

ADVOCACY TOOL FOR EXTENSION OF SOCIAL PROTECTION IN THE INFORMAL ECONOMY



Table of Contents

CHAPTER 1: OVERVIEW.....	01
CHAPTER 2: INFORMAL EMPLOYMENT SOCIAL PROTECTION.....	03
CHAPTER 3: VALUE CHAIN AND SOCIAL PROTECTION.....	11
CHAPTER 4: HEALTH INSURANCE.....	19
CHAPTER 5: OCCUPATIONAL HEALTH AND SAFETY.....	23
CHAPTER 6: CHILD CARE.....	34
CHAPTER 7: ORGANIZATIONS, NETWORKS AND ALLIANCES.....	38
CHAPTER 8: ORGANIZATIONS, NETWORKS AND ALLIANCES.....	44

CHAPTER 1

OVERVIEW

The informal economy comprises more than half of the global labour force and more than 90% of Micro and Small Enterprises (MSEs) worldwide. Informality is an important characteristic of labour markets in the world with millions of economic units operating and hundreds of millions of workers pursuing their livelihoods in conditions of informality.

The expression “informal economy” encompasses a huge diversity of situations and phenomena. Indeed, the informal economy manifests itself in a variety of forms across and within economies. The formalization process and measures aiming to facilitate transitions to formality need to be tailored to specific circumstances that different countries and categories of economic units or workers face.

Fewer people are in formal work, which offers social benefits. Workers who have had formal benefits are losing them, through casualization and outsourcing. People who start working in the informal economy have little or no access to social protection. Also, there is an increase in the number of people working in unregulated and often hazardous environments, where the work itself brings exposure to risks.

Informal workers will only get better access to social protection if they organize. Social protection can be a useful platform for organizing. This set of learning materials has been developed to assist the Informal Economy in East Africa as tools for advocacy. The materials reflect this regional experience, but many of the situations and problems are experienced by informal workers worldwide.

The materials are meant to be used by EATUC Affiliates, organizations and networks of informal workers, by groups of informal workers or by individual workers. They deal with the following seven topics:

1. Informal Employment

This topic deals with the main differences between formal and informal economies and the general factors that contribute to high risk in informal work.

2. Social Protection

It looks at the shift away from social security systems toward social protection and how this can impact informal workers.

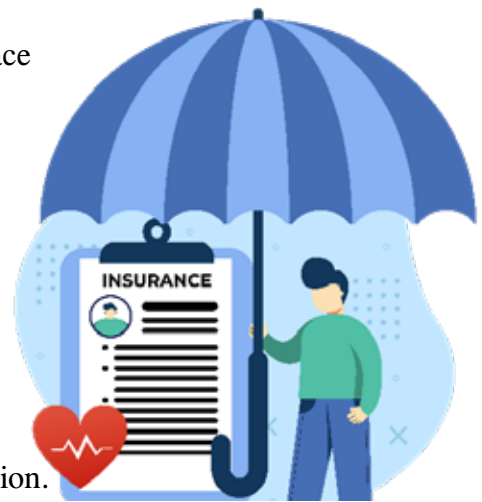
3. Value Chains

Value chain analysis provides a way of understanding the significant contributions that informal workers make to the economic value of a product or service. Value chain analysis offers the opportunity to situate informal work within the economy of a country and to see at which points along the chain informal workers could get access to social protection.



4. Health Insurance:

For most informal workers, ill health is the biggest risk they face and yet they often lack the means to access health insurance. The topic covers some of the requirements for a health insurance scheme to run effectively and serve informal workers. It helps workers analyze the particular difficulties they face with health insurance.



5. Occupational Health and Safety:

People have the right to work in conditions that are physically safe and that do not result in ill health, either in the short term or the long term. Informal workers, who tend to face more risks at their places of work, have much less protection. This topic addresses these issues and looks at some examples where this has been addressed and some possible areas for action that workers can consider taking forward.

6. Child Care:

Women take the main responsibility for looking after children. Yet more and more women are working at the same time, and child care affects their ability to earn an income. Children have the right to be brought up in a safe and healthy environment and to fulfil their potential. Children who are brought up at their parents' places of work on construction sites, in fields, in small factories have little opportunity to do this. The topic deals with the difficulties informal workers face with child care and looks at workable schemes in some countries as well as possible areas for action.

7. Organizations, Networks and Alliances: Influencing Informal Economy Policy

Legal frameworks and policy change happen as a result of pressure information and campaigning from workers and their allies, in small and big organizations. This topic looks at different types of organizations, networks and alliances, and at some ways of influencing policies about informal workers and their access to social protection.

These seven topics can be used as the basis for a series of workshops, or simply used as home reading material. Each topic can be photocopied, stapled and used separately if necessary. Organizations can of course add their case studies, or decide to leave out some of these topics.



CHAPTER 2

INFORMAL EMPLOYMENT

Defining employment in the informal economy

The International Labour Organization (ILO) defines informal employment as follows: The informal economy comprises informal employment (without secure contracts, worker benefits, or social protection) of two kinds:

- Self-employment in informal enterprises (small unregistered or unincorporated enterprises) including employers, own account operators, and unpaid contributing family workers.
- Wage employment in informal jobs (for informal enterprises, formal enterprises, households, or no fixed employer), including casual or day labourers, industrial out workers, unregistered or undeclared workers, and unprotected contract, temporary and part-time workers.

This definition shows the inclusion of all types of workers engaged in informal employment. There must be now a widely accepted definition of informal employment, as all over the world, increasing numbers of people work informally. Different and inaccurate terms are used in different countries for example, the unorganized sector, the unstructured economy, the sideline economy, the black economy, and flexible employment. The approach taken here is that 'informal work is normal work', and that those who work informally have the right to social protection measures.

Informal Economy in East Africa

90.4 per cent of the total labour force in Uganda is employed in the informal economy. In contrast, 48.9% of the total labour force in Rwanda is employed in the informal economy. 6 out of 7 East African countries have at least 50% of their total labour force employed in the informal economy. There is a high positive correlation of 0.97 between informal employment and the total labour force implying that the larger the country's labour force, the higher the informal employment.

Table 1: Informal Employment in East Africa Source: https://rshiny.ilo.org/dataexplorer53/?lang=en&id=EMP_NIFL_SEX_NB_A

Country	Informal employment	Total Labour Force	Informal Employment as a Percentage of the total labour force
Uganda	17,075,429	18,881,435	90.4
Congo, Democratic Republic of the	30,077,394	35,059,361	85.8
Tanzania, United Republic of	23,347,145	31,219,073	74.8
Kenya	16,194,634	25,500,000	63.5
Burundi	3,613,406	5,722,443	63.1
Sudan	8,551,271	13,589,630	62.9
Rwanda	4,056,319	8,300,000	48.9

Informal Employment

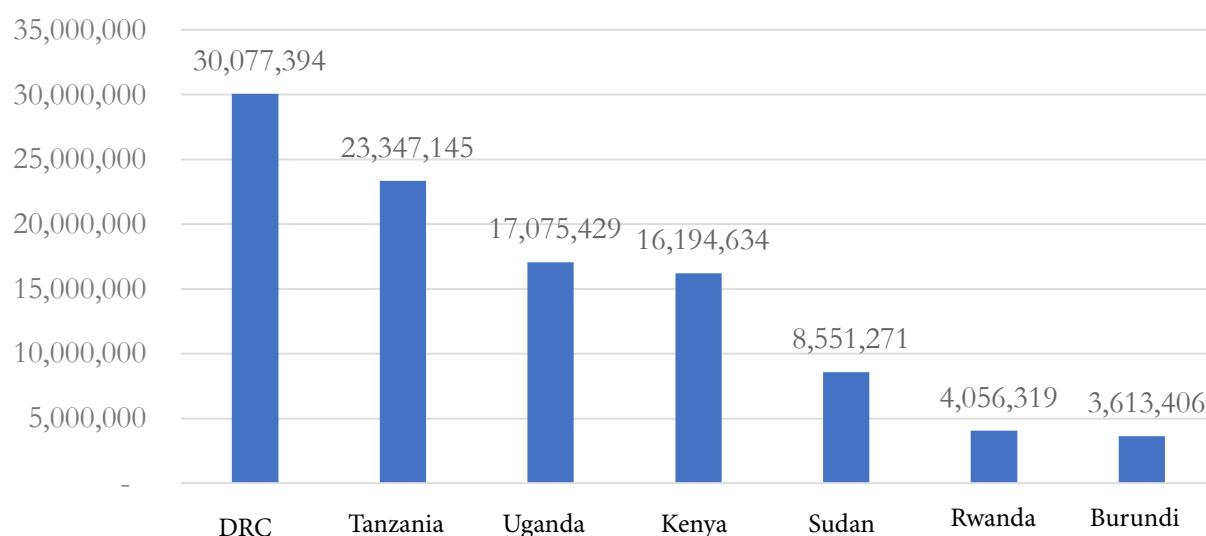


Figure 1: Informal Employment in East Africa.

The below table shows a breakdown of the informal economy in East Africa. The most common characteristics of the informal economy among East African countries include a large employment base meaning that it employs a significant portion of the population including youth and women, low productivity and income, diverse sectors (the informal economy cuts across sectors) and limited formalization (it operates outside the formal regulatory framework).

Table 2: Country Description of the Informal Economy.

Country	Description
Tanzania	<p>Tanzania's informal economy is a significant part of its economic landscape, characterized by a large number of unregistered and often small-scale businesses.</p> <p>Key Characteristics:</p> <ul style="list-style-type: none"> • Size and Importance: The informal economy employs a substantial portion of the population, particularly in urban areas. It contributes significantly to GDP, although its exact size is difficult to quantify due to its nature. • Dominant Sectors: Trade, particularly retail and wholesale, is a major component. Other sectors include agriculture, manufacturing, and services. • Employment: The informal economy provides a crucial source of livelihood for many, especially women and youth, who may find limited opportunities in the formal economy. • Challenges: Informal businesses often face challenges such as lack of access to finance, limited market opportunities, and inadequate infrastructure. They also operate outside the formal tax system, reducing government revenue. • Government Efforts: The government recognizes the importance of the informal economy and has implemented initiatives to support its formalization and growth.

	<p>However, challenges persist in balancing the need for regulation with the desire to foster entrepreneurship.</p> <p>Impact and Implications:</p> <ul style="list-style-type: none"> • Economic Growth: The informal economy contributes to economic growth by providing goods and services, generating employment, and stimulating consumption. • Poverty Reduction: It plays a crucial role in poverty reduction by providing livelihoods for a large segment of the population. • Tax Revenue: The informal nature of these businesses results in significant tax evasion, limiting government revenue for public services. • Labor Rights: Workers in the informal economy often lack labor protections and social security benefits.
Kenya	<p>Kenya's informal economy is substantial and plays a crucial role in employment, income generation, and poverty reduction. It's often referred to as the "jua kali" sector, which translates to "hot sun" and characterizes the open-air nature of many of these businesses.</p> <p>Key Characteristics</p> <ul style="list-style-type: none"> • Dominant: It constitutes a significant portion of the Kenyan economy, employing a vast majority of the workforce. • Diverse: It encompasses a wide range of activities, from street vending and small-scale manufacturing to transportation and services. • Unregulated: Businesses in this sector typically operate outside the formal regulatory framework, without licenses, taxes, or social security contributions. • Informal Employment: The majority of workers in the informal economy are self-employed or employed in micro-enterprises. • Challenges: Workers often face low incomes, precarious working conditions, and limited access to financial services and social protection. <p>Contributions to the Economy</p> <ul style="list-style-type: none"> • Employment: The informal economy is a major source of employment, especially for young people and women. • Income Generation: It provides livelihoods for millions of Kenyans. • Innovation: The sector is characterized by a high degree of innovation and adaptability. • Economic Growth: It contributes significantly to overall economic growth and development. <p>Challenges and Opportunities</p> <ul style="list-style-type: none"> • While the informal economy is vital, it also presents challenges: • Limited access to finance: Informal businesses often struggle to access credit and other financial services. • Lack of social protection: Workers in the informal economy typically lack access to healthcare, pensions, and other social benefits. • Unfair competition: Informal businesses face unfair competition from formal businesses.

