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Intervention Model: For extending social protection to migrant workers in the informal economy

Key messages

- ▶ Many international instruments, such as the [Universal Declaration of Human Rights](#) and the [International Covenant on Economic, Social and Cultural Rights](#), state that everyone is entitled to **social security as a human right**.
- ▶ A number of international labour standards such as [the Social Protection Floors Recommendation, 2012 \(No. 202\)](#), [the Transition from the Informal to the Formal Economy Recommendation, 2015 \(No. 204\)](#), [the Equality of Treatment \(Social Security\) Convention, 1962 \(No. 118\)](#) as well as [the Domestic Workers Convention, 2011 \(No. 189\)](#) and its Recommendation, 2011 (No. 201) are of particular relevance for the extension of social protection to migrant workers in the informal economy.
- ▶ Migrant workers are a heterogeneous group. Their migration status, duration of stay, skill set, and demographic characteristics **influence their access to formal employment and social protection**. They may work in the informal economy for a variety of reasons. Many work in sectors and occupations with high levels of informality, such as domestic work, construction, or agriculture.
- ▶ **National labour and social security laws may exclude certain categories of workers** (nationals and non-nationals) from social protection based on their employment status or occupation, sector they work in, type and size of enterprise, nature and duration of contract, working hours and earnings. Migrant workers face additional **legal barriers** excluding them from social protection, based on their nationality, type of residence and work permit, the territoriality of social protection benefits and the lack of social security agreements.
- ▶ **Practical barriers** to social protection coverage for workers in the informal economy include: insufficient or irregular **contributory capacity**; complex and inadequate financial and **administrative procedures** (not adapted to the needs and capacities of self-employed workers and other categories of workers); **a lack of information and awareness**; a **lack of representation and organization**. Migrant workers may face additional challenges including discrimination, language barriers, lack of documentation and limited support network.
- ▶ Ensuring the social protection coverage to all workers under labour and social security laws is an essential step that supports the progressive **transition** of these workers **from the informal to the formal economy**. In addition, it is essential to ensure access to decent employment including social security to workers in all forms of employment.
- ▶ Labour and social security laws should embed the principle of equality of treatment, to ensure that non-nationals are treated at par with nationals. When designing formalization policies and strategies, it is important to include migrant workers on the basis of the principle of **equality of treatment**.
- ▶ The conclusion and enforcement of **bilateral/multilateral social security agreements** or the inclusion of social security provisions in **Bilateral Labour Agreements (BLAs)** - can facilitate the formalization of migrant workers. Indeed, the mere existence of these agreements can be an incentive to migrate through regular channels and work in the formal economy in order to benefit from social protection.
- ▶ **Regularization** of migrant workers may be a first step towards providing access to formal employment for these workers.
- ▶ **Complementary measures** are further needed to address the administrative, practical, and organizational obstacles faced by migrant workers to access social protection.

▶ Why this intervention model?

This intervention model draws from the [ILO Guide on “Extending Social Protection to Migrant Workers, Refugees, and their Families”](#) developed in collaboration with ISSA and ITCILO, and the [ILO good practice guide “Extending Social Security Coverage to Workers in the Informal Economy: Lessons from International Experience,”](#) and aims to provide policymakers and practitioners with succinct practical guidance on how to extend social protection to specific groups of migrant workers. The intervention model includes a brief overview of the obstacles, the international legal framework, and a set of proposed policy measures based on existing country practices and international labour standards.

▶ Introduction

Who are migrant workers?

[The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families](#) (ICRMW) defines a migrant worker as “a person who is to be engaged or has been engaged in a remunerated activity in a state of which he or she is not a national”. The definition in Article 2(1) of the ICRMW intends to cover the self-employed (defined in Article 2(2)(h)). The Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143, Part II) defines a migrant worker as “a person who migrates or who has migrated from one country to another with a view to being employed otherwise than on his own account and includes any person regularly admitted as a migrant worker” (Article 11(1)). However, this definition only applies to Part II of Convention No. 143, while Part I of that Convention applies to all migrant workers, including the self-employed. In statistical terms, “international migrant worker” refers to all persons of working age present in the country of measurement, whether or not they are usual residents or non-resident foreign workers (ICLS 2018).

Box 1. Defining the informal economy, the informal sector and informal employment

The term **‘informal economy’** “refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements (...)” (ILO Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), para 2(a)).

At present, only two of the main components of the informal economy are statistically defined: informal employment and informal sector.¹

The statistical definition of **informal employment** differentiates three categories of workers: (i) employees, (ii) employers and own-account workers, and (iii) contributing family workers.

- i. In the case of **employees**, informal employment is defined in terms of the employment relationship. According to international standards “[e]mployees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave, etc.).” (ILO 2003) The underpinning reasons may be: non-declaration of jobs; casual jobs or jobs of a short duration; jobs with hours of work or wages below a specified threshold (e.g. for social security contributions); or lack of application of law and regulation in statistical terms. The formal or informal nature of a job held by an employee is determined on the basis of operational criteria, such as social security contributions by the employer (on behalf of the employee), and access to paid sick leave and paid annual leave.
- ii. **Employers and own-account** workers are considered to be in informal employment when their economic units belong to the informal sector.

iii. Contributing family workers are, by definition, informally employed.

