth has not been equitable. The rich sections

of the population experienced a larger income growth than the poor sections of people. A large number of people still live on the brink of poverty and run the risk of falling below the poverty line with the slightest economic or financial shock.

Labour market

The legal age to start working in Coresia is 15 years. The labour force of the country comprises 37.3 million people, of which 46 per cent is female. Of the total economically active population, 62.3 per cent works in the informal sector and still has limited access to social protection and employment support provisions. Over the last eight years, labour productivity increased at an average annual growth rate of 2.8 per cent. This trend suggests that economic growth and productivity increase are mainly driven by a shift of the labour force from relatively low-productive and labour-intensive agricultural jobs to valued-added, technology-intensive and capital-intensive industrial and services sector jobs. This restructuring is expected to result in higher wages, better livelihoods and a larger national tax base. In 2012, the unemployment rate stood at 4.7 per cent, but time-related underemployment was estimated at 6.8 per cent, especially among the rural youth.

The major economic sectors in the country are agriculture, forestry, fisheries, mining, construction, textile manufacturing, transport, communications and tourism. The primary sector of agriculture, forestry and fisheries employs almost two-thirds of the total population, while its share in national GDP is less than one-third. Construction, textile manufacturing and tourism are the fastest growing economic sectors, which also hire a substantial number of the female working population.

Policies, Legal Framework & Institutions

Legislation

The Constitution defines “the right to work” and “the right to social security” as basic rights of the citizens and provides that it is the responsibility of the government to ensure decent and equal work for all. Article 18E, Section 1 states that “Every individual residing in the country has the right to work and earn in order to live as a dignified human being” and Article 20C states, “Every individual residing in the country has the right to social security and is entitled to realisation of their economic, social and cultural rights, indispensable for their dignity and the free development of their personality”. Article 23B, Section 3 states that “The State shall, within the limits of fiscal capacity, make effective provisions for securing the

right to work and to social security in case of unemployment, vulnerability to economic and social risks, inability to work caused due to sickness, disability, old age and other instances”.

In May 2013, a major step was taken through the enactment of the “Law on minimum wages (No. 684)” which stipulates the minimum wage rate as COD 300 per day or COD 6,000 per month across Coresia.

Employment promotion and social protection policies

In 2010, the Government of Coresia adopted a Resolution for the implementation of various social protection and poverty reduction programmes for its people. These may be grouped into four broad categories:

1. Proposed contributory unemployment insurance system in Coresia; the decision to implement the system is dependent on a consensus among social partners and a final decision by the government;
2. Programmes that involve income support combined with vocational training and employment support services, conditioned to active search of work; these programmes target mostly, but not exclusively, vulnerable sections of the population, rural people, the youth and the long-term unemployed;
3. Public works programmes that hire workers from rural households, mostly for infrastructure building and conservation activities in the resident localities; the resultant work benefits the whole community; and
4. Schemes that aim to provide financial support and counselling for job creation and enterprise development; they promote entrepreneurship and long-term income sustainability.

Institutions involved

Many line ministries and their dedicated departments operate a range of income support, social security and employment support programmes in Coresia. One of the main ministries involved in the administration of social protection and employment support schemes is the Ministry of Human Resources and Skills Development Coresia (MOHRSD). Departments within MOHRSD provide:

- social insurance for employment injury and disability, sickness, maternity and health; and
- employment activities such as employment service centres, job matching portals, grants to employers for providing formalised training, promoting and coordinating vocational and skill training programmes.

The Ministry of Women and Social Welfare (MWSW) is another institution that focuses on gender equality, family and community development, and provides assistance to the disabled and needy. A third institution with significant activities in this area is the Ministry of Private Sector Involvement (MOPSI) which administers a compulsory savings scheme for private sector employees. Its primary aim is to provide a measure of security to its members during old age.