Country	Description
Uganda	<p>The informal economy in Uganda contributes significantly to the country's GDP, employs a large portion of the workforce, and is a lifeline for many Ugandans.</p> <p>Key Characteristics of Uganda's Informal Economy:</p> <ul style="list-style-type: none"> • Size and Scope: It constitutes about 72% of businesses, 90% of the labor force, and contributes around 51% of GDP. • Sectors: Primarily involved in trade, services, and agriculture. • Nature of Businesses: Mostly micro-enterprises, often unregistered and operating without formal permits. • Challenges: Faces obstacles such as lack of access to finance, limited market opportunities, and harsh operating conditions. • Impact: While providing livelihoods, it also contributes to tax evasion, hindering government revenue collection and public service delivery. • <p>Implications and Potential:</p> <ul style="list-style-type: none"> • Economic Growth: The informal economy is a crucial driver of economic growth, especially for low-income households. • Employment: It provides a significant source of employment, particularly for youth and women. • Tax Revenue: Its informal nature results in substantial tax evasion, limiting government resources for development. • Regulatory Challenges: Balancing regulation with support for informal businesses is complex. <p>Efforts to Address Informality:</p> <ul style="list-style-type: none"> • Government Initiatives: The government is increasingly recognizing the importance of the informal economy and is implementing policies to support its formalization. • Support Programs: Efforts are underway to provide training, financial assistance, and market access to informal businesses. • Regulatory Reforms: Simplifying regulations and creating a conducive business environment are key priorities.
Rwanda	<p>Rwanda's informal economy is substantial and plays a crucial role in the country's economic landscape. Despite significant strides in formalization efforts, a large portion of the workforce is still engaged in informal activities.</p> <p>Key Characteristics of Rwanda's Informal Economy:</p> <ul style="list-style-type: none"> • Dominant Sector: It constitutes nearly 48% of total labour force, making it the primary source of livelihoods for most Rwandans. • Composition: Primarily centered around agriculture, construction, trade, transport, and manufacturing. • Gender Disparity: Women are overrepresented in the informal economy, particularly in trade and commerce. • Challenges: Informal workers often lack social protection, face unstable incomes, and have limited access to formal financial services. • Contribution to Economy: While it generates employment and income, it also operates outside the tax net, limiting government revenue.

Country	Description
	<p>Government Efforts:</p> <ul style="list-style-type: none"> • Recognizing the importance of the informal economy, the Rwandan government has implemented strategies to formalize it and improve the livelihoods of informal workers. These efforts include: • Financial Inclusion: Expanding access to savings and credit facilities for informal workers. • Skills Development: Providing training and capacity building to enhance productivity. • Social Protection: Gradually extending social security coverage to informal workers. • Infrastructure Development: Improving market infrastructure to support informal businesses.
Burundi	<p>The informal economy is the dominant sector in Burundi. It accounts for a staggering 93.5% of the country's jobs, significantly outweighing the formal sector. This pervasive presence is a result of several factors:</p> <ul style="list-style-type: none"> • Poverty: The vast majority of Burundi's population lives below the poverty line, making informal activities a primary source of income. • Lack of formal employment: The formal sector is small and unable to absorb the rapidly growing labor force. • Limited education and skills: Many Burundians lack the qualifications required for formal employment. • Weak institutions: The government's capacity to regulate and support formal businesses is limited. <p>Characteristics of the Informal Economy in Burundi:</p> <ul style="list-style-type: none"> • Predominantly agricultural: A large portion of the informal economy is involved in subsistence agriculture and small-scale farming. • Urban-centered: In urban areas, informal activities include street vending, petty trade, and services. • Low productivity and incomes: Workers in the informal economy often earn low incomes and have limited access to social protection. • Vulnerability: Informal workers are vulnerable to economic shocks, such as price fluctuations and natural disasters. <p>Challenges and Opportunities:</p> <p>The informal economy in Burundi presents both challenges and opportunities. On one hand, it provides a livelihood for millions of people. On the other hand, it contributes to low tax revenues, limited social protection, and informal labor practices.</p> <p>To address these challenges, efforts are needed to:</p> <ul style="list-style-type: none"> • Promote formalization: Create incentives for businesses to formalize and contribute to the tax base. • Improve the business environment: Reduce bureaucratic hurdles and provide support to small and medium-sized enterprises. • Invest in education and skills development: Enhance the employability of the workforce. • Strengthen social protection: Extend social safety nets to informal workers.

Country	Description
DRC	<p>The informal economy is the dominant force in the DRC's labor market. It accounts for a staggering 88.6% of total employment. This sector is characterized by:</p> <ul style="list-style-type: none"> • Widespread informality: Covering almost all economic sectors, from agriculture to trade and services. • Precarious working conditions: Workers often face low and irregular incomes, lack of social protection, and long working hours. • Limited access to resources: Businesses in the informal economy struggle with lack of capital, markets, skills, and business support. • Vulnerability: Informal workers are particularly susceptible to economic shocks, government harassment, and exploitation. • Importance for livelihoods: Despite its challenges, the informal economy is a crucial source of income for millions of Congolese, especially in rural areas. • Key factors driving the informal economy in DRC: • Lack of formal employment opportunities: The formal sector is small and unable to absorb the growing labor force. • Complex business environment: Bureaucracy, corruption, and lack of infrastructure hinder formalization. • Poverty and inequality: Many people are forced into informal work due to limited alternatives. • Weak governance and institutions: Lack of effective policies and enforcement contribute to informality.
South Sudan	<p>The informal economy is the backbone of South Sudan's economic activities. Due to a host of factors including conflict, underdevelopment, and weak formal institutions, the majority of South Sudanese engage in informal economic activities for their livelihood.</p> <p>The key Characteristics of the Informal Economy in South Sudan include</p> <p>Dominance: The informal economy significantly outweighs the formal economy, providing employment and income to the vast majority of the population.</p> <ul style="list-style-type: none"> • Diverse Sectors: It encompasses a wide range of activities, including agriculture, trade, small-scale manufacturing, and services. • Cash-Based: Transactions are primarily conducted in cash, limiting access to formal financial services. • Unregulated: Businesses operate outside the formal regulatory framework, lacking legal protection and access to government support. • Resilience: Despite challenges, the informal economy has shown remarkable resilience in the face of economic shocks and crises. <p>Challenges Faced by the Informal Economy</p> <p>Limited Access to Finance: Informal businesses struggle to obtain loans and credit, hindering growth and expansion.</p> <ul style="list-style-type: none"> • Lack of Infrastructure: Poor transportation, communication, and energy infrastructure hinder business operations. • Insecurity: Conflict and instability create a volatile business environment, discouraging investment. • Lack of Skills: Many informal economy workers lack the necessary skills and training to improve productivity.

Country	Description
	<ul style="list-style-type: none"> • Tax Evasion: Due to the informal nature of the sector, tax revenue collection is limited, impacting government revenue. <p>Importance of the Informal Economy in South Sudan</p> <ul style="list-style-type: none"> • Job Creation: The informal economy is a major source of employment, particularly for youth and women. • Income Generation: It contributes significantly to household incomes and poverty reduction. • Economic Growth: The informal economy drives economic activity and contributes to overall GDP. • Resilience: It demonstrates the adaptability and resourcefulness of South Sudanese people. <p>Potential for Growth and Development</p> <p>While the informal economy in South Sudan faces significant challenges, there is potential for growth and development through:</p> <ul style="list-style-type: none"> • Formalization: Supporting the transition of informal businesses into the formal sector through policy reforms and incentives. • Skill Development: Investing in vocational training and entrepreneurship programs to enhance the capabilities of informal workers. • Access to Finance: Expanding financial inclusion to provide credit and savings options for informal businesses. • Infrastructure Development: Improving transportation, communication, and energy infrastructure to facilitate business operations. • Policy Support: Creating a conducive business environment through supportive policies and regulations.

Resources

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Comparing Formal and Informal Employment

These are the main differences between the informal economy and the formal economy:

- Average incomes of both men and women are lower in the informal economy and the gender income gap is higher in the informal economy.
- The average incomes of informal workers tend to decline from self-employed to casual wage workers to sub-contracted workers.
- Worldwide women are under-represented in high-income activities and overrepresented in low-income activities within the informal economy.
- Informal workers face higher risks than formal workers and the poor in the informal economy face the highest risks.
- Informal workers are less likely to be protected against risk or able to manage these risks.

Understanding more about risk in the Informal Economy

Like those who work in the formal economy, workers in the informal economy face a common set of core risks or unforeseen events such as illness, maternity, asset loss, disability, old age and death.

Informal workers, while facing high risks, have little protection. This is a result of several related factors:

The working and living conditions of informal workers are likely to expose them to high risk. Their working environment is not protected by health and safety legislation and they are likely to live in poverty, which exposes them to a greater risk of illness.

- They do not receive overtime payment, a minimum wage and other such forms of protection.
- They have few or no worker benefits such as unemployment insurance or maternity benefits.
- Due to their low incomes, they are less likely to be able to save for any emergencies, or even for predictable financial expenditure, such as the birth of a child or the education of their children.
- They have little or no formal means of managing risk, such as a health insurance scheme or pension or even access to child care. They have little access to mortgage loans or scholarships to help finance housing and education.
- There are growing numbers of migrants across the world who move in search of work, and a growing number of these are women. Internal migrants are those who move within their own countries, often from rural to urban areas; cross-border migrants go to another country to work. People migrate in search of opportunities to earn an income, but often migrating exposes people to new and large risks, and the work that they find typically has no social protection.
- It is important to find ways to help informal workers, particularly the very poor, address the high risks that they face.

CHAPTER 3

SOCIAL PROTECTION

What is Social Protection?

Social protection is defined by the ILO as the set of public measures that society provides for its members to protect them against economic and social distress caused by the absence or a substantial reduction of income from work as a result of various contingencies (sickness, maternity, employment injury, unemployment, invalidity, old age or death of the breadwinner), the provision of health care and the provision of benefits for families with children. This concept of social protection is also reflected in various ILO standards.

In industrialized countries, access to these forms of social security has been through a mixture of contributions between workers themselves, employers and governments. It was assumed that most people would be formally employed.