The term **'informal sector'** is an enterprise-based concept that is defined in terms of the characteristics of the place of work of the worker. The Fifteenth International Conference of Labour Statisticians (ICLS) (ICLS 1993), states that “the informal sector may be broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees.” The informal sector is a subset of unincorporated enterprises not constituted as separate entities independently of their owners —no complete set of accounts and/or not registered under national legislation —, typically operating at a low level of organization, on a small scale and with little or no division of labour and capital as factors of production.

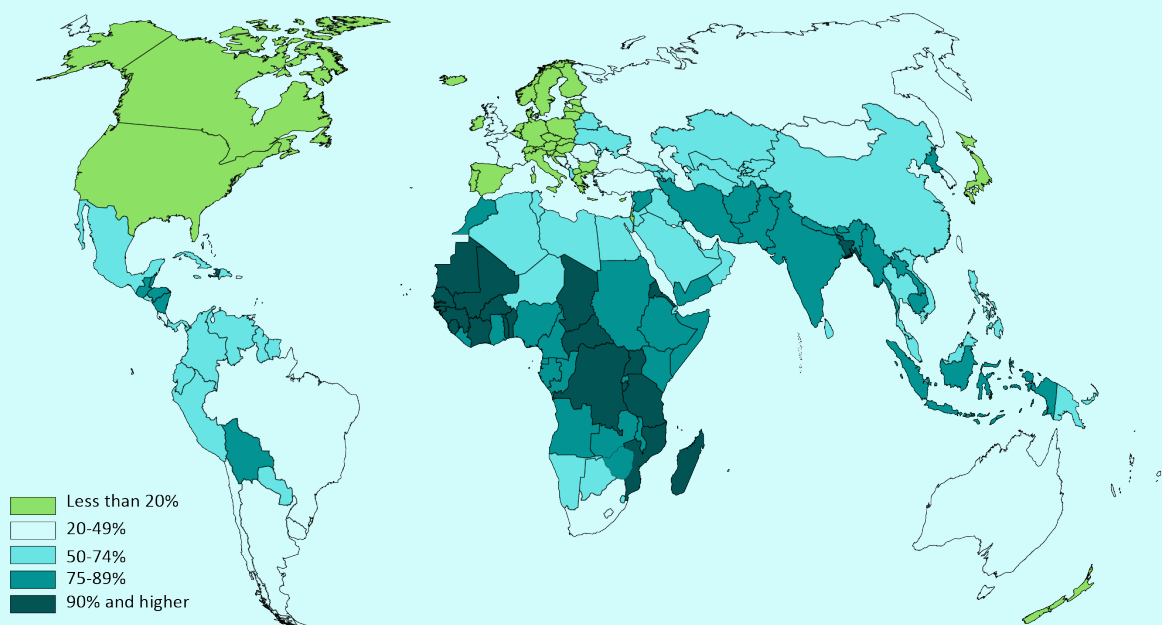
Source: Based on ILO, 2018, pp. 7–12.

¹ Some adjustments to the definition of informal employment are currently being discussed for adoption during the next International Conference of Labour Statisticians (ICLS) in 2023. The revised definition will take into account the introduction of the broad concept of work and the more restricted definition of employment in the 19th ICLS resolution (ILO, 2013). In addition, it will consider the different categories of status in employment, as defined by the International Classification of Status in Employment (ICSE-18) (ILO 2018) such as the new category: dependent contractors.

Box 2. Snapshot of workers in the informal economy

According to the ILO, close to 60 per cent of the global workforce – approximately 2 billion men and women - are in informal employment and most of them face serious decent work gaps, including a lack of social protection (ILO forthcoming). In Africa, 84.3 per cent of all employment is informal. This proportion reduces to 54.0 per cent in the Arab States and 65.9 per cent in Asia and the Pacific. The lowest proportions are found in the Americas and Europe and Central Asia with 36.5 per cent and 19.7 per cent, respectively with variations within regions as seen in **Figure 1**. In a small majority of countries, the share of women in informal employment exceeds that of men. This is particularly true for certain regions. For instance, in Africa, 88.2 per cent of employed women are in informal employment as compared to 81.4 per cent of men. Such data highlights the need for gender-responsive mechanisms for extending social protection.

Figure 1. Share of informal employment in total employment, including agriculture (2019)



Source: ILO forthcoming: Women and men in the informal economy: A statistical update.

Why are some migrant workers in the informal economy?

Migrant workers are a heterogeneous group. Their migration status, employment status, type of employment contract, duration of stay, skill set, income level and demographic characteristics, as well as the sector in which they work or their occupation, influence their access to formal employment and social protection.