The Ministry of Rural Development (MORD) is responsible for the socio-economic development and welfare activities in rural Coresia. It operates the public employment programme known as "Rural Engagement and Development of Infrastructure (READI)." (See Exhibit 1)

In Coresia, all people have a National ID card and a 14 digit identity number. The information is collected by a network of local administrative bodies and NGOs and updated in a common database. The database contains personal details, data on each individual's occupation, vulnerability level (poor, near poor, middle income and high income) and registration with social protection and employment support schemes. On the basis of the ID card and the database, prospective beneficiaries are identified and enrolled in schemes. The Ministry of Interior (MOI) is responsible for issuance of the card, beneficiary registration and verification. (See Exhibit 2)

A Vision for the Country

The government strongly believes that employment promotion, social and health protection are key components in order to achieve inclusive economic development and sustainable growth in the country. The latest programmes initiated by the government aim to create a skilled, productive and healthy workforce, protected from poverty traps in case of crisis. Coresia endeavours to extend employment protection to all. After the financial crisis hit the region, the Government signed a Jobs Pact for sustainable economic development and creation of jobs, thereby showing its commitment to fostering steady long-term economic growth. However, despite the steps taken so far, many Coresians are still vulnerable to economic shocks and social risks.

The country is considering the adoption of a Social Protection Floor (SPF) which envisages a basic, nationally-defined set of social security guarantees for the population of a country and is an effort to provide protection to the people, especially the poor and the vulnerable. One of the guarantees of the SPF is to provide income security to all people in the working age group. At its 101st session (2012), the International Labour Conference adopted the *Recommendation*

concerning National Floors of Social Protection, 2012 (No. 202) (Social Protection Floors Recommendation¹) which reaffirms the role of social security as a human right and as a social and economic necessity, and provides guidance to Member States to build nationally-defined Social Protection Floors within progressively comprehensive social security systems.

Coresia's National Ten-Year Plan

In Coresia, the ruling government devised a National Ten-Year Plan (NTYP, 2010-19) with the following economic and social objectives:

- To guarantee good quality healthcare to all at affordable prices;
- To promote sustainable and equitable growth through the creation of decent work opportunities;
- To ensure income security and an enabling environment for enhancing capabilities and employability for all people;
- To alleviate poverty by developing skills and equipping people to participate in the job market;
- To provide a minimum level of income through cash or in-kind transfers to people in need, such as the elderly, expecting mothers and those unable to work due to sickness and disabilities;
- To provide basic primary and secondary education (up to 15 years of age) to all children; and
- To ensure basic nutrition for all children, through cash or in-kind transfers.

Existing provisions for protection against unemployment

Existing protection for termination of employment

The Labour Protection Act (LPA) passed in 1985, is the most important Act in Coresian labour law and covers many important provisions, including those dealing with payments upon termination of employment (Article 118). Under LPA Article 118, the allowance for termination of employment (or severance payment) will not be paid to employees who terminate their employment according to their fixed-term contract, those who quit voluntarily or reach retirement age. Also, according to LPA Article 119, severance payments shall not be paid by the employer if the dismissal was due to serious misconduct by the employee.

¹ www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_183326.pdf

If an employee meets the conditions for severance payments, the amount of severance pay depends on the length of service according to the following schedule:

<i>Length of service</i>	<i>Severance pay</i>
Over 120 days but less than 1 year:	30 days' wages
Over 1 year but less than 3 years:	90 days' wages
Over 3 years but less than 6 years:	180 days' wages
Over 6 years but less than 10 years:	240 days' wages
Over 20 years:	300 days' wages

In practice, trade unions report that compliance with these provisions is low. Moreover, if an employer declares bankruptcy, chances of employees receiving their severance payments are low. In some cases, more generous conditions are provided by employers, agreed on an individual or collective basis. These rules apply to all workers covered by the *Coresia Labour Protection Act 1985*, i.e. all private sector employees. The key determinant for coverage is the existence of a contract of service, either oral or in writing, express or implied, based on a daily, part-time or other work arrangement.

Finally, the Labour Protection Act also aims to protect workers against hazardous and difficult working conditions. Although no official statistics are available, trade unions report that an increasing number of workers are forced to leave their jobs because of moral pressure and stress and lack of consideration by their employers when hazardous working conditions are notified.