However, all over the world, more people are informally employed. Along with this has been a shift away from comprehensive social security systems. Fewer people are working in jobs through which they can get social security benefits. There has been an expansion of private sector provision of health care and insurance, pensions, and insurance of work-related injuries. Alongside this has been a decrease in the role of the state and employers. This is problematic for informal workers who either do not qualify for benefits or cannot afford them.

The term 'Social Protection' is now being used, particularly in less developed countries. It attempts to capture the more active inclusion of individuals, families and communities in helping to provide a wider net of protection against risk. However, it carries the danger of taking the focus away from the responsibilities of employers and others who benefit from the profits they earn from the economic contribution of informal workers.



Social Protection in East Africa

The EAC Partner States are signatories to the Universal Declaration of Human Rights (1948), which recognizes social protection as a fundamental human right for all citizens of the world. For instance, the Partner States have ratified most of the ten ILO fundamental conventions. Other international instruments adopted by the countries include the International Covenant on Economic, Social, and Cultural Rights (1967), the UN Convention on the Elimination of All Forms of Discrimination Against Women (1979), the UN Convention on the Rights of the Child (1990), the UN Convention on the Rights of Persons with Disabilities (2006), the African Charter on the Rights and Welfare of the Child (1990), and the African Charter on Human and People's Rights (1981), including Protocol to the African charter on human and peoples' rights on the rights of citizens to social protection and social security. It is also worth noting that there is greater alignment with the Africa Regional Strategy for Social Protection 2021-2025.

However, a large proportion of people are still bypassed by development programmes, stuck in extreme poverty and exposed to socio-economic risks and vulnerabilities across the region. Nonetheless, evidence gathered by technocrats and social protection actors across the region indicates that the uptake of Social Protection is much slower in East Africa when compared to other developing countries. This is coupled with the fact that some countries have not ratified ILO Convention¹⁰² on social security. Lack of progress has been linked to inadequacies in social protection programming, conceptualization, resource allocation as well as political will.

Social protection across the EAC adopts a lifecycle approach (cradle to the grave), which reflects that individuals face different risks and vulnerabilities at different stages in life and that social protection can be designed to address these risks at each stage. Being cognizant of the regional integration, the Partner States have also considered labour mobility in terms of social protection. Among prime achievements at the national level are visa-free travel, waivers for work permit fees, non-discriminatory access to labour markets, access to social security benefits, freedom to join labour unions, a national Labour Market Information System (LMIS) to support access to employment opportunities for migrant workers and national qualifications frameworks, among others. It is worth noting that none of the EAC Partner States has ratified the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, except Rwanda and Uganda which have ratified but are yet to sign.

Whilst governments in East Africa have made considerable progress towards recognizing the value of social protection, more needs to be done in terms of implementing these high-level commitments. Social Protection programmes, policies, and legislations in the region are largely fragmented and disjointed. Whilst the growth in funding for social protection programmes is commended, there are outstanding funding gaps that need to be addressed. Alarming poverty indices persist - large proportions of the population in the region are chronically poor and vulnerable. The large majority of employment being in the informal sector is a further major challenge for the extension of social protection.

Whereas some partner states have made efforts to review social protection mechanisms, there is a need for more investment in gathering data and carrying out rigorous analysis on social protection. This would create evidence necessary not only to sensitise and improve people's understanding but also to support arguments for improved and more predictable investments. More accurate, up-to-date, comparable, project-level data on actual social protection activities and expenditures as well as outcomes is worth considering. Timely and reliable information on social protection financing would be beneficial for advocates to lobby for increased spending in this sector.

In strengthening the demand side, work needs to be done to increase the capacity of citizens to recognise that social protection is a right that should be part of the mix of public goods delivered by the State. Evidence indicates that target populations, at the centre of social protection initiatives, are largely unaware of existing programmes, public investments and their legal entitlement to social protection initiatives. It is imperative to educate and empower local communities on their rights and build their capacity to demand either more effective programmes or increased funding. Such empowerment should include unpacking social protection to right holders; facilitating understanding and increasing their capacity to intensively and extensively lobby for greater uptake. There is a need to increase awareness of existing interventions through openness by implementing actors. This would increase community-based advocacy and participation in the budgetary process which, in turn, would lead to a demand for better resource allocation for social protection



ACTION

Examining the need for social protection

Here are some suggestions to help you and your group spell out your situation more clearly about social protection:

- Discuss the forms of social protection, if any, that are available to you from your place of employment or your Province or State, list them.
- Then think of the vulnerabilities of the people in your Ward/District and their needs for social protection. It may be useful to draw a map that shows what and where social protection exists – perhaps there is a state-run clinic, for example, or a state-run school that is free – and what is lacking.
- What form of social protection is most needed? Is this something you can start to take action on, either as a small group or working with a larger organization? If not, what do you think you can begin to take action on?
- Raise awareness about the importance of Social Protection/ Social Security, and inform the informal workers/your group about existing Social Security Schemes with programs (contributions and benefits offered) for the informal economy as shown in table below,

Table 3: Pension Schemes and Informal Economy Packages

Country	Pension Scheme	How it caters for the informal economy
Uganda	NSSF (National Social Security Fund)	<p>The organization has established a national social security program for the informal economy (National Informal Sector Scheme - NISS) to serve self-employed members with ease, efficiency and professionalism.</p> <p>The purpose of establishing a national social security program for the informal economy is to:</p> <ul style="list-style-type: none"> • Increasing the scope of citizens by providing social security opportunities to groups that do not benefit from these services even though they actively participate in contributing to the country's economy

Country	Pension Scheme	How it caters for the informal economy
		<ul style="list-style-type: none"> • To support the Government's efforts to reduce income poverty for citizens • Increase the power of wealth production and promote the country's economy • Stimulating the speed of economic development for citizens and the Nation as a whole. <p>Criteria to join the informal economy scheme</p> <ul style="list-style-type: none"> • Any citizen who is self-employed in the informal economy such as farmers, breeders, fishermen, small-scale miners, small traders, etc. • Those who are employed and who prefer to keep additional savings under this plan • Employers with an additional scheme for their employees (Employer based supplementary scheme) • Those who were paid unemployment benefits and after 18 months since they were paid those benefits were not lucky enough to find another job. <p>Members of the informal economy scheme are required to contribute an amount of 20,000/= tshs per month.</p> <p>The members can also access loans through this scheme.</p>
Kenya	NSSF (National Social Security Fund)	<p>The Kenyan government has implemented various initiatives to provide pension coverage for the informal economy. Here are some of the key schemes and programs:</p> <p>1. National Social Security Fund (NSSF):</p> <ul style="list-style-type: none"> • Voluntary Contributions: NSSF allows individuals in the informal economy to contribute voluntarily to the fund. • Group Contributions: Informal workers can also contribute through group schemes, such as cooperatives or associations. • Mobile Money Payments: NSSF has made it easier for informal workers to contribute through mobile money platforms. <p>2. Retirement Benefits Authority (RBA):</p> <ul style="list-style-type: none"> • Regulatory Oversight: RBA oversees the pension industry in Kenya, including the informal economy.

Country	Pension Scheme	How it caters for the informal economy
		<p>The Kenyan government has implemented various initiatives to provide pension coverage for the informal economy. Here are some of the key schemes and programs:</p> <ol style="list-style-type: none"> 1. National Social Security Fund (NSSF): <ul style="list-style-type: none"> • Voluntary Contributions: NSSF allows individuals in the informal economy to contribute voluntarily to the fund. • Group Contributions: Informal workers can also contribute through group schemes, such as cooperatives or associations. • Mobile Money Payments: NSSF has made it easier for informal workers to contribute through mobile money platforms. 2. Retirement Benefits Authority (RBA): <ul style="list-style-type: none"> • Regulatory Oversight: RBA oversees the pension industry in Kenya, including the informal economy. • Education and Awareness: RBA conducts education and awareness campaigns to inform informal workers about the importance of retirement planning. 3. Micro-Pension Plans: <ul style="list-style-type: none"> • Private Sector Initiatives: Several private sector companies have developed micro-pension plans specifically tailored for the informal sector. • Affordable Contributions: These plans typically have low minimum contribution amounts to make them accessible to informal workers. 4. Government Support: <ul style="list-style-type: none"> • Tax Incentives: The government provides tax incentives to encourage informal workers to contribute to pension schemes. • Subsidies: In some cases, the government may offer subsidies to help informal workers afford pension contributions. <p>Challenges and Opportunities:</p> <p>While these initiatives have made progress in providing pension coverage for the informal economy, there are still significant challenges to overcome:</p> <ul style="list-style-type: none"> • Low Awareness: Many informal workers are not aware of the benefits of pension savings and the options available to them. • Limited Financial Resources: Many informal workers struggle to make regular contributions due to low income and financial instability.

Country	Pension Scheme	How it caters for the informal economy
Uganda	NSSF (National Social Security Fund)	<p>National Social Security Fund (NSSF): NSSF is the primary social security fund in Uganda. It has been promoting voluntary contributions from informal workers. Individuals can contribute to NSSF on a voluntary basis, and the government has provided incentives to encourage participation.</p> <p>In early 2016, the Uganda Retirement Benefits Authority (URBRA) licensed two voluntary micropension schemes focused on low-income informal workers, the Mazima Voluntary Individual Retirement Benefits Scheme and the Kampala City Traders Association–Uganda Provident Fund Scheme (URBRA 2017). These schemes are suitable for informal workers who may be unable to make regular fixed contributions. The key feature of the schemes is that low income workers can use mobile money networks and choose how much and when to save. Participants may withdraw their savings after one year. In Mazima, individuals can make 37 contributions beginning at the minimum of US\$0.59. Mazima is available on Airtel, MTN, and MTN Mobile Money; direct deposits are also accepted.</p>
Rwanda	Ejo Hezza Scheme	<p>The Rwanda Social Security Board (RSSB) is the government agency responsible for administering social security programs in Rwanda, including pension schemes. However, covering the informal economy in Rwanda has been a significant challenge due to various factors.</p> <p>The EjoHeza scheme is one of Rwanda’s home-grown solutions to work towards the extension of social protection for workers in the informal economy. Contributions are voluntary and flexible. An account can be opened using a mobile phone with the only condition being to have a national ID card.</p> <p>1 The World Bank (2023) THE PROMISE OF EJO HEZA, A Brighter Future for All Rwandans RSSB Action Plan 2021 – 2022 Payments can be done at any time. Members of the first and second Ubudehe categories receive a 100% government subsidy if they have saved at least RwF 15,000 within a given year. For members of the third Ubudehe categories a government subsidy of 50% will be allocated if reaching a minimum saving of RwF 18,000 in a given year.</p>

Country	Pension Scheme	How it caters for the informal economy
		<p>The government subsidy is capped at RwF 18,000. The scheme further provides life insurance to members who reach a certain contribution amount. Savings can be retrieved at age 55 through monthly payments over 20 years or lump sum payment depending on the savings amount. Partial withdrawal is possible at an earlier point for investments in education or housing under the condition to reach a certain contribution amount.</p>
Burundi	NSSF (National Social Security Fund)	<p>The Burundi pension scheme for the informal sector is a relatively recent development aimed at providing social security benefits to a large portion of the population that previously lacked such coverage.</p> <p>In terms of achievements within social protection, progress has been made, including the creation of a structured private sector health insurance body, the development of community health mutual funds for the informal economy, and the establishment of a compulsory health insurance framework. The introduction of the Family Benefits Insurance System, an unemployment insurance system, and the gradual extension of social protection coverage to the entire population demonstrate the multifaceted impact of trade unions in enhancing social protection.</p>
DRC	Institut National de Sécurité Sociale (INSS)	<p>The Democratic Republic of Congo (DRC) has been making efforts to extend social security coverage to the informal economy, which constitutes a significant portion of its workforce.</p> <p>The primary pension scheme in the Democratic Republic of Congo (DRC) is the Institut National de Sécurité Sociale (INSS). It is a government-run social security institution responsible for providing various social security benefits, including pensions, to workers in the DRC.</p> <p>However, it's important to note that the informal economy in the DRC is significant, and many workers in this sector are not covered by the INSS.</p>

Country	Pension Scheme	How it caters for the informal economy
South Sudan		<p>The establishment of a comprehensive pension scheme for the informal economy in South Sudan has been a challenging endeavor due to several factors:</p> <ul style="list-style-type: none"> • Limited Resources: The government faces significant resource constraints, making it difficult to allocate sufficient funds for a comprehensive pension scheme. • Lack of Infrastructure: The country's infrastructure is underdeveloped, making it challenging to implement and manage a pension scheme effectively. • Low Literacy Rates: A large portion of the population has limited education, making it difficult to disseminate information about the pension scheme and its benefits. • Informal Economy Dynamics: The informal economy is highly diverse and dynamic, making it challenging to develop a one-size-fits-all pension scheme.