There are various reasons for migrant workers to work in the informal economy:

- ▶ Many occupy low-skilled jobs, for example in agriculture, garment, construction, and domestic work. These sectors and/or occupations are often characterized by high informality, as workers in these sectors or occupations may not be adequately covered by labour and social security legislation or because of high levels of non-compliance.
- ▶ Due to the “principle of nationality”, non-national workers may be excluded or accorded less favourable treatment than nationals under social security laws. As a result, they may end up working in the informal economy.
- ▶ In addition, they may work in the informal economy because they entered/stayed in the country of destination in an irregular situation which may prevent them from accessing formal employment.
- ▶ They may not have access to relevant information about formal job opportunities or access to social protection due to language barriers, illiteracy, lack of information in general.
- ▶ Discrimination, stigmatization, lack of skills’ recognition, remoteness, and isolation are additional factors that may push migrant workers into the informal economy.
- ▶ Furthermore, migrant workers may be reluctant to contribute to social security schemes, when their stay is too short and/or when there is no social security agreement ensuring the portability of benefits. They may also be reluctant because they do not have a sufficient level of trust in the social protection system of the country of destination and/or origin.

Many workers in the informal economy, including migrant workers, are among the 53.1 per cent of the global population who do not enjoy access to social protection at all, while many others are only partially protected (ILO 2021b). Such lack of protection makes them especially vulnerable to socio-economic shocks, which may result in long-lasting, adverse impacts on their livelihoods. For example, during the COVID-19 pandemic, “the number of informal jobs plunged by 20 per cent at the height of the crisis (2020 Q2)” (ILO 2022) mainly because informal workers were over-represented in the hardest-hit sectors or type of economic units most affected by the instituted measures, including economic lockdowns and containment measures (ILO 2020b).



Why extend social protection to migrant workers in the informal economy?

Social security is a human right and the overarching principles of equality of treatment and non-discrimination calls on States to develop inclusive social protection laws and schemes (UDHR 1948, ICCPR 1966, ICESCR 1966). However, many workers are legally excluded from contributory social security schemes, and therefore find themselves in the informal economy. At the same time, they may not be deemed 'poor enough' to qualify for social assistance programmes or other cash benefits. While this applies to many informal workers, migrant workers may face additional obstacles in accessing social protection – such as legal exclusion based on nationality – irrespective of whether they are in a regular or irregular situation.

Extending social protection to workers in the informal economy, including migrant workers, has many advantages:

- ▶ It provides protection against economic and social risks across an individual's life cycle, reducing vulnerability and enhancing resilience and employability.
- ▶ It mitigates poverty, inequality and social exclusion, and contributes to social cohesion, inclusive growth and sustainable development, as also reflected in the 2030 Agenda for Sustainable Development.
- ▶ It contributes to facilitating the transition to formality, including by enhancing labour productivity through an effective access to health and income security.
- ▶ It creates a level playing field among enterprises and workers by reducing unfair competition and the perverse incentive to recruit migrant workers as cheap and unprotected labour, avoiding a race to the bottom.
- ▶ Access to health protection improves the health status of migrant workers, reduces public health risks (including the transmission of communicable diseases) and contributes to lowering infant and child mortality rates. Furthermore, by not having to pay the cost of medical treatment out of pocket, migrant workers can better plan their future and are more likely to seize economic opportunities (ILO 2017).
- ▶ Access to social pension reduces old-age poverty. This is particularly relevant for retired workers who earned low wages, faced high job insecurity and have limited savings.
- ▶ It is of particular importance for women workers, to ensure they benefit from maternity protection, do not risk losing their jobs in case of pregnancy, and have access to quality childcare as this is key for gender equality and women's economic empowerment.
- ▶ It contributes to stronger and more sustainable and equitable social security systems by spreading risk across a larger pool of members, since migrant workers are often net contributors over their lifetime. Extending social insurance coverage can also reduce pressure on tax-funded social protection mechanisms in countries of destination, or in countries of origin.

► Conventions and Recommendations

The ratification and implementation of relevant international labour standards is an important step to ensuring universal enjoyment of migrant workers' rights to social protection. This includes the Social Security (Minimum Standards) Convention, 1952 (No. 102), the Equality of Treatment (Social Security) Convention, 1962 (No. 118), the Maintenance of Social Security Rights Convention, 1982 (No. 157).

In addition, the following instruments provide important guidance for extending social protection to migrant workers in the informal economy:

The [Social Protection Floors Recommendation, 2012 \(No. 202\)](#) calls on all member States to quickly establish and maintain social protection floors (SPFs) that comprise basic social security guarantees to all (i.e., access to essential health care and to basic income security over an individual's life cycle). It specifies that member States should ensure the principle of "social inclusion, including of persons in the informal economy." It further explicitly states that "social security extension strategies should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality, (...)".

The [Transition from the Informal to the Formal Economy Recommendation, 2015 \(No. 204\)](#), states that Members should progressively extend, in law and practice, to all workers in the informal economy, amongst others, social security, maternity protection as well as occupational safety and health protection. In addition, when building and maintaining national social protection floors, Members should "pay particular attention to the needs and circumstances of those in the informal

economy and their families". With respect to social insurance, administrative procedures, benefits and contributions, should be adapted to the specific needs and situations of workers in the informal economy.

