Social Protection for Migrant, Domestic & Rural Workers & Workers in the Informal Economy

Workers without protection

Domestic workers: The ILO estimates that there were about 52.6 million domestic workers in 2010, representing 3.6 per cent of wage employment worldwide. Domestic work is an activity predominantly performed by women, of which a significant number are migrant workers and, in some cases, children.

Domestic workers often face difficult working conditions, including long work hours, low wages and inadequate social protection. This situation is largely a reflection of the low social and economic valuation that society has traditionally given to the activity. Also, domestic workers often face several layers of social exclusion based on gender, ethnicity and race.

Migrant workers: Today, an estimated 232 million people live outside their country of origin, representing 3 per cent of the world’s population. There are myriad reasons for migrating ranging from a lack of economic opportunity to escaping conflicts and consequences of climate change. Migrants include documented migrant workers, seasonal workers, students, seafarers, refugees, domestic workers and workers in the informal economy and irregular situations.

Migrants may face multiple disadvantages in working conditions, including limited legal rights, discrimination and social exclusion. One of the major challenges migrants face is a lack of social protection coverage. They may not be entitled to social protection in their host countries or, when they return home, may not be eligible to claim benefits.

Workers in the informal economy: About half of the global workforce is in informal employment and the large majority of these people face serious decent work gaps, including a lack of access to social protection. Barriers to social protection coverage for workers in the informal economy include: the exclusion from legal coverage; costs and inadequate financing arrangements; complex and burdensome administrative procedures; a lack of enforcement and control; a lack of information, awareness and trust; and a lack of representation and organization.

Rural workers: Around 46 per cent of the world’s population, including 40 per cent of the global working age population, live in rural areas. In the developing world, the figures are higher: 60 per cent and 52 per cent of people in Africa and Asia, respectively, live in rural areas.

Rural populations are vulnerable and face social exclusion. A large share of economic activity in rural areas tends to be informal, with high participation of women, children and migrants. People living in rural areas often face increased risks of poverty and vulnerability with little or no social protection.

Uruguay created a law that equates the rights of domestic workers with other wage earners, including rights to social protection. The ILO provided technical assistance in this process, which also allowed Uruguay to be the first country to ratify the Domestic Workers Convention, 2011 (No. 189).

A diversity of experiences

As demonstrated by a number of countries, the extension of social protection to these four demographic groups is within reach of countries at all levels of development, including low-income countries.

China has managed to expand social protection coverage to its 270 million rural migrant workers (35 per cent of its national labour force) by setting up three new highly subsidized rural programmes, namely a minimum living standard guarantee, health insurance and pension scheme in 2003, 2007 and 2009, respectively. The programmes were created by extending five existing urban worker social insurance schemes to migrant workers and by integrating rural and urban residents’ pension and health schemes. Consequently, almost all migrant workers now have health coverage and must have pension coverage. In addition, in 2015, 75 million and 42 million migrants were covered by urban workers’ employment injury insurance and unemployment insurance, respectively.

In India, of the 472.9 million active workers, 90 per cent are informally employed. To cover this group, the Unorganized Workers’ Social Security Act was enacted in 2008 and gradually operationalized through several initiatives: a government-run health insurance scheme for India’s poor called Rashtriya Swasthya Bima Yojana (RSBY); Workers Welfare Funds for construction workers; and LabourNet to assist informal economy workers to access social protection and employment-related benefits and services.

In 2009, El Salvador introduced a Universal Social Protection system to expand social protection coverage in the areas of health, food, income security and vocational training. SPSU contributed to reducing poverty rates from 39.9 to 34.5 per cent and decreasing inequality from a Gini index of 0.48 to 0.41 between 2008 and 2012.

International labour standards, such as the Social Protection Floors Recommendation, 2012 (No. 202), explicitly calls for “social security extension strategies (that) should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality”.

Read more about countries that are implementing social protection for these groups

Learn more at: www.social-protection.org