Resources

<https://www.nssf.go.tz/schemes/saccos-sheme>

<https://www.nssf.or.ke/haba-haba-na-nssf>

<https://documents1.worldbank.org/curated/en/153021563855893271/pdf/Extending-Pension-Coverage-to-the-Informal-Sector-in-Africa.pdf>

[file:///Users/innocentibusjohn/Downloads/wcms_900712%20\(1\).pdf](file:///Users/innocentibusjohn/Downloads/wcms_900712%20(1).pdf)

<https://www.ulandssekretariatet.dk/wp-content/uploads/2024/03/Mapping-of-the-role-of-trade-unions-on-social-protection-schemes-2023-1.pdf>

CHAPTER 4

VALUE CHAIN

What is a Value Chain?

A value chain “describes the full range of activities that are required to bring a product or service from conception, through the intermediary phases of production (...), delivery to final consumers, and final disposal after use.” This includes activities such as design, production, marketing, distribution and support services up to the final consumer (and often beyond, when recycling processes are taken into account). The activities constituting a value chain can be contained within a single firm or divided among different firms, as well as within a single geographical location or spread over wider areas. (Source: Value Chain Development for Decent Work (2009))

Value chain analysis is a way of understanding the links between formal enterprises and informal enterprises in specific chains of production and the contributions that workers in both these enterprises make to the economic value of a particular product or service.

Value is about price and quality. As a product gets nearer the point of completion and sale, its value increases. So, for example, cotton on a cotton plant has a certain value. Once it has been spun into cloth its value increases. This increase continues with each stage of production. All the stages from the cotton in the field to the completed garment in a retail shop make up a chain of production and distribution, and because value is added at each stage it is called a value chain.

Value chains can be short, intermediate or long. The work can take place in one country, or across several countries. Long value chains taking place in many countries are called global value chains and are often controlled by a well-known brand-name company.

When you think about production or distribution value chains you see that both formal and informal enterprises and workers are frequently part of the same chain. In general, the conditions of work at one end of the chain are regulated and protected (like people selling goods in formal stores or owners of businesses). The conditions of work at the other end of the chain are more unregulated and unprotected work (like those making parts of garments on a piece rate basis, in their own homes.) This way of organizing production has released the owners of businesses from providing minimum wages, benefits and regulated working conditions to millions of workers at the bottom end of the chains.

Why is it useful to talk about informal workers in value chains?

The economic contributions that informal workers make to the value of a product or service, as well as their rights as workers, are often overlooked. Informal workers and their enterprises are seen as an urban or social planning issue or a health issue. This attitude can change if work is understood in terms of one long value chain where formal enterprises often depend on informal enterprises for the functioning of a value chain. In this way, informal work is situated in the economy of a country and of the world.

Looking at informal enterprises and workers in this way raises their status and negotiating power with businesses as well as with local, provincial and national governments.

An example of a value chain from East Africa that includes formal and informal workers
Here is a diagram showing the links in the production chain involving both formal and informal workers.

Case Study: Coffee Value Chain – A blend of formal and informal sectors.

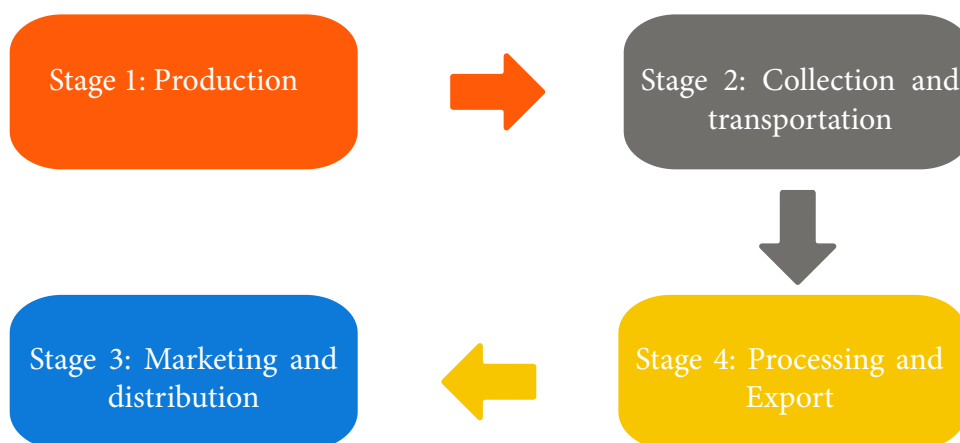


Figure 2: Example of Coffee Value chain in East Africa

A Coffee Value Chain in East Africa: A Blend of Formal and Informal workers

Coffee is a significant commodity in East Africa, with a value chain that intricately combines formal and informal sectors.

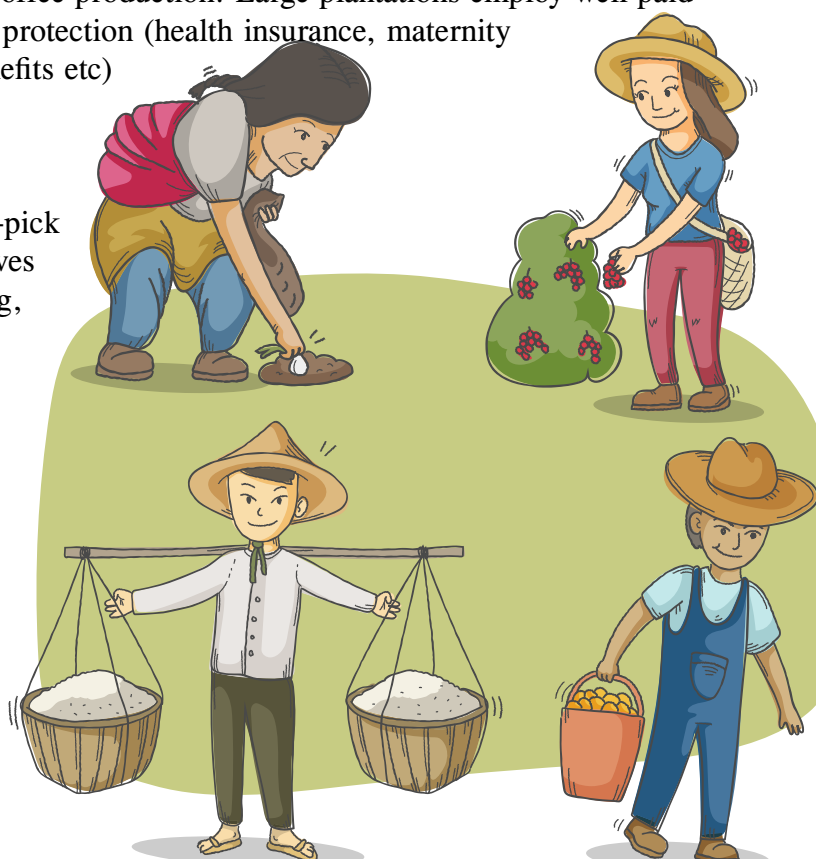
Stage 1: Production

Informal: Small-scale farmers, often operating on subsistence levels, grow coffee on their own land. They may use traditional methods and have limited access to inputs like fertilizers and high quality seedlings, no access to social protection.

Formal: Larger plantations and cooperatives with better infrastructure, access to finance, and agricultural extension services contribute to coffee production. Large plantations employ well paid experts and technicians with access to social protection (health insurance, maternity benefits, work injury benefits, retirement benefits etc)

Stage 2: Harvesting and Processing

Informal: Small-scale farmers typically hand-pick cherries
Formal: Larger farms and cooperatives employ mechanized harvesting and processing, ensuring higher quality and efficiency.



Stage 3: Collection and Transportation

Informal: Coffee cherries are often collected by small-scale farmers or middlemen who buy from small-scale farmers at farm gates, often at low prices.

Transportation is typically done using motorcycles or small trucks.

Small-scale farmers or middlemen sell to Cooperatives and larger farms own collection centers and transportation systems, often using larger vehicles to transport coffee to processing facilities.

Larger farms buy coffee beans from small scale farmers often in low price.



Stage 4: Processing and Export

Formal: Coffee is processed in factories, adhering to international quality standards. Export is handled by large companies or cooperatives with established export channels.



Stage 5: Marketing and Distribution

Formal: Roasted coffee is sold through supermarkets, specialty coffee shops, and online platforms with high price which is not affordable to ordinary people.



From the above example we have noted that, informal workers have enormously contribution to Company's value chain to make super profit, however small-scale farmers have remained stagnated, farm gate prices often do not cover production costs, but the profit made by company does not contribute to the welfare of informal workers rather than Company's employees. It's important to ensure that all workers involved in value chain enjoys the profits. In order to improve welfare of informal workers, all challenges faced by informal workers in value chain must be addressed.

What questions should you be asking about your value chain and what do you need to start looking at? How much do you know about your value chain?



Steps to follow

- Start by listing the companies or agencies that you do know about.
- Think about what particular problems you face as an informal worker, about all forms of social protection.
- List them.
- Note that at the informal end of the value chain, different sectors carry different hazards. For example, casual construction workers are more exposed to the weather and construction hazards.



ACTION

Suggestions for taking action:

- Try to work out all the stakeholders in your value chain.
- Compare the same levels of work in formal and informal employment. As in the example of the coffee value chain, informal workers in the same value chain, doing similar levels of work to formal workers, were discriminated because of their status. Comparisons may include:
 - How vulnerable people are in different parts of the chain.
 - The different rights of specific groups of workers to social protection, both through their employment and through wider public provision.
 - The different risks and vulnerabilities of people doing similar work but in different employment situations, both formal and informal.
 - The different ways in which men and women can participate in the labour market, their conditions of work and their relative control over these conditions.
 - How workers in different employment situations are regulated in different ways.
- Find a solution that suits your group or your occupation in particular. As a worker, what are your needs for benefits and securities and how are you going to access them? It may be necessary for workers in particular occupations to organize around different social protection needs.
- Identify the stakeholders linked to a particular economic sector and see what role they can play in developing social protection.