The [ILO Domestic Workers Convention, 2011 \(No. 189\)](#) and [Recommendation, 2011 \(No. 201\)](#) are major milestones for the recognition of domestic work as work and domestic workers as workers and essential service providers thus promoting the transition of domestic work from the informal economy to the formal economy. The Convention calls on Member states to take appropriate measures, to ensure that domestic workers enjoy conditions that are not less favourable than those applicable to workers generally in respect of social security protection, including with respect to maternity (Art. 14).

According to [the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families](#) (ICRMW), "Migrant workers and members of their families shall have the right to receive any medical care that is urgently required for the preservation of their life or the avoidance of irreparable harm to their health on the basis of equality of treatment with nationals of the State concerned." It further explicitly states that "Such emergency medical care shall not be refused to them by reason of any irregularity with regard to stay or employment" (Art 28).

The ratification and application of these standards relevant for migrant workers' social protection, provide a legal framework encouraging the transition from the informal to the formal economy.

► Obstacles, barriers, protection gaps and challenges

Migrant workers in the informal economy face additional obstacles and barriers that hinder their access to social protection.

Legal barriers

- **National labour and social security laws** may exclude certain categories of workers, owing to workers' employment status, sector or occupation, type and size of enterprise, nature and duration of contract, working hours and earnings.
- **Nationality** - Not all countries have provisions in their national legislation recognizing the principle of equality of treatment between nationals and non-nationals with respect to social security. Consequently, migrant workers may be excluded from labour and social security laws.
- **Migration status** - Migrants in an irregular situation may be compelled to work in the informal economy, thus limiting their access to social insurance, and in many cases also tax-financed benefits. Their residence status, duration of stay, type of visa can also affect their access to certain social protection benefits.
- **Employment** - The type and duration of employment, for example part-time employment, multiple employers, casual/seasonal employment, self-employment, amongst others, can affect migrant workers' access to social protection. This includes also workers on digital platforms, such as delivery workers or crowd workers (ILO, 2018b, 2021b). In the absence of adequate unemployment protection that would support migrant workers in finding a job in the formal economy, job loss is another important factor that can force migrants to work in the informal economy.
- **Lack of social security agreements** - In the absence of social security agreements ensuring the portability of benefits, migrants may be reluctant to contribute to social protection schemes since they will not be able to benefit from them in the long term.



Practical barriers

- ▶ The **lack of information and awareness** on social protection rights, available benefits and procedures, in appropriate languages.
- ▶ **Fluctuating, unstable or low income** – is very common amongst migrant workers in the informal economy. With financing arrangements (i.e., the collection of contributions) not adapted to their circumstances, these migrants may face difficulties paying (regular) contributions.
- ▶ **Complex and burdensome administrative procedures/services** (i.e. registration, delivery and claiming mechanisms) can be a deterrent to social security registration for both employers and workers. Especially when migrant workers are located in remote areas, the low density of administrative structures and services (e.g., limited transport, long distances to offices) may restrict their access. Procedures that are time-consuming and difficult to understand raise transaction costs for all parties concerned (ILO 2019).
- ▶ **The lack of legal enforcement, monitoring and inspection**– may contribute to the low level of social protection coverage of migrant workers in the informal economy. To promote the extension of social protection to these workers, compliance and incentives play a key role (ILO 2020b). Labour inspection controls are especially difficult given the migrant worker’s nature of employment – which can be hidden or undeclared by employers. Furthermore, these controls may lead to high costs and complex procedures.
- ▶ **Lack of trust** – Migrant workers as well as their employers may be reluctant to pay social security contributions if they cannot expect benefits in return whether this is real or perceived. This may be amongst others because of inadequate benefit levels, poor or limited trust in the governance of social security administrations/ institutions, or a lack of social security agreements that allow for the portability of benefits.
- ▶ **Lack of documentation** – (ID documents, passports, birth certificates, work contract, salary slips, bank statements etc.) is also an obstacle to access benefits in general. For example, migrant workers in the informal economy, whether they have a regular status or not, may not be able to prove their means of living and produce the necessary documents to access means-tested social assistance schemes or employment-based schemes.
- ▶ **The lack of representation and organization** – marginalizes migrant workers in the informal economy; thereby reducing the opportunity to participate in decision making processes affecting their access to social protection.
- ▶ **The lack of political will or fiscal space** – may affect social protection investments into extending coverage to workers in all types of employment, including for migrants working in the informal economy.
- ▶ **The lack of integration and policy coherence** – especially among social protection institutions and between these institutions and other policy areas results in gaps of coverage, adequacy, inefficiencies and duplication.
- ▶ **Additional challenges** - include discrimination on the grounds of sex, gender, race, ethnicity, disability, HIV status etc., language and geographical barriers and limited support network.

▶ How to extend social protection to migrant workers in the informal economy?