Employees not entitled to termination benefits are those under a contract of service for less than a year; those who have resigned from employment voluntarily; those who attain the age of retirement; have been terminated on grounds of misconduct; whose contract of service is renewed or re-engaged by the same employer under a new contract of service, on terms and conditions not less favourable, and where the renewal takes effect immediately when the previous employment contract has ended. Domestic workers and apprentices are also excluded, but foreign workers are covered, even if mostly by fixed-term contracts. The Regulations provide that benefits must be paid within 7 days of termination.

Existing non-contributory social protection programmes

1. Minimum Income Guarantee of Coresia

In 1988, backed by a legal provision, the Ministry of Women and Social Welfare implemented the Minimum Income Guarantee of Coresia (MIGC) Act, 1982. The

MIGC programme is the cornerstone of the social security system in Coresia. It is a non-contributory social benefit provided to persons of working age, without any income.

The Coresian recipient of MIGC must fulfil the following conditions:

- Should be older than 25 or have children;
- Must commit to finding work within 3 months of the first benefit payment;
- Should live in Coresia;
- Must not be a pupil, student, or in any kind of apprenticeship; and
- Should not be married.

For the past twenty-five years, MIGC has provided a minimum subsistence guarantee to anyone in Coresia, who was not otherwise entitled to unemployment or sickness benefits, or was earning a very low amount (especially single parents). Since its implementation in 1988, the number of beneficiaries increased substantially from 400,000 to over 1 million in 2012.

The amount of benefit for a married couple with 2 children is determined based on the number of children and members of the household. It is further explained in the table below.

<i>Number of children</i>	<i>Single person/parent</i>	<i>Couple</i>
0	COD 6,500	COD 7,500
1	COD 8,500	COD 9,000
2	COD 10,500	COD 11,000
For every new child	COD 2,500	COD 3,000

However, if a person starts a new job, irrespective of the new income, it would disqualify them from MIGC. This creates a major disincentive to return to work. Thus, this unemployment support instrument is not encouraging as a return to work strategy and may lead to what is commonly known as “inactivity traps”. The government received negative feedback from social partners, who criticised the MIGC as creating a dependency trap, and argued that the programme severely penalises people who eventually find employment. Currently, entitlement to the minimum subsistence income of MIGC does not require the recipient to report that they are looking for work.

2. Rural Engagement and Development of Infrastructure

The Rural Engagement and Development of Infrastructure (READI) programme is an employment intensive investment programme which was started in 2007 to

provide temporary work to unemployed or underemployed rural dwellers. It falls under the jurisdiction of the Ministry of Rural Development (MORD). At the policy conference in 2004, the national government had resolved to create a large-scale Public Works Programme targeting the rural areas. It would use labour-intensive methods and limited machinery to provide work to willing adults who were unable to find work elsewhere. The work would be temporary in nature, limited to a maximum of 120 days per request for work. Beneficiaries would be registered to the schemes provided by the Department of Social Security (DSS), namely working injury, maternity and sickness benefits and the mandatory National Health Insurance Plan. However, registration to Coresia Employment Retirement Fund (CERF) is optional.

The daily wage paid to workers under READI is COD 300 per day. It is fixed at the stipulated minimum wage rate with no possibility of increase, to encourage workers to look for other long-term prospects. Workers may be assigned to several projects, which fall under the following broad categories:

- i. Developing rural infrastructure;
- ii. Conserving the ecological system;
- iii. Building and working in vegetable and fruit gardens.

Over the last five months, a new set of projects providing home-based and centre-based care for children, elderly and disabled people and other vulnerable groups, was started as an experiment. This fourth category of social work projects received a positive response from local communities and was soon enveloped under the READI umbrella. Under these projects, workers could be employed for a maximum of 365 days (compared to the maximum of 120 days under the other three categories).

	<i>Max. no. of days</i>	<i>Beneficiaries</i>			
		<i>Male</i>	<i>%</i>	<i>Female</i>	<i>%</i>
Rural infrastructure	120	1,580,267	78	86,292	5
Ecological system	120	384,937	19	103,550	6
Vegetable and fruit gardens	120	40,520	2	431,459	39
Social work (care)	365	20,260	1	1,104,536	50
		2,025,983		1,725,837	
TOTAL				3,751,820	

The popularity of READI is evidenced by the fact that the programme employed 3,751,820 people in 2012. About 46 per cent of this number comprised female workers, who mostly worked in social projects and community gardens. The programme had some limited outreach in the remote tribal areas. Being tax-funded,

READI utilised COD 85.9 billion of government funds in 2012. Two-thirds of this expenditure was on worker salaries, while the rest included administrative costs, including salaries of READI officials and technical experts, and costs of raw materials. Most projects were under local infrastructure development or conservation activities.