CHAPTER 5

HEALTH INSURANCE

The problem of health costs.

Periods of illness are the most frequent and the costliest risk faced by the working poor. More and more governments around the world are reducing their budgets for health, so the costs of health care to the public are increasing. These high costs not only mean that people do not get proper health care but they also lead to an increase in health problems. For example, people delay going to a doctor or clinic, hoping that they will get well without having to spend money. This can lead to longer and more serious illnesses and even higher costs. People may then have to finish their savings borrow money or sell a household asset, such as a radio, tv, that is vital for earning an income. The lower the income the more likely the family is to face increased health hazards.

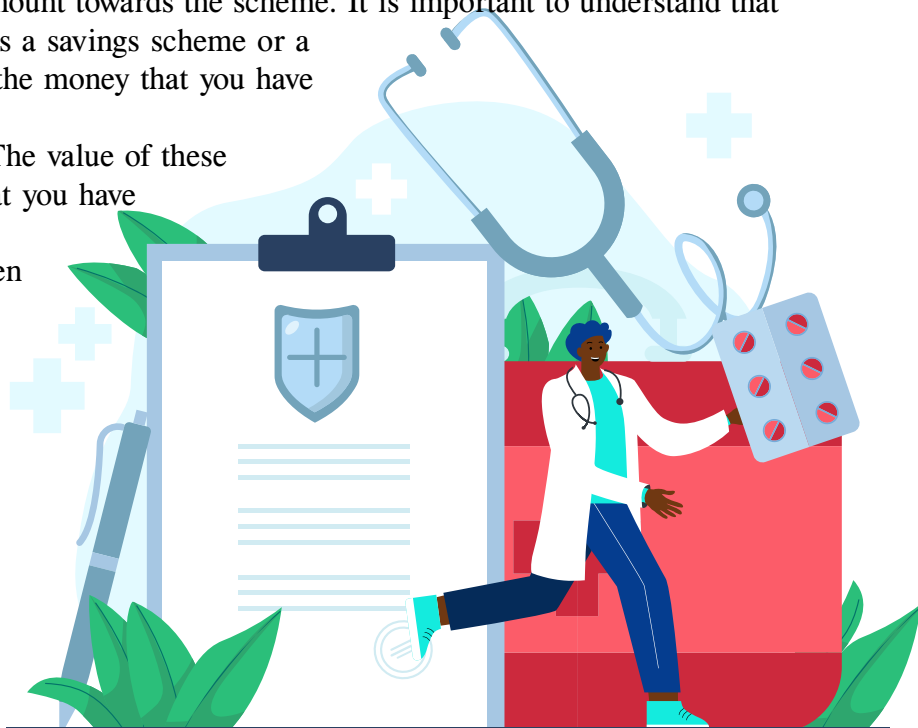
Many informal workers look to traditional forms of protection in times of need. So, the wider family, patrons, or self-help organizations may contribute towards meeting the needs of the person who is sick. Community-based initiatives also provide some health care and a few countries have started introducing subsidized government health services.

Many countries in sub-Saharan Africa are struggling to expand voluntary health insurance schemes to raise finances toward achieving universal health coverage. With more than three-quarters of the population without any insurance, the government of Tanzania has unsuccessfully tried to pass a Bill proposing a mandatory, nationwide scheme to cover the large and diverse informal economy. The Bill proposed an annual premium of -150 USD for a household of six or 65 USD per person.

Studies in Tanzania and Kenya have shown that the majority of people in the informal economy are unwilling and unable to pay premiums as low as 4 USD, mostly due to poverty. Mandatory health insurance for the informal economy is not common in this region, mostly because it is difficult to enforce. Successful insurance schemes have included significant subsidies from tax revenues.

What is health insurance about?

Health insurance aims to make sure that when you are ill, your medical costs will be covered, or at least partially covered, because you have paid while you are well and earning. If you join a health insurance scheme you pay a regular amount towards the scheme. It is important to understand that an insurance scheme is not the same as a savings scheme or a pension scheme. You do not get back the money that you have paid into the scheme. Instead, you get health benefits when you need them. The value of these benefits may be much higher than what you have paid into the scheme, or they may be lower. This is the chance you take when you join any insurance scheme. All insurance schemes work like this.



Informal workers have difficulty joining health insurance schemes

Informal workers tend to face a higher risk of illness than formal workers and yet few have health insurance. There are several reasons for this:

- Many insurance schemes cater for formal workers only. Workers pay a regular monthly contribution that is deducted from their wages. These schemes exclude a large number of working people in developing countries. For example, in the EAC more than 80% of the labour force is in the informal economy.
- People working in the informal economy often do not have a regular income and so they are not able to keep up payments to a health scheme. Others are too poor to afford even small payments towards health insurance.

What are some of the difficulties that you face with health insurance?

You may find it helpful to use these two sets of questions when you examine your difficulties. Which statement applies to you and members of your group?

- Health care is provided by the State and is free for me.
- Health care is subsidized by the State and I pay a reduced amount at government health care centres.
- Health care is only available through private doctors and I have to pay the same as the higher income earners.
- Here is a way to analyse what you are spending on health care each year. Include illnesses of other family members who you are responsible for, as well.
- When were you last ill?
- Did you have to spend money on your illness?
- Did you lose earnings because you were ill?
- Has this happened often?
- How many times in the past three years? Discuss whether it might be cost-effective to belong to a health insurance scheme. What would the advantages be? What would the disadvantages be?

Health insurance schemes that cater for informal workers in East Africa

Country	Health Insurance Scheme	How it caters for the informal economy
Tanzania	NHIF (National Health Insurance Fund)	<p>Tanzania has two major public health insurance schemes targeting specific groups:</p> <ul style="list-style-type: none">• National Health Insurance Fund (NHIF)• The Improved Community Health Fund (iCHF). <p>iCHF is a voluntarily scheme that targets the informal economy-majority of the insured populations fall in this category (NHIF, 2018).</p> <p>The NHIF was established by an Act of Parliament in 1999 as a mandatory social health insurance scheme for public employees</p>

Country	Health Insurance Scheme	How it caters for the informal economy
		<p>In 2013, NHIF expanded membership for other population groups on a voluntary basis. However, coverage has remained limited, with only approximately 7 percent of the population covered by NHIF (Lee et al., 2018). The scheme is financed through a fund consisting of monthly contributions from self-employed individuals, employees, and employers, grants, donations, and income from investments made by the national health insurance fund board.</p> <p>Those in the formal sector contribute 3 percent of their monthly salary and equal matching by employers. There is also a voluntary scheme for those in the informal economy through annual premium contributions, which vary by age and number of beneficiaries</p>
Kenya	Shift from NHIF (National Hospital Insurance Fund) to Social Health Insurance Fund (SHIF	<p>The National Hospital Insurance Fund (NHIF) was established in 1966 to provide financial support to Kenyans seeking medical care. Initially designed for civil servants, NHIF expanded its reach over the years to cover employees in the formal sector, informal workers, and even the self-employed.</p> <p>Despite its widespread adoption, NHIF has faced several criticisms, including:</p> <ul style="list-style-type: none"> • Limited Coverage: NHIF focused primarily on inpatient services and left gaps in areas like outpatient care, specialized treatments, and preventive health services. • Inefficiency and Corruption: Over time, NHIF was plagued by claims of mismanagement, fraud, and slow service delivery, causing public distrust. • High Costs: Many Kenyans, particularly those in the informal economy found NHIF contributions to be too high for the services provided.

Country	Health Insurance Scheme	How it caters for the informal economy
		<p>Major Milestones Achieved by NHIF</p> <ul style="list-style-type: none"> • Expansion of Coverage to the Informal Economy: Originally designed for formal sector employees, NHIF expanded to cover informal sector workers, including small business owners, farmers, and self-employed individuals. • Introduction of Outpatient Coverage: NHIF broadened its focus beyond inpatient services by offering outpatient services, allowing members to access day-to-day medical care. • Specialized Medical Services Coverage: NHIF began covering treatments for major illnesses such as cancer care, renal dialysis, and chronic disease management. • Launch of Health Insurance Subsidy Programs: To address healthcare disparities, NHIF introduced the Health Insurance Subsidy Program (HISP) to cover low-income families and vulnerable groups. • Partnerships with Private Hospitals: NHIF-accredited private hospitals, expanding the options for members seeking quality care in addition to government hospitals. • Digitization of Services: NHIF embraced digital tools to streamline services, enabling online registration, contributions, and claims processing <p>Why the Shift from NHIF to SHIF? Key Reasons</p> <ul style="list-style-type: none"> • Universal Health Coverage (UHC): SHIF is designed to ensure that every Kenyan, regardless of economic background, has access to quality healthcare services. It aligns with the global UHC goals by providing broader healthcare coverage for all. • Expanded Healthcare Services: One of the major criticisms of NHIF was the limited range of services it covered. SHIF will offer more comprehensive coverage, including outpatient services, preventive care, chronic disease management, and specialized treatment.

Country	Health Insurance Scheme	How it caters for the informal economy
		<ul style="list-style-type: none"> Improved Efficiency and Accountability: NHIF's inefficiencies often led to delays in service delivery and rampant corruption. SHIF aims to tackle these issues by introducing digital solutions, automated systems, and better governance mechanisms to ensure transparency and responsiveness Affordability: The government is working to make SHIF contributions more affordable, especially for informal economy workers and the self-employed, while ensuring that the quality of services remains high. Decentralization: SHIF will use a decentralized approach, meaning that services will be more accessible at the county and community levels, reducing the burden on national hospitals and improving access to healthcare in rural areas.
Uganda	National Health Insurance Scheme (NHIS)	<p>Access to health care remains a challenge, especially among the informal workers in most low-income countries, due to high out-of-pocket (OOP) expenditures, with Uganda spending over 28.0% out of pocket on health care. In response, Uganda has proposed a national health insurance scheme (NHI).</p> <p>In Uganda, community-based health insurance is common among those in the informal economy, while private medical insurance is typically provided to employees by their workplaces and agencies. The National Health Insurance Scheme Bill, introduced in 2019, was passed in 2021.</p> <p>A person who is self-employed is liable to contribute of Ugx 100,000 shillings (26.9 usd)</p>
Rwanda	Community Based Health Insurance (CBHI) – Mutuelle de sante'	<p>The Mutuelles de Santé/Community-Based Health Insurance (CBHI) scheme was developed to meet the needs of Rwandans outside of the formal economy, where access to and utilization of healthcare services had been historically very low. Beginning with pilots in 1999, and established as national policy in 2004, Rwanda quickly scaled CBHI across the country. Membership grew to 91% of the target population by 2010-11. Enrollment decreased in recent years, with a June 2015 estimate of 75% coverage, among those eligible for the scheme. The scheme features included strong public financial support (from GoR,</p>