To extend social protection to migrant workers in the informal economy, States can consider:

- ▶ Extending social protection to workers in the informal economy (regardless of nationality), especially in sectors/ occupations with a high proportion of migrant workers (such as domestic workers, agricultural workers, construction workers) through a combination of social insurance and tax-financed benefits.
- ▶ Ensuring access to and portability of social protection for migrant workers on the basis of equality of treatment.
- ▶ States wishing to extend social protection to workers in the informal economy can both encourage access to formal employment and consequently employment based social protection schemes, and provide workers with access to social protection, in particular floors, irrespective of their employment situation (ILO 2020b). States should involve social partners in the development of social protection extension strategies and strategies focusing on the transition from the informal to the formal economy.

The particular needs and priorities of women and men and relationships between them as well as the power structures at all levels (family, community, national etc.) should be adequately addressed in the development, implementation and monitoring of the various policy measures. Such an approach is essential to address inequalities in women and men's access to social protection.

Policy measures: Governments can take various measures to extend social protection to migrant workers in the informal economy that are **not mutually exclusive**.

1. The **ratification and application** of relevant ILO Conventions and Recommendations, including [C102](#), [C118](#), [C143](#), [C189](#), [R201](#), [R202](#) and [R204](#),
2. The establishment of **inclusive social protection systems** and other **unilateral measures** to extend social protection to migrant workers in the informal economy, including:
 - ▶ the **extension of contributory social protection schemes** to previously **uncovered** categories of workers (such as domestic workers, agricultural workers, self-employed etc.) with particular emphasis on the inclusion of migrant workers. Such extension should take into account the needs of workers and employers and the reality of the labour market. For those employed in informal enterprises, additional measures may be necessary to promote the formalization of these enterprises;
 - ▶ reinforcing a **nationally-defined social protection floor** that guarantees at least a basic level of social security to all, including migrant workers and their families (including through non-contributory schemes and programmes);
 - ▶ reviewing, and if necessary **adapting, social security schemes** to ensure that workers with shorter or interrupted contribution histories can meet the qualifying conditions and minimum requirements;
 - ▶ the **regularization** of migrant workers as this may be a first step towards providing access to the formal labour market for these workers.
 - ▶ Ensure that **formalization policies and strategies** include migrant workers on the basis of the principle of equality of treatment between nationals and non-nationals with respect to social protection.

3. The conclusion and enforcement of **bilateral/multilateral social security agreements** and the inclusion of **social security provisions in BLAs** - can facilitate the formalization of migrant workers. Indeed, the mere existence of these agreements can be an incentive to migrate through regular channels and work in the formal economy in order to benefit from the social protection that they provide.
4. **Complementary measures** addressing the administrative, practical, and organizational obstacles faced by migrant workers in the informal economy, such as: awareness raising and information sharing in appropriate languages; access to language courses; simplifying administrative procedures; multiplying physical points of access; facilitating access to grievance and complaint mechanisms; ensuring labour and social security inspectors have adequate resources and are well-trained; and strengthening representation and social dialogue to ensure that policies meet the needs of informal economy workers.

Box 3. Cabo Verde - Extending social protection to migrant workers, including those in the informal economy

Cabo Verde has ratified Convention No.118 in 1987 and C102 in 2020. In Cabo Verde, the Social Protection (Organic) Law, introduced important innovations. Namely, the integration of self-employed workers (Decree Law No. 48/2009) and domestic workers (Decree Law No. 49/2009) in the national social protection system. This system also benefited from the modernization, dematerialization and computerization of administrative procedures and a growing network of offices.

Migrant workers are covered through the National Social Protection Institute (INPS) depending on their employment status, as a salaried worker (including domestic workers) under the general scheme, which also includes a special provision for micro and small enterprises, or, if they are self-employed, under the scheme for independent workers. The scheme covers most social security branches namely: sickness, maternity, family, old age, invalidity, and survivors' benefits and access to health care. Registration is compulsory to obtain a residence permit. Migrant workers may thus join the scheme to obtain their permit, however some may not contribute to the scheme afterwards. These adapted mechanisms that cover workers in all types of employment are essential for ensuring their social protection coverage, while at the same time contributing to the formalization of employment.

With respect to certain non-contributory benefits, migrant workers benefit from equality of treatment with Cabo Verdean nationals on condition that they are resident in Cabo Verde for at least three years. For example, they have equal access to health care, social inclusion revenue (a cash transfer program that grants the equivalent of 50 euros per month to vulnerable populations to promote social inclusion), and social pensions (beneficiaries should be aged 60 or over, have an income below the national official poverty line and not be covered by another social protection scheme).

The government put in place additional strategies adapted to the situation of migrant workers, such as the provision of trainings and information on how to access existing social protection benefits and its advantages, including with respect to regularization.

▶ How to extend social protection to migrant workers in the informal economy?