A survey showed that many people returned to work for the READI programme every year. While this reflects the programme's effectiveness in reaching out to people, it is crucial to note that people are unable to find decent work opportunities and better jobs, and have to fall back on performing the same jobs under READI. In this way, they see no growth in their incomes and limited impact on skills development.

3. Microfinance and Enterprise Development

Since 2008, the Ministry of Private Sector Involvement of Coresia, the World Bank, National Bank for Rural Development and local NGOs have been jointly operating an assistance programme for human and financial capacity building in rural areas. The Microfinance and Enterprise Development (MED) programme is an instrument for rural development. It is targeted at men and women from rural households, identified by their National ID card number. The aim of the MED is to support the creation and growth of local enterprises. This is done in two ways.

Firstly, MED organizes self-help groups comprising men and women from rural communities. Each group has 4-6 members and they meet to identify common socio-economic problems. They identify ways to solve the problems by developing a business idea. MED volunteers provide information on technical and financial assistance, training courses, procuring of raw materials, and so on, to help the groups realise their business idea. Although MED participants initially encouraged the idea of sharing experiences and knowledge, relying solely on volunteer groups is not enough for continuously supporting new members and business ideas. Volunteers have slowly lost enthusiasm and attendance at group meetings has been decreasing. Applicants and beneficiaries have requested that a more systematic case-management approach be implemented to provide counselling services.

Secondly, MED arranges for micro loans from financial institutions and banks by forming the missing link between the rural member and the financial institution. Each member has to pool in COD 20,000 at the start and act as guarantor for the other members. They can avail short-term interest-free loans of COD 100,000-400,000. MED assists beneficiaries with the paper work and also helps the banks

and financial institutions develop intermediate structures dedicated to micro-funding.

The MED is a popular programme with more than 230,000 beneficiaries availing loans. MED might still be too young to draw conclusions on the repayment capacity of beneficiaries.

4. Coresian Income Support for All Programme

The Coresian Income Support for All (CISA) programme is the flagship initiative of the government's "National Ten Year Plan – Towards Growth and Equality". The Plan aims to raise the living standards of low-income households in rural areas and "to engage them in the economic development process". CISA is being implemented all across Coresia with special focus on rural and remote areas. The Ministry of Women and Social Welfare and its decentralized offices are responsible for its administration and implementation. Eligible households are identified through a poverty scoring survey where the welfare status of the household is rated on a scale of 0-10. Those households that score below 3 are considered eligible for CISA benefits. CISA consists of four initiatives:

- CISA's Training and Job Placement (TAJ) programme for high-vulnerability people: It provides vocational training for up to 6 months, and facilitates job placement and access to job portals, in coordination with JobsCoresiaNow. The training is demand driven. TAJ is coordinated by the Department of Skills Advancement.
- CISA's Self Employment Assistance Programme (SEAP): It aims to encourage entrepreneurship and setting up of own businesses by providing low-interest loans ranging between COD 50,000–600,000, enabling low-cost access to raw materials, providing training and sales support. Beneficiaries have to go through an interview and selection process. Agricultural businesses and local artisans are prioritised to help rural people establish a steady income source while preserving their culture. SEAP gives special encouragement to female entrepreneurs in an effort to empower women.
- CISA Relief Fund: It provides emergency cash benefits of up to COD 4,000 to families affected by natural disasters.
- CISA for Vulnerable Women and Persons with Disabilities: It provides income support, conditional on active engagement in the community, through

remunerated social works (linked to READI), business development (linked to MED) and active search of job (through CISA-TAJ).

A success story

Roki is a 27-year old entrepreneur living in Turong province. She holds a Diploma in Arts and Craftsmanship, but had difficulties finding a job. She approached CISA in hopes of finding work and was referred to the Microfinance and Enterprise Development programme. Subsequently, under MED, she could open a shop selling handmade products like jewellery, bags and decorative items, and is currently earning COD 30,000 a month. In future, Roki hopes to sell her products internationally.