Country	Health Insurance Scheme	How it caters for the informal economy
		<p>development partners and other insurance providers) to allow the informal economy population access to the essential health care package.</p> <p>Members of the CBHI are entitled to a benefits package including both outpatient and inpatient care at public facilities throughout the country. Basic care and referrals to district or tertiary hospitals are provided through the local health center. User copayments are required as described above, and the plan does not set a cost limit to the amount of care available.</p> <p>The premium for a minimum healthcare package based at the level of the health centre was set at FRW 1.000 (less than 2 USD) per person per year as from January 2007 with a 200Frw (0.15 USD) co-payment due upon treatment at the health care centre. This premium is paid in full to the section de mutuelle which has signed contracts with its respective health centre and those in the surrounding area and acts as a third-party in paying the relevant health facility</p>
Burundi	La Carte d' Assurance Mal- adie (CAM)	<p>The social insurance system was established in the year 1984. At the beginning membership was open to anyone aged over 21 years on a voluntary basis for an annual fee of 500 Burundi Francs (at that time around US\$ 4).</p> <p>Membership entitled the entire household to medical consultations, medical and surgical care, dental care, and maternal and child health care without co-payment A co-payment of 20% was introduced in 1996. The system soon became financially unsustainable. Municipal administrations collected the funds and used them for general revenue.</p> <p>The population quickly considered the membership fee as just an additional tax. Private health facilities and many faith-based facilities never agreed to the system and still do not accept the CAM.</p> <p>In 2012, the CAM system was revised by Presidential Decree. The price of the card was raised to an annual fee of 3000 Burundi Francs (approximately US\$ 2) per household. Participation remained voluntary and provided access to the essential package of care (defined by the Ministry of Health for each level of health</p>

Country	Health Insurance Scheme	How it caters for the informal economy
		<p>facility), provided by public and faith-based health facilities with a co-payment of 20% of the provider charges. Implementation began in May 2012.</p> <p>According to the Decree, this system would serve as a transition towards a generalized social health-insurance scheme. Applicants can enrol in the CAM in any public-health centre. The revenues collected are deposited in special accounts opened by the provincial health offices. These accounts also receive direct transfers from the national budget on request by the Ministry of Health. Health facilities are reimbursed at a flat rate for each service, based on a study of healthcare costs in 2011. Payment is made by direct transfer of funds from provincial accounts to the accounts of the health facilities. The CPVVs that were established for the PBF system was also charged to verify and validate the services provided under the CAM. This has resulted in a significant overload of work for the CPVV auditors. The PBF technical unit is responsible for compiling all payment requests relating to the CAM at the national level. The Directorate of General Resources of the Ministry of Health is responsible for the coordination and follow-up of all payments.</p> <p>According to personal information obtained from the Ministry of Health, 402,533 cards were sold between May 2012 and April 2013, representing about 31% of households in Burundi. However, a survey by the Belgian Cooperation programme in Kirundo found that less than 1% of households in Kirundo Province had renewed their subscription after the first year of membership.</p> <p>A study done in 2022 used Secondary data from Demographic and Health Surveys conducted between 2015 and 2020 in sixteen (16) sub-Saharan African countries with 113,918 women aged 15-49 years indicated that the coverage of health insurance was found in Burundi to be 24.3%.</p> <p>Generally, the public health insurance system is not based on a fund with a decentralized system of management.</p>

Country	Health Insurance Scheme	How it caters for the informal economy
DRC	There is no a health insurance fund in DRC but rather Community Based Health Insurance (CBHI) known as Mutuelles de Sante'	<p>The Community Based Health Insurance facilitates Access to health care and social protection for the informal sector workers.</p> <p>Membership in CBHI: Individuals or families join a CBHI scheme by paying regular premiums. These premiums can be fixed amounts or based on income levels.</p> <p>Benefits package: The premiums collected are pooled to fund healthcare services for members. Benefits typically include:</p> <ul style="list-style-type: none"> • Consultation fees • Prescription drugs • Hospitalization costs • Preventive care services <p>• Providers of health care services: CBHI schemes often partner with local health facilities to provide these services.</p> <p>• Governance of CBHI: These schemes are typically managed by community-based organizations or committees</p> <p>• Among the challenges faced by CBHIs in DRC include:</p> <ul style="list-style-type: none"> • The first constraint is the quality of care, which has an impact on the use of services, and is an important determining factor in the uptake of mutuelles by users. • High cost of medicines. • Inadequate management of mutuelles, which requires an assessment of the existing situation to identify needs and gaps to be filled and improve their functionality.

Country	Health Insurance Scheme	How it caters for the informal economy
South Sudan	<p>South Sudan does not have a fully operational health insurance fund.</p> <p>Options for health insurance coverage in South Sudan Include:</p> <ul style="list-style-type: none"> • Employer based insurance • Private Health Insurance <p>Majority of the population still rely on out-of-pocket payments and Community</p>	<p>Community-based health insurance (CBHI) is a popular approach in South Sudan to provide healthcare access to rural populations. These schemes involve community members pooling their resources to cover healthcare costs.</p> <p>Majority of the population still rely on out-of-pocket payments for health services.</p> <p>Operation of CBHIs in South Sudan</p> <ol style="list-style-type: none"> 1. Formation of Community Groups: Communities form groups or cooperatives to manage the CBHI scheme. 2. Premium Collection: Members contribute a regular premium, often in cash or kind (e.g., crops). 3. Fund Management: The collected funds are managed by the community group or a designated committee. 4. Healthcare Coverage: The funds are used to cover healthcare costs for members, including doctor's visits, medications, and hospital stays. 5. Service Providers: CBHI schemes often partner with local health facilities to provide services to members.

Resources

<https://link.springer.com/article/10.1186/s12913-022-07601-6>

<https://gh.bmj.com/content/bmjgh/7/4/e008219.full.pdf>

file:///Users/innocentibrusjohn/Downloads/WHO_HIS_HGF_CaseStudy_15.1_eng.pdf

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5698913/>

<https://onlinelibrary.wiley.com/doi/abs/10.1002/hpm.914>

http://www.africanstrategies4health.org/uploads/1/3/5/3/13538666/country_profile_-_rwanda_-_us_letter.pdf

https://www.hfgproject.org/wp-content/uploads/2014/06/HFG-Mobile-Money_CASE-STUDY-12-KENYA-NATIONAL.pdf

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<https://www.social-protection.org/gimi/ShowWiki.action?wiki.wikiId=794>

https://extranet.who.int/countryplanningcycles/sites/default/files/planning_cycle_repository/rwanda/insurance_policy1.pdf

https://www.lhssproject.org/sites/default/files/resource/2023-12/LHSS%20DRC_%20Health%20Financing%20Landscape%20Report_%20ENG_508C.pdf

Country	Out of-pocket health expenses as percentage of total health expenditure (2021)
Democratic Republic of the Congo (DRC)	39.13
Uganda	31.25
South Sudan	27.41
United Republic of Tanzania	25.56
Burundi	25.36
Kenya	22.77
Rwanda	10.13

Figure 3: Source - <https://platform.who.int/data/maternal-newborn-child-adolescent-ageing/indicator-explorer-new/MCA/out-of-pocket-health-expenses-as-percentage-of-total-health-expenditure>

39.13% of the total health expenditure in DRC is financed directly by patients while 10.13% of the total health expenditure in Rwanda is financed directly for patients' income. The average out-of-pocket expenditure in East Africa as a percentage of total health expenditure is 25.9%.

This implies that workers in the informal economy have limited access to health insurance schemes considering that they account for a large percentage of the total labour force.

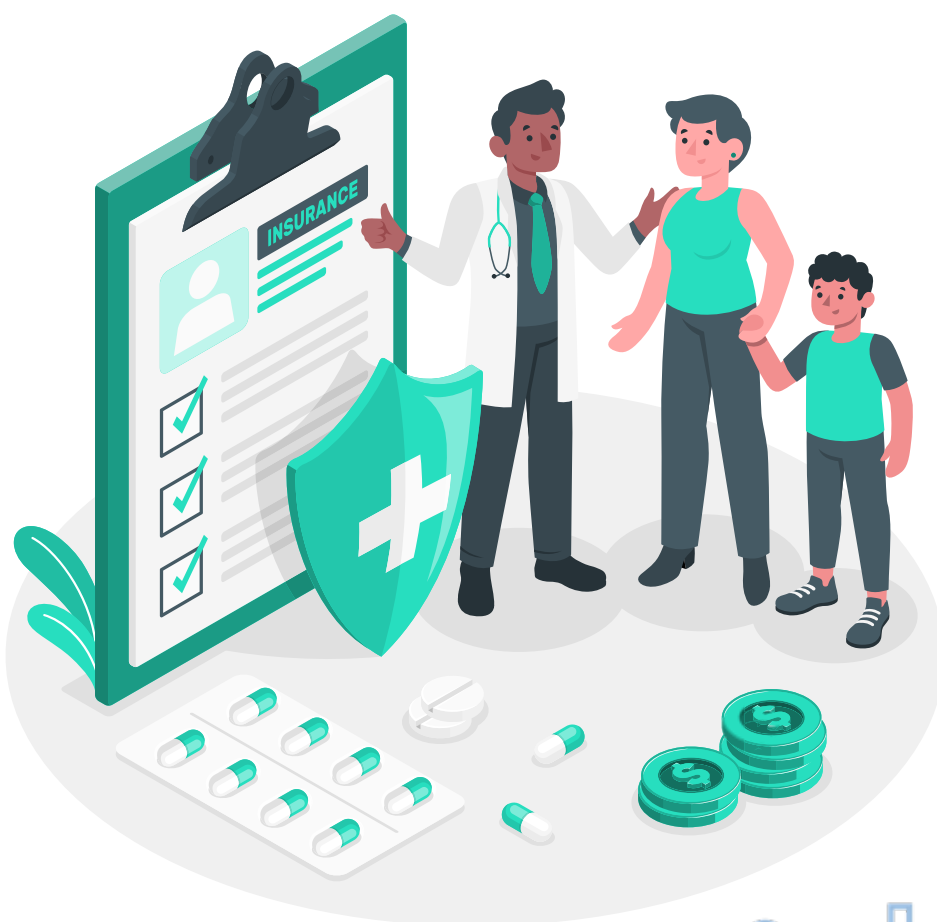
Requirements for an effective scheme

Some of the requirements for a health insurance scheme to run effectively and serve informal economy workers are:

- It must provide something better than the existing government health provisions or any other existing scheme in the area.
- It must have enough members to provide the scheme with a viable income.
- The community and members should trust and respect the scheme and those who operate it.
- It must have a sound financial basis and management system. More questions about health insurance in your own country

Here are a few issues that you may find useful to discuss as you continue to think about health insurance in your community province or country:

- What questions should we be asking about our health insurance schemes and their effectiveness?
- Have there been attempts to start health insurance schemes in the past? Did they succeed or fail? What can we learn from their successes and failures?
- Would it be better to try and fight for improvements of existing health services and insurance schemes, or start our scheme?
- What particular area of health insurance do we need to start looking at?





CHAPTER 6

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is about ensuring that the conditions under which people work are physically safe and that they do not result in ill health either in the short term or the long term. It is also about making sure that workers who use hazardous machines or materials are trained in the safe use of these. All formally employed workers are protected by laws that set health and safety standards for enterprises. Informal workers, who tend to face more risks at their places of work, have much less protection.