Examples

- ▶ The Decent Work for Domestic Workers Convention 2011 (No.189), and its accompanying Recommendation, 2011 (No.201) have been developed to bring a substantial sector of workers, currently often under- or unprotected by national laws, out of informality. As of June 2022, 35 countries have ratified C189.
- ▶ The Social Security Agreement between Spain and Morocco of 1979, amended in 1998, covers employed and self-employed workers, including agricultural and domestic workers, and provides for equality of treatment under the legislation of the country of destination (ILO 2021a). This agreement provides an incentive to work in the formal economy and to migrate through regular pathways.
- ▶ The Mexican People's Insurance (Seguro Popular) programme provides access to healthcare in Mexico for households that are not already registered with a Mexican social security institution. It covers workers in the informal economy and allows the voluntary enrolment of nationals living abroad and non-nationals employed temporarily in Mexico (ILO 2021a).
- ▶ In 2020, Brazil responded to the COVID-19 pandemic with a monthly emergency basic income, to be paid for up to three months to the unemployed, self-employed and those working in the informal economy, including migrant workers with irregular status (ILO 2020a).

Box 4. Pensions and health care for migrant workers in the informal economy in Ghana.

Ghana has developed a social protection strategy (2013) and a national social protection policy (2014) with a view to establish a national social protection floor, including universal access to healthcare and basic income security for older persons and children, as well as for the active and vulnerable populations. The policy also aims to extend social insurance and assistance to all categories of workers, including migrant workers. With regards to health care, all residents, including migrant workers, have access to the National Health Insurance Scheme (NHIS) for the duration of their employment and retirement upon payment of a contribution of 2.5 per cent of their wage. With the NHIS card, they have access to healthcare without advance payment. For pensions, informal workers (irrespective of their nationality) have access to the voluntary provident fund and personal pension scheme, yet coverage rates remain low.

Source: ILO 2021a.

► Extending social protection to migrant workers in the informal economy: A three-step-process

The below step-by-step process and checklist draws on [the Social Protection Floors Recommendation, 2012 \(No. 202\)](#) para. 14 (see box 5) and the ILO guide on [Social Protection Assessment Based National Dialogue \(ABND\)](#) as well as the Guide on Extending social security to workers in the informal economy.

The ABND Guide provides guidance on how to identify social protection gaps, set priorities and develop national social protection strategies to extend coverage and strengthen social protection systems, in line with [ILO's two-dimensional strategy](#) that aims to guarantee at least a basic level of social protection to all (social protection floors) and progressively higher levels of protection. These strategies may include: i) the improvement of existing schemes in terms of benefit level or scope; ii) the expansion of existing schemes to new groups or categories of workers; and iii) the creation of new social protection schemes.

The ILO recommends the development of inclusive and comprehensive social protection strategies and schemes. Below is an example of the steps that can be followed to extend social protection to migrant workers in the informal economy within such a framework.



Step 1: Set up coordination and implementation arrangements

- Identify the key stakeholders (Ministry of Labour, Health, Finance, and other relevant Ministries, workers and employers' representatives, including those in the informal economy (women and men), social security institutions, employers, labour inspectorates, Non-Governmental Organizations (NGOs), Civil Society Organizations (CSOs), academia).
- Create a tripartite working group, ensuring gender balance in its composition, to drive the situational analysis and consultation process (step 2 and 3 below) to develop the policy measures for the extension of social protection to migrant workers in the informal economy. This working group should identify: its lead, working modalities and objectives, taking into account gender considerations. It may also be involved in the implementation and monitoring.
- It may be necessary to create technical sub-working groups as relevant (legal, actuarial/financial, communication, etc.) that will accompany the steps below and report back to the tripartite working group.
- Identify potential technical and financial partners.

Step 2: Undertake a situational analysis

A situational analysis aims to provide a comprehensive overview of the social protection landscape in a country and a better understanding of the characteristics and needs of migrant workers, their coverage levels, and the obstacles they face accessing social protection. It is an essential step to inform the decision-making process and policy reforms.

- Conduct the desk review of available information and carry out interviews and focus group discussions, including with women and men workers and employers in the informal economy, and other relevant stakeholders identified under step 1. When doing so, it is essential to obtain both qualitative and quantitative information.
- Identify and analyse existing surveys and conduct a household, labour force, vulnerability or other survey, in case of substantial information gaps.
- Take into account gender, age, ethnicity and disability in the primary data collection process, interviews and analysis.

- Collate the information gathered in a situational analysis report that should include at least the following information:

On labour migration

- ▶ labour migration statistics, laws and policies;
- ▶ demographic profile of the targeted migrant population, administrative records (including information on gender, age, number of children, disability status, health status (affected by HIV or TB), country of destination, conditions of work, migration and employment status, etc.);
- ▶ labour mobility policies or protocols, regional economic zones or communities;
- ▶ regularization initiatives and measures;
- ▶ bilateral labour agreements or MoUs or other relevant temporary labour migration schemes, regional and sub-regional labour migration frameworks.

On social protection

- ▶ information on existing social protection laws, policies, schemes, including branches, eligibility criteria, coverage rates, adequacy of benefits, taking into account relevant sectors and occupations;
- ▶ bilateral/multilateral social security agreements, their entry into force and existing implementation challenges;
- ▶ functioning and capacity of social security institutions, labour and social security inspection and other relevant administrative bodies responsible for managing and delivering social protection benefits;
- ▶ recent actuarial studies, fiscal space assessments and other relevant documents to establish the current financial status of the social security schemes;
- ▶ relevant ratified UN and ILO Conventions with respect to migrant workers' social protection (see policy measures).