One of the main objectives of CISA is to allow women to make professional choices and decisions in the family, and to have greater economic independence. Women registered under CISA can participate in a weekly training programme to learn household management and basic financial skills. In 2012, 41,724 rural households had participated in CISA, including 2,710 female entrepreneurs who set up their own businesses. Regarding CISA's implementation, coordination between MWSW and MOHRD remains an area for improvement.

Growing challenges

1. Designing and implementing a new UI system

The National Ten-Year Plan is a significant economic plan in Coresia unveiled on March 30, 2010 by Coresian Prime Minister Suon Yimi which is intended to more than double the per capita income in Coresia by 2020. The major goal of the NTYP, according to the Prime Minister, is to “transform the Coresian economy to become one with medium incomes and quality growth”.

One of the highlights of the NTYP is the development of human capital which includes flexible hiring and firing rules for employers and, at the same time, enhancing social protection for workers through the introduction of unemployment insurance along with integrated employment services. A section of the NTYP is devoted to unemployment insurance: “The international experience is that effective

unemployment insurance can provide a short-term solution and usually does a better job than strict reliance on severance payments.

Many difficulties have been expressed by workers seeking to be paid severance pay on termination of employment over the past five years, especially after the global market meltdown in 2008. Many employers went bankrupt or moved out of the country after the 2008 economic catastrophe and failed to remit the severance pay and, in some cases, the final wages. Also, some employers attempted to circumvent the Employment Act and forced workers to accept less severance than was anticipated under the act.

They have a similar purpose since both instruments provide financial assistance to terminating employees. However, severance payments are paid whether or not the unemployed person finds subsequent work unlike UI where finding immediate gainful employment precludes the payment of benefit. Termination benefits payments and UI are also distinguished by the fact that one falls under Employment Law and is not pre-funded, falls under the liability of employers, and is not guaranteed by the State; while the other rests, in most countries, on Social Insurance Law and under the overall responsibility of the State.

Overall, severance payments are less reliable and effective than UI benefits in protecting workers against the financial impact of job loss. Their actual payment could depend on the employer's financial capacity, and on the worker's capacity to enforce payment which could and is often problematic.

Therefore, the government wishes to implement a new mandatory contributory UI system to compliment or replace the severance pay instrument in order to protect workers who have lost their job involuntarily. The unemployment rate is very low at this time (4.7 per cent). However, it is felt that the present situation provides an opportunity to firmly establish a UI system for any future shocks to the economy and the labour market that could adversely impact on the unemployment rate.

2. Under the jurisdiction of MOHRSD

If a new UI system is approved and implemented in Coresia, there would be a strong requirement for close linkages between the UI programme and the active employment measures to encourage workers to find and keep suitable employment. For this reason, logically the new UI system would fall under the responsibility of MHRSD. The government will promote a combined UI system and JobsCoresiaNow into an effective entity to provide partial temporary benefits and efficient instruments to return to work..

3. Designing and implementing a new non-contributory income support programme

In addition, the government wishes to pursue the establishment of a new non-contributory income protection scheme for those whose benefits have been exhausted or the person is not entitled to UI as well as workers who are considered the working poor or in the informal sector.

The unemployment rate in Coresia was 4.7 per cent in 2012, however many people are also underemployed, given their skills, qualifications and working hours. Some workers take up part-time contractual jobs, when they are unable to find full-time jobs. The 2008 global economic crisis saw a fall in labour demand as businesses cut costs in an endeavour to minimise losses. Many graduates and young skilled workers were unable to find work in the sector or location they preferred and had to take up lesser paid jobs, part-time and jobs in the informal economy. Even now, they face difficulties in the interview and selection processes and in matching up to the skills and experiences employers look for.

To assist the unemployed and underemployed, the government is proposing a new scheme to improve the existing protection programme entitled “*Minimum Income Guarantee of Coresia (MIGC)*”. The government conducted a study of MIGC and determined that it creates disincentive from finding and keeping suitable employment for many recipients. Critics also argued that it penalized too severely those who do eventually find employment, however on a part-time basis or among the low paid jobs.