In most countries, not enough resources are given to monitoring and enforcing occupational health and safety even for formal workers, so it is unlikely that the majority of informal workers will be reached. Also, formal occupational health and safety rules only cover formal places of work, like factories, shops and offices. Worldwide, more and more people work in places that are not covered by formal regulations – in their own homes, in informal factories, in public parks, on sidewalks and pavements. However, there is quite a lot that can be done to improve conditions in the places where informal workers are employed.

Examples of health and safety risks for informal workers

Garment makers

- Poor equipment leads to neck and backache and a high incidence of arthritis of the neck, Shoulder, wrist and fingers.
- Poor lighting leads to eye strain.
- Long hours lead to tiredness and stress, which cause physical illness.
- Poor ventilation leads to respiratory problems from dust and textile fibres.

Street vendors

- Exposure to weather and extreme temperatures.
- Poor access to clean water.
- Poor sanitation from dirty streets, poor drainage as well as waste from other vendors.
- Disease from vermin.
- Lead poisoning and respiratory problems from vehicle fumes.



Domestic Workers

- Isolated and invisible in homes
- Fear of employers and losing jobs
- Dependency on employer for housing etc.
- Not protected by labour law
- Lack of time: long hours
- Fear of authorities
(migrants if not migrants some of them are picked from Villages and brought to city centres)



Women Workers in All Sectors

- Fear and lack of confidence
- Cultural and religious barriers
- Often in scattered locations
- Domination by men in decision-making
- Lack of time
- Child care and home care



Example of what is being done about occupational health and safety for informal workers in EAC

Kenya:

In 2024, Kenya reviewed its National Occupational Health and Safety Policy to cover informal economy workers. Reviewed policy marks a significant step in addressing emerging challenges, ensuring a safe and health work environment in Kenya.

Global Level

At a world-wide level, the International Labour Organization's Convention on Homework says the following:

National occupational health and safety regulations apply to homework National laws and regulations on safety and health at work shall apply to homework, taking account of its special characteristics, and shall establish conditions under which certain types of work and the use of certain substances may be prohibited in homework for reasons of safety and health (ILO Convention on Homework, no.177, article7).

Despite this convention, health and safety conditions for homeworkers continue to be problematic. It will take more lobbying and campaigning by formal and informal workers to implement and enforce the convention.



ACTION

Some ideas for action

Here are some ideas for action that could be taken. You may find that other forms of action are more appropriate:

What is being done about occupational health and safety for informal workers in your industry and country?

Think about your situation and your own country. Do you know, or can you find out, what laws or codes exist to protect informal workers?

General information gathering

- Find out what the laws of your country are regarding health and safety for informal workers.
- Compare your national code on Occupational Health and Safety, or the ILO Convention on Homework, above, to the situation you are experiencing. Use the information to lobby for one or two important improvements to start with.
- Work with a group such as an NGO that will monitor health and safety and lobby for improvements. You could also monitor sickness and absence rates if you work in a small informal business so that you can build up a record of the situation.
- Get in touch with a union in your sector and see whether it can assist with training.

- Find out what organization national body or company could be approached to help improve your situation in your area.

At your place of work

- Informal workers could negotiate with their employer or supplier to provide necessary health and safety equipment, advice or training. This could include:
- Explaining what health and safety are about and what the rights of informal workers are in this respect.
- Providing training on how workers can protect themselves from risks at the workplace. This should happen for all new workers in particular.
- Making sure that everyone has access to safety equipment such as a mask for those working with textile fibres.
- Making sure that warnings about dangerous chemicals, for example, are in the local language, and that they are marked with a symbol that indicates that they are dangerous.
- Street vendor groups could consider negotiating with the city council or local government regarding an improvement in facilities for ensuring health and hygiene, for workers and consumers, in public working places.
- Those working in a small informal business who use dangerous chemicals should receive proper training on how to protect themselves. The International Chemical Safety Card is an educational initiative of the ILO's International Occupational Health and Safety Centre; their materials are available in several languages including Chinese, Korean, Thai, Vietnamese and Urdu.
- Ask your employer or supplier to give your working environment a risk assessment. Or learn how to do this yourself, and use this as a basis for negotiating.
- Keep a detailed record of health problems or accidents created by your work, and present these to the employer or supplier.

Lobbying

- All informal groups can work with NGOs or other organizations to lobby for amendments to legislation to ensure more protection.
- Lobby for industries to contribute towards improving health and safety conditions and providing protection for informal workers.





CHAPTER 7

CHILD CARE

What are the issues relating to child care for informal workers?

Several issues need to be recognized when addressing the topic of child care for the children of informal workers:

- Children have a right to be brought up in a safe environment and to fulfil their potential. Those who are brought up where their mother works have little opportunity to do this. Children in the parents' workplace are exposed to high levels of risk and are likely not to get proper nurturing, playing, and stimulation. They especially need good care in their youngest years, but women working in low-income jobs cannot afford child care and cannot provide this care while they work.
- The all-round development and health of children is critical to economic growth and development. These are the workers of the future.
- The childcare field can be an important creator of employment for women.
- The issue of child care is also about the productivity of women at work. It has been shown that having to care for a child while also trying to perform a job lowers the productivity of the worker. While a home may be a better place for children to be cared for than a street, a



A continuum of childcare provision

Childcare provision can range from very formal to very informal. At the very informal end, family members look after younger children, without being paid, or a neighbor may look after a child, in exchange for some other favour, or for some small amount of money. Some community-based

organizations and non-government organizations have childcare centres. Some are models of good provision, others may be dangerous places, with muddy floors and a moist, humid environment that is unhealthy for the children.

At the formal end are pre-school facilities that have strict rules about the curriculum, training of pre-school teachers, and building regulations. Unless formal childcare services are heavily subsidized, they are out of reach of most informal workers. What informal women workers need is access to reliable, safe and affordable child care, in an environment that is stimulating for children.

Men, Women, Families and Childcare

The conflict between child care and work differs in different countries and regions. In some countries, people live in extended families where there are older relatives available to care for children. In other countries, increasing numbers of women are rearing their children without fathers being present. Family policies can influence the number of children people have.

Some approaches to the provision of child care in the informal economy

Although women workers tend to be concentrated in the informal economy, there is little appropriate and affordable childcare provision for them. Child care is not normally considered or covered by the various programs of social protection that exist in most countries. Maternity benefits are recognised in most social protection programmes, but the next step of providing child care is not included. Even for formal workers, there may be laws that say there should be work-related child care, but the laws are not implemented.

Examples of laws relating to child care in East Africa

Country	Laws Relating to Child care	Description
Tanzania	The law of child act [CAP. 13 R.E. 2019] page 48 Section 84. -(1) “For the avoidance of doubt, this Part shall apply to employment in the formal and informal sector.” ELRA (Employers and Labour Relation Act) 2004	The law of child act in Tanzania does not specify issues of child care in the informal economy but rather the rights of a child. The Employer and labour relations act 2004 has mentioned issues on child care in relation to paternity/ maternity leave but still the law has not mention on child care in the informal economy.
Kenya	Children’s act 2011	The laws relating to child care in the informal economy in Kenya are primarily covered by the Children’s Act, 2011. This comprehensive legislation outlines the rights of children, including those in the informal economy, and sets standards for their care and protection. Key provisions of the Children’s Act relevant to child care in the informal economy include: <ul style="list-style-type: none"> • Definition of Child: The Act defines a child as any person under the age of 18 years. This includes children working in the informal economy. • a child’s education, health, or development. This applies to both formal and informal economy.

Country	Laws Relating to Child care	Description
		<ul style="list-style-type: none"> • Child Protection: The Act outlines various measures for child protection, including the establishment of child protection committees and the creation of safe spaces for children. • Child Care Institutions: The Act regulates child care institutions, including those in the informal economy. It sets standards for their operation, ensuring that children are provided with adequate care and protection. <p>In addition to the Children's Act, other relevant laws include:</p> <ul style="list-style-type: none"> • Employment Act, 2007: This Act prohibits child labor and sets minimum age requirements for employment. • Education Act, 2013: This Act emphasizes the importance of education for all children, including those in the informal economy. • It's important to note that while these laws provide a legal framework for child care in the informal economy, their enforcement can be challenging due to the informal nature of the sector. However, efforts are being made to improve enforcement and ensure that children in the informal economy are protected and have access to quality care.
Uganda	Children act 1996, employment act 2006, national child policy 2010	<p>The laws relating to child care in the informal sector in Uganda are complex and evolving. While there are no specific laws directly addressing child care in the informal economy, several existing laws and policies provide some guidance:</p> <p>Relevant Laws and Policies:</p> <ul style="list-style-type: none"> • The Children Act 1996: This is the primary law governing child rights in Uganda. It outlines children's rights to protection, education, and health. While it doesn't specifically address child care in the informal economy, it provides a framework for ensuring the well-being of children. • The Employment Act 2006: This law regulates employment in Uganda, including employment in the informal sector. It sets minimum standards for working conditions, including child labor.

Country	Laws Relating to Child care	Description
		<ul style="list-style-type: none"> • The National Child Policy 2010: This policy provides a comprehensive framework for child development and protection in Uganda. It outlines the government's commitment to ensuring the well-being of all children, including those in the informal economy. • The National Development Plan: This plan outlines the government's priorities for economic development and social welfare. It includes provisions for improving the lives of children, including those in the informal economy. <p>Challenges and Gaps:</p> <ul style="list-style-type: none"> • Enforcement: While these laws and policies provide a framework for child protection, enforcement can be challenging in the informal sector due to its decentralized nature and lack of formal regulation. • Awareness: Many informal economy workers may not be aware of their rights and responsibilities regarding child care. • Standards: There are no specific standards or guidelines for child care in the informal economy, making it difficult to ensure the quality and safety of such arrangements. <p>Efforts to Address the Challenges:</p> <ul style="list-style-type: none"> • Advocacy: Non-governmental organizations (NGOs) and civil society groups are advocating for the development of specific laws and regulations to address child care in the informal economy. • Capacity Building: Efforts are being made to build the capacity of informal workers and caregivers to provide quality child care. • Partnerships: Partnerships between the government, NGOs, and the private sector are being formed to address the challenges of child care in the informal economy.