On the informal economy

- ▶ general overview of the informal economy, including:
 - factors, characteristics, causes/drivers, and circumstances of informality (of jobs, economic units and activities);
 - laws, policies, strategies initiatives to support the transition to the formal economy and whether migrant workers and sectors/ occupations where they are highly represented are part of it;
 - ▶ mapping of the overall situation of migrant workers in the informal economy, including:
 - their status in employment and the type of economic unit they are working for (formal sector, informal sector, households);
 - their working conditions including: level, duration, regularity and predictability of job/employment and/or income;
 - the identification and proportion of migrant workers concerned by legal exclusions or restrictions, disaggregated by gender, age, sector, occupation, employment status, size and type of enterprise, etc);
 - practical barriers that (migrant) workers in the informal economy face in accessing social protection (lack of information, lack of incentives, language barriers, complex administrative procedures, lack of representation, etc.);
 - ▶ a complementary survey on the contributory capacity and the willingness to contribute of different categories of wage workers and self-employed workers in specific sectors and occupations with a high share of migrant workers, could be beneficial to inform the development of social protection schemes adapted to their situation.
- Review other relevant national policies (formalization, employment, skills development, etc.) to ensure coherence of the recommendations.
 - Analyse information, identify protection gaps, and propose recommendations in line with ILO standards and international good practice.

Step 3: Consultations and development of policy measures for the extension of social protection to migrant workers in the informal economy

Throughout the consultation process it is important to give women and men workers in the informal economy the opportunity to voice their needs and priorities and share their views on how these could be met and their feasibility.

- ▶ **First round of consultations:** organize tripartite meeting(s) to present and discuss the findings and recommendations of the situational analysis and to identify adequate and gender responsive policy measures reflecting national priorities.
- ▶ Undertake a **feasibility and costing study** of the selected policy measures, using for example the [ILO Rapid Assessment Protocol \(RAP\) model](#), taking into account the diversity of situations and needs of workers in the informal economy as well as the potential impact of these policy measures.
- ▶ **Second round of consultations:** organize tripartite meeting(s) to present and discuss the findings of the RAP and to agree on the policy measures to be implemented, pending validation by the concerned authorities (e.g. Parliament, Ministry of Labour).
- ▶ Develop a **road map to support the implementation** of the selected policy measures, establish a monitoring and evaluation mechanism and a communication strategy.

Box 5: Social Protection Floors Recommendation, 2012 (No. 202) para. 14

When formulating and implementing national social security extension strategies, Members should:

- (a) set objectives reflecting national priorities;
- (b) identify gaps in, and barriers to, protection;
- (c) seek to close gaps in protection through appropriate and effectively coordinated schemes, whether contributory or non-contributory, or both, including through the extension of existing contributory schemes to all concerned persons with contributory capacity;
- d) complement social security with active labour market policies, including vocational training or other measures, as appropriate;
- (e) specify financial requirements and resources as well as the time frame and sequencing for the progressive achievement of the objectives; and
- (f) raise awareness about their social protection floors and their extension strategies, and undertake information programmes, including through social dialogue.

▶ Checklist

This checklist can guide policy makers and practitioners in identifying the key issues and actions to consider when extending social protection to migrant workers in the informal economy.

Consultations/methodology

- ▶ Have you consulted migrant workers in the informal economy on the challenges they face, especially in relation to accessing social protection?
- ▶ Are there trade unions or NGOs/CSOs providing direct assistance to migrant workers in the informal economy? And have you consulted them?
- ▶ Have you consulted with other key stakeholders (employers, healthcare providers, social security administrators, labour inspectorates, cooperative and mutual associations etc.) to assess the protection gaps and practical barriers faced by migrant workers in the informal economy?
- ▶ Have gender considerations been taken into account in the consultation process?

Availability of statistics/information

- ▶ Do you have data on migrants' profile, occupation, education, disaggregated by sex/gender, nationality, and age?
- ▶ Do existing surveys allow for the identification and a representative assessment of the situation of migrants in general and of migrant workers in particular, including regarding informality, working conditions, social protection coverage, contextual vulnerabilities (household level), etc?
- ▶ Is there adequate information regarding the social protection programmes/schemes that can be accessed by migrant workers in the informal economy as well as on their respective entitlements? Is such information present in relevant languages and across relevant sectors?
- ▶ Has an actuarial valuation or fiscal space assessment been carried out recently?