As a result, the government is proposing to create a new scheme which focuses on making the return to work more attractive than remaining on social benefits. A new proposed scheme entitled “Active Solidarity Income (ASI)” would replace the MIGC and target low income workers as well as single parent families and informal economy workers.

The objectives of ASI would be:

- To reduce poverty by three means:
 - increasing earnings of low income workers without increasing labour cost;
 - creating incentives to return to work;
 - increasing the benefits of going back to work for people living with the minimal income going back to work;
- To ensure that “work pays” in any situation;

- To enhance incentives to return to work;
- To improve the overall benefit system by making it simpler, more coherent and transparent;
- To improve social support and professional integration

It is proposed that the ASI would guarantee a minimum income whose amount depends on the composition of the household and the number of children to support, and an additional allowance which corresponds to a percentage of its occupational earned income (this percentage is fixed by law at 50 per cent). It is not an individual benefit but a differential allowance designed to raise the household's income to a guaranteed level.

The benefit amount is determined as shown in the table below.

<i>Number of children</i>	<i>Single person/parent</i>	<i>Couple</i>
0	COD 6,500	COD 7,500
1	COD 8,500	COD 9,000
2	COD 10,500	COD 11,000
For every new child	COD 2,500	COD 3,000

- Determine amount of ASI benefits by adding an additional 50 per cent of wages, e.g. wages of household = 7,000 COD (50% is 3,500 COD) monthly.
- For example, for a couple with 2 children who earns a monthly wage of 7,000 COD, the minimum income guaranteed by the MIGC equals $(7,000 \times 50\%) + 11,000 \text{ COD} = 14,500 \text{ COD}$. The ASI allowance is equal to the difference between this guaranteed minimum income and the wage of the couple, which is $14,500 \text{ COD} - 7,000 = 7,500 \text{ COD}$.

Way forward

The government of Coresia established a tripartite committee to manage the proposed new UI system and the “Active Solidarity Income”. The composition of the committee would comprise of government officials from the Ministry of Human Resources and Skills Development, Ministry of Women and Social Welfare, worker and employer representatives, as well as the informal economy workers, and social security experts.

Two sub-working groups will be established to develop and recommend policies and procedures for the new systems. The working groups will be comprised of departments with direct interest in the establishment of these two promising

initiatives to strengthen the social security net for Coresian citizens as well as other experts required as needed including system and communication experts.

The mandate of the tripartite committee is to decide on the most effective UI system and ASF program for Coresia and present their findings at a national forum with all stakeholders in the capital city. At the initial meeting of the t committee, it was decided to make the two initiatives a priority for strengthening the social security net and four high priority items were identified:

1. Initial design and potential costs of a proposed new UI system, whether those leaving voluntary should be covered or not will be discussed too among the tripartite committee;
2. Reinforcing inter- and intra-ministerial coordination for the implementation of the two proposed schemes;
3. Initial design and potential costs of a proposed new Active Solidarity Income that creates incentives to return to work;
4. Determining if the severance benefits under the Labour Protection Act will delay the start date of the UI claim for benefits, or should be progressively phased out.