Country	Laws Relating to Child care	Description
Rwanda	Labour code, child protection, law on education, national child policy.	<p>The laws relating to child care in the informal economy in Rwanda are evolving, but there are several key pieces of legislation that govern this area:</p> <ol style="list-style-type: none"> 1. The Labor Code: <ul style="list-style-type: none"> • This code sets out general labor standards, including those related to child labor. • It prohibits child labor and sets minimum age limits for work. • It also regulates working hours, wages, and working conditions for children. 2. The Law on Child Protection: <ul style="list-style-type: none"> • This law specifically addresses the protection of children's rights, including the right to education and protection from exploitation. • It sets out penalties for those who engage in child labor or other forms of child exploitation. 3. The Law on Education: <ul style="list-style-type: none"> • This law regulates the education system in Rwanda, including compulsory education. • It ensures that children have access to education and prevents them from being forced into labor. 4. The National Child Policy: <ul style="list-style-type: none"> • This policy outlines the government's commitment to protecting and promoting the rights of children. • It includes specific provisions related to child labor and child protection. 5. International Conventions: <ul style="list-style-type: none"> • Rwanda is a party to several international conventions on the rights of the child, including the Convention on the Rights of the Child. • These conventions set out standards for the protection of children's rights, which are incorporated into Rwandan law.
Burundi		<p>There is no comprehensive children's act in Burundian domestic law, although there are codes that cover specific areas of the law, some which have particular relevance for the rights of children. These codes include the Criminal Code, the Code of Criminal Procedure, the Code of Personal and Family Affairs, and the Labour Code.</p>

Country	Laws Relating to Child care	Description
South Sudan		<ul style="list-style-type: none"> • Child Act 2008: This Act provides general protection for children, including provisions related to child labor, education, and health. It prohibits child labor and sets minimum age limits for work. • Labor Act 2009: This Act regulates employment in South Sudan, including provisions related to child labor. It prohibits the employment of children under the age of 14 and sets minimum age limits for work in hazardous occupations. • Education Act 2008: This Act sets out the government's policy on education, including provisions related to compulsory education. It requires children to attend school from the age of 6 to 14. <p>While these laws provide a legal framework for child protection in South Sudan, their implementation can be challenging due to factors such as poverty, conflict, and limited resources. The informal economy, in particular, may be less regulated and more vulnerable to child labor and exploitation.</p> <p>There are also international conventions and treaties that South Sudan is a party to, which provide additional legal protections for children, such as the Convention on the Rights of the Child and the International Labor Organization's conventions on child labor.</p>

Resources

[https://www.jamii.go.tz/uploads/publications/sw1649232873-Law%20of%20the%20Child%20Act%20CHAPTER%2013%20\(1\)%20\(1\).pdf](https://www.jamii.go.tz/uploads/publications/sw1649232873-Law%20of%20the%20Child%20Act%20CHAPTER%2013%20(1)%20(1).pdf)

<https://www.cma.go.tz/uploads/documents/sw-1702986923-The%20Employment%20and%20Labour%20Relations%20Act%202004.pdf>

<https://archive.crin.org/en/library/publications/burundi-national-laws.html>

Areas for action

Informal workers find themselves in very different situations regarding child care. What types of provision or subsidy would best suit your needs? Here are some areas for action that you and your group may want to consider or to adapt depending on your specific situation:

- You may want to start by talking to your local government about the need for child care in your area.
- Interview a local woman who looks after a few children and ask her what she would need if she wanted to look after more children.
- Develop links with the local schools and discuss the possibility of adding a crèche to the school.
- Talk to your formal trade unions about what their approach is to child care. Request the backing of the unions in providing pressure for more childcare facilities.
- Ask for help with studies that show the link between child care and an increase in the productivity and income of the carer. Or take part in these studies if they are being done

CHAPTER 8

ORGANIZATIONS, NETWORKS AND ALLIANCES

What do we mean when we talk about organizations, networks and alliances?

Improved access to social protection for informal workers needs an improvement in policies. This will only come about with sustained organizing. Policy changes happen when pressure, information and campaigning are linked through all levels - informal workers linked to their organizations that link into networks and alliances. These different levels and types of organization can link local, national, regional and international actions.

Examples of countries in EAC

A case study of TUICO

(Tanzania Union of Industrial & Commercial Workers), SYVEBU (Syndicat des vendeurs de Rue du Burundi), SYTRIECI

(Syndicat des Travailleurs Independents de l'Economie Informelle), SNVC (Syndicat National des Vendeurs du Congo), LDFC (Ligue pour le Droit de la Femme Congolaise), KENASVIT (Kenya National Alliance of Street Vendors and Informal Traders), ASSOVACO (Association de Vendeurs Ambulantes au Congo), UMAEU (Uganda Markets & Allied Employees Union) and Streetnet International (International Alliance of Street Vendors) with a total membership of 61,176 informal sector workers in East Africa.



Table 4: Total membership of Informal workers in trade unions in East Africa that are affiliated with Street Net international

Streetnet trade union membership in East Africa	Total informal economy members
UMAEU	6,765
TUICO	4,647
SYVEBU	3,650
SYTRIECI	8,905
SNVC	10,100
LDFC	7,455
KENASVIT	12,000
ASSOVACO	7,654
Total	61,176

Joint activities done by Streetnet International include campaigning to defend the rights of informal economy workers and promoting informal cross-border trade.

Organizations



Unlike formal workers, informal workers are usually excluded from social and legal protection and collective bargaining agreements. Women, in particular, are likely to work in isolation in scattered physical locations such as their own or another person's home or on the streets and pavements. One of the most powerful ways to respond to this isolation and lack of protection is for informal workers to form or join an organization that can take action to defend and advance their interests. There are several such organizations – large and small – in East Africa and beyond.

Networks and alliances

In addition to improving immediate conditions for informal workers, organizations aim to affect policy at a much broader level. They aim to make their voice heard in the policy-making forums of the world – with national governments, businesses and institutions that deal with trade, labour and economic issues at an international level. Networks and alliances play a critical role in assisting individual organizations of informal workers to achieve these aims and to monitor the impact of policy change. Networks and alliances may be comprised of three basic types of organizations – organizations of informal workers, organizations of formal workers which have begun to organize informal workers, and pro-labour support organizations of various kinds (both non-governmental and governmental) – or some mix of these. Organizations, networks and alliances.

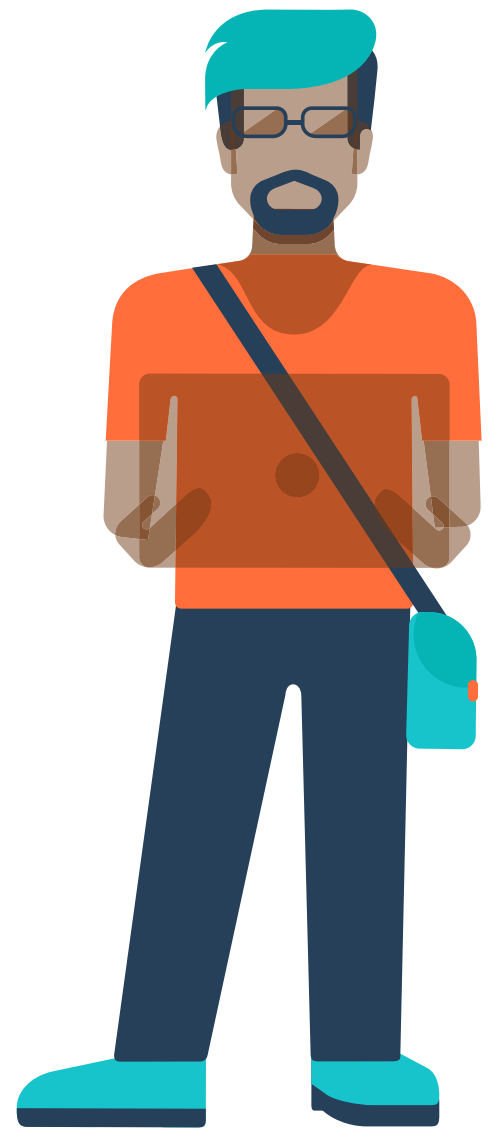
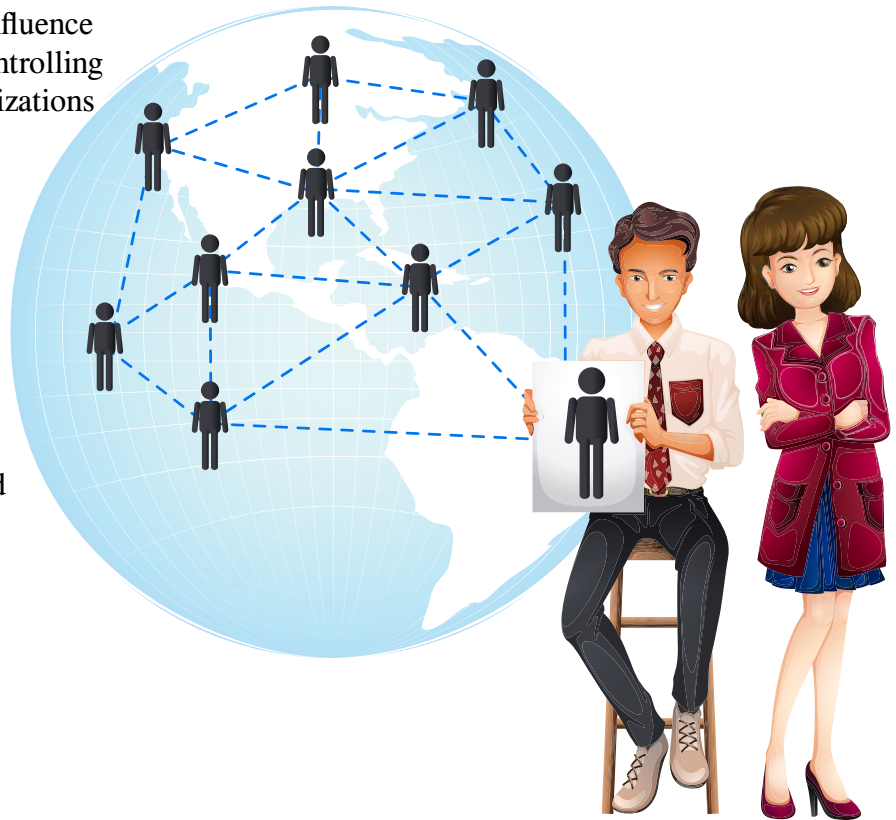


How do networks and alliances operate?

Networks and alliances can help to influence policy by conducting research and controlling the use of resources that single organizations would not be able to undertake.

By bringing together representatives of informal organizations around the world they can help to develop common strategies and campaigns and circulate information that more isolated organizations would never be able to gather.

They add considerable weight and power to the voices of individuals and smaller organizations.



Network and alliance on policy advocacy

A case study of TUCTA and VIBINDO Society:

The powerful partnership between TUCTA and VIBINDO society has advocated for the rights and interests of workers in the informal economy. TUCTA constitute of 13 trade unions in both public and private sector. While private sector trade unions in TUCTA have traditionally focused on formal economy workers, the growing importance of the informal economy has increased the need for trade unions to

organize workers in the informal economy. Trade Unions that organize in the informal economy include TUICO, TPAWU, TASU, COTWU(T), TAMICO and CHODAWU. As a result, TUCTA has worked with informal economy organisations to promote labour rights for workers in the informal sector.



Collaboration cooperation between TUCTA and VIBINDO includes:

- Advocacy and Representation. Lobbying for policies that support informal workers. Establishment of joint positions on the National Action Plan for Human Rights and Tanzania Development Vision (TDV) 2050.
- Capacity building in terms of training and skills development for informal workers.
- Social protection: To ensure that informal workers have access to health insurance and pension schemes.

At the Global Level

StreetNet International

This is a global organization of committed informal traders, membership-based organizations directly organizing street and market vendors, cross border traders and other informal traders. All StreetNet affiliates are workers' organization. Currently, StreetNet has 56 organizations globally. Some of the support provided to the members are: -

- It exchanges information and ideas about issues that are important to vendors.
- It develops organizing and advocacy strategies, which it circulates.
- It promotes local, national and international solidarity between organizations that can be in competition with one another- street and market vendors and hawkers.