Legal and practical considerations

- ▶ Has your country ratified and implemented the key UN and ILO Conventions and Recommendations relevant for the social protection of migrants working in the informal economy (see section on policy measures)?
- ▶ To what extent are the social and economic rights of migrant workers in the informal economy recognized in national laws and legislation?
- ▶ Are there policies and measures in place aimed at facilitating the transition of enterprises and employment from the informal to the formal economy?
 - ▶ Are these national or sectoral?
 - ▶ If they are sectoral, do they cover the sectors with a high proportion of migrant workers?
 - ▶ Have these been supported by new technologies (i.e. ICT, e-formality)?
 - ▶ Were they established using tripartite social dialogue?
 - ▶ Were (migrant) workers in the informal economy consulted during their establishment?
 - ▶ Do they take into account the needs and priorities of women and men?
 - ▶ Is there a coordination mechanism in place to ensure coherence and synergies between multiple interventions?
 - ▶ Are these policies being monitored? What are the remaining gaps and areas of improvements to formalization?
- ▶ Does your country have an employment strategy (national, sectoral, provincial, integrated) in place? If so, does it include components supporting the transition to formalization or addressing informality?
- ▶ Concerning (contributory/non-contributory) social protection programmes/schemes in your country:
 - ▶ Do they legally cover migrants in the informal economy, or can they access these schemes as self-employed/independent workers, and for which contingencies?

- ▶ Have the eligibility criteria and/or contribution requirements (i.e. periodicity of contribution, requirements with respect to residency and employment duration) been adapted to the various categories of (migrant) workers taking into account the diversity of situations (employees, independent workers, seasonal/casual workers)?
- ▶ Do they create perverse incentives for migrant workers to remain in the informal economy? Do they create incentives to formalize?
- ▶ Are administrative procedures for social assistance programmes or contributory schemes simple and easy to follow for migrant workers?
- ▶ Are there special outreach services in place (mobile units, network of providers etc.)?
- ▶ Is information on rights, benefits and procedures available?
- ▶ Is there free-of-charge assistance and social services to support registration and other procedures?
- ▶ Are these programmes and schemes gender-responsive given that women migrant workers in the informal economy can experience increased vulnerabilities?
- ▶ Do these programmes also take into account age, ethnicity, disability and health status?
- ▶ Do these programmes have effective complaint mechanisms in place?

Social security and labour agreements usually do not cover workers in the informal economy. However, their mere existence can create an incentive for migrant workers to work in the formal economy.

- ▶ Are there bi- or multilateral social security agreements?
 - ▶ Do they cover a wide array of categories of migrant workers, especially those that are more prone to work in the informal economy (e.g. domestic workers, agricultural workers or self-employed)?
 - ▶ Which of the nine branches of social security do they cover?
 - ▶ Do they include all key social security principles (equality of treatment, maintenance of acquired rights and payment of benefits abroad, maintenance of rights in the course of acquisition, applicable legislation, administrative assistance, and reciprocity)?
 - ▶ Have these agreements entered into force or is their enforcement being hindered by limited institutional capacities, a lack of training, a lack of dissemination and information, a lack of data and information exchanges, etc.?
- ▶ Are there bilateral labour agreements or MoUs in force?
 - ▶ Do they cover a wide array of categories migrant workers, especially those that are most prone to work in the informal economy (e.g. domestic workers, agricultural workers)?
 - ▶ Do they include provisions on social security and which contingencies are covered?
 - ▶ Do they refer to existing social security agreements or national legislation?
 - ▶ Do they provide for equality of treatment between migrant workers and nationals?
 - ▶ Do they lay out monitoring as well as complaint mechanisms for migrant workers?
 - ▶ Do they have provisions on the exchange of information between countries?
- ▶ Has your country considered the adoption of unilateral social protection measures for nationals working abroad as well as for non-nationals on its territory (see Chapter 5 of the ILO Guide on Extending Social Protection to Migrant Workers, Refugees, and their Families)? Do these unilateral measures either cover workers in the informal economy or do they provide an incentive to work in the formal economy?
 - ▶ Are there provisions on equality of treatment and non-discrimination?
 - ▶ Are there provisions or mechanisms allowing nationals working abroad and their dependents to remain affiliated to a social security scheme or to maintain their rights thereof in their country of origin?
 - ▶ Are there provisions allowing for the payment of benefits abroad?
 - ▶ Is there a migrant specific social security scheme for nationals working abroad?
 - ▶ Is there flexibility in the design of the scheme and assistance with regard to qualifying conditions and minimum requirements by:
 - ▶ allowing retroactive payment of missed contribution periods?
 - ▶ incorporating flexibility or exceptions into the qualifying requirements?

- ▶ Do returning migrant workers in the informal economy have access to social protection floor benefits?
- ▶ Is there an overseas welfare programme for nationals working abroad? Does such a programme provide access to social protection benefits and for which branches? Does it facilitate registration to existing national social protection schemes? Are they voluntary or mandatory? Who pays the fees (the workers, employer, government, recruitment agency)?
- ▶ Can workers receive lump sum payments or reimbursements of contributions when leaving a scheme?
- ▶ Have you considered complementary measures addressing the administrative, practical, and organizational obstacles faced by migrant workers in the informal economy?
 - ▶ Are there awareness raising campaigns /actions?
 - ▶ Has information related to social security schemes been translated?
 - ▶ Are services easily accessible (decentralized services providers, mobile units etc.)?
 - ▶ Are there grievance and complaint mechanisms available and accessible?
 - ▶ Do labour inspectors have adequate resources and have they received relevant training?
 - ▶ Are informal economy workers represented, and are they consulted in relevant policy processes?

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