Exhibit 1: Institutional structure

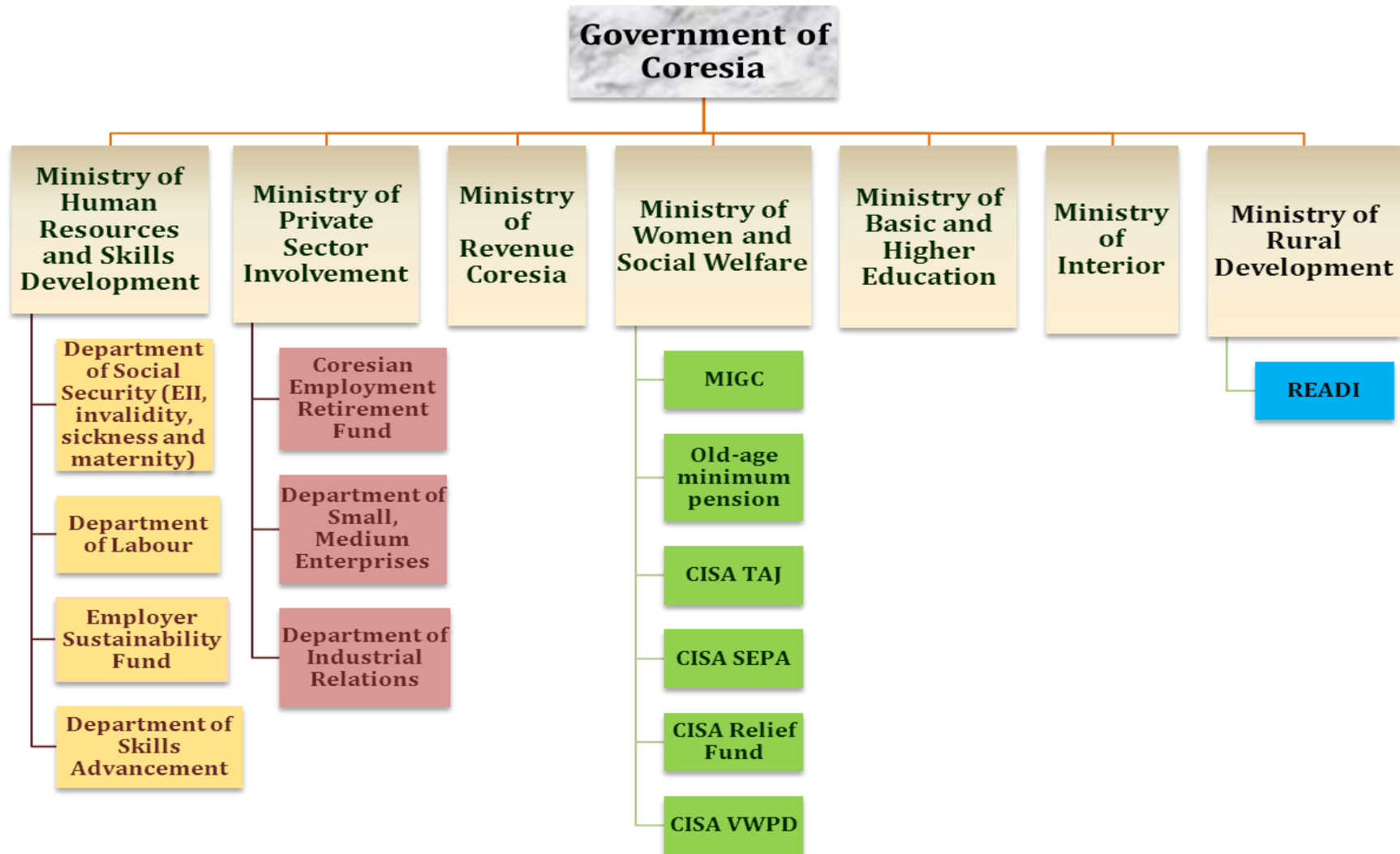
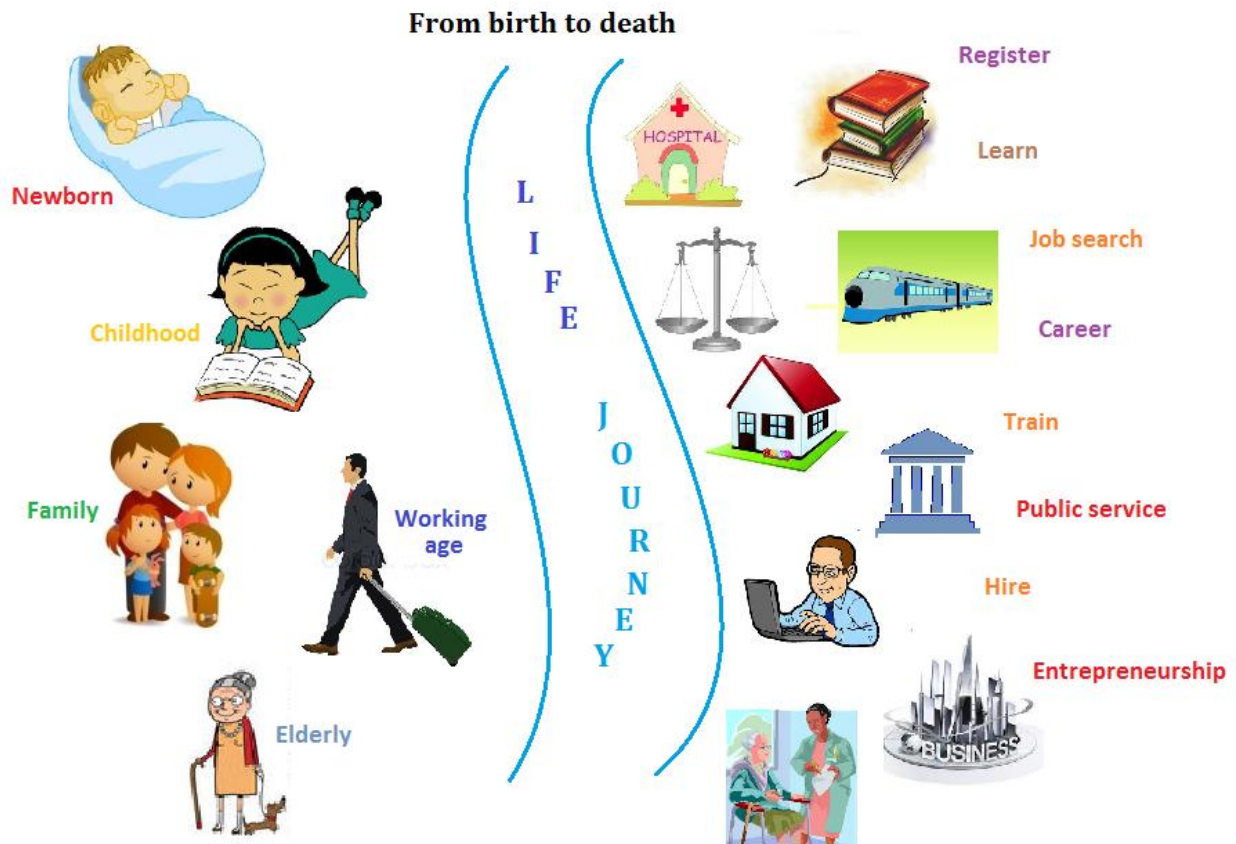


Exhibit 2: National ID card



The National ID card is an effort to bring a Coresian citizen under the social protection and income security umbrella from birth to death. It records personal and financial details which enable citizens to access many social benefits and transfers. It aims to provide coverage throughout the life-cycle as depicted in the diagram below.



Case Study

Exercise 1:

The members of your case study are members of the TPC UI/ASI attending one of its official meetings. As the TPC UI/ASI is a tripartite multi-stakeholder group, you may choose to play the role of a stakeholder during the discussion. With this in mind, please complete the assessment matrix provided:

- By mapping the existing policies and schemes to protect the unemployed and underemployed;
- By identifying gaps and proposing recommendations or broad options to improve employment protection, on the basis of the case;

Also, there is an additional column for identifying broad options concerning the parameters of a potentially new UI system. These broad options will be discussed and agreed upon by the TPC UI/ASI. Your group will deal with the development of a UI system and a new income protection program for those of low income, underemployed or unemployed.

Exercise 2:

At the second meeting of the TPC UI/ASI, your group is asked to map all existing institutions that could potentially fulfil one or several functions when implementing the proposed recommendations. Also, please identify the possible need for a new institution(s) (especially the proposed Ministry of Employment) and for enhancing the capacity of existing ones, if required.

Exercise 3:

At the third meeting of the TPC UI/ASI, your group is requested to prepare an inventory of key elements that should be included in the draft legal documents, in accordance with the ILO Conventions and Recommendations.

Exercise 4:

This is the fourth meeting of the TPC UI/ASI. You are invited to translate the recommendations or broad options identified by your group during the previous meeting into three concrete scenarios.

Exercise 5:

At the fifth meeting of the TPC UI/ASI, your group is asked to calculate the cost of implementation of each scenario, by taking into consideration the proposed institutional set-up.