

ILO/ISSA/AIM Guidelines

Project on linkages between statutory social security schemes and community-based social protection mechanisms

I. Introduction

The ILO, ISSA and AIM are concerned with the often low coverage rates by social protection worldwide. Believing that there is a great potential for coordination, cooperation and other linkages between statutory social security schemes and community-based social protection mechanisms in order to extend coverage more effectively, the three institutions have embarked on an initiative to investigate the potential for, and first experiences of, linkages.

II. Objectives and key questions

The first part of this initiative is a study on linkages in 10 countries where extension of social protection is needed.

The output of the study should be conceptual, empirical and forward-looking:

- Conceptual: develop a mapping of potential linkages and note their potential advantages/disadvantages.
- Empirical: review what linkages exist in practice and what factors supported/hindered their success in terms of enhancing the extension of coverage.
- Forward-looking: Identify initiatives that are currently being planned and provide policy recommendations/advice on how these initiatives could achieve optimal success.

These desired output areas of the study determine the key questions to be answered:

1. From a conceptual standpoint, what are the potential linkages between statutory social security schemes and community-based social protection mechanisms and what are the respective advantages / disadvantages / effectiveness / impacts of these linkages in terms of extending coverage?
2. What linkages exist in the countries under analysis and what are the experiences with these linkages? In the absence of linkages between social security schemes and community-based social protection mechanisms, what linkages to extend coverage exist between at least one of these two types of institutions and another institution that could be replicated to build linkages between social security schemes and community-based social protection mechanisms (e.g., linkages between CBOs + local state + insurance companies; central state + mutual organizations; various social protection schemes + health services providers etc.)?
3. What measures could be taken to improve linkages in the future both in the countries studied and other countries?

The expert consultation carried out by means of these guidelines is mainly focused on answering question 2 in the countries under analysis. These consultations will provide the analytical basis for answering questions 1 and 3.

The following countries will be covered in the study: Burundi, Colombia, Ghana, India, Laos, Peru, Philippines, Rwanda, Senegal and Uruguay.

III. Rationale

The rationale for linkages between statutory social security schemes and community-based social protection mechanisms lies in the fact that their respective advantages and disadvantages in terms of capacity to cover populations are not correlated.

Statutory social security schemes have often been successful in covering civil servants and formal sector workers. They often provide comprehensive benefits and through their compulsory nature have big and geographically diversified risk pools. However, limits as regards their capacity to cover informal sector workers have become more and more apparent. These are mainly related to the nature of informal employment that make the identification and registration of workers difficult and contribution collection expensive (transaction costs), to low contributory capacities of informal sector workers that do not match the requirements of formal sector schemes and to a lack of focus on the specific needs of informal sector workers. These problems have been exacerbated by a poor understanding by target groups of insurance principles and difficulties to provide quality services in all rural and urban areas of a country. A lack of solidarity between better-off formal and often poor informal sector workers has also limited the capacity to extend statutory social security. While many initiatives are under way to overcome these problems, reality dictates that immediate ambitions for the expansion of coverage in many developing countries require innovative approaches.

Given their small-scale decentralized and/or participatory nature, community-based social protection mechanisms have an important potential to focus on the specific interests and needs of specific occupational groups, rural workers, community members, etc. among which the creation of solidarity is less difficult and that are often excluded from statutory schemes. They can be connected with existing institutions to which these workers have already adhered (e.g. cooperatives or trade unions) and therefore solve problems regarding registration and trust. Experience shows, however, that many of these mechanisms face problems as regards their financial sustainability due to small risk pools. In addition, they often cover only a very small part of the uncovered population. Great difficulties to extend geographic and socio-occupational outreach and to increase membership are often linked to poor management skills and information systems.

Given the respective complementary strengths and weaknesses of statutory social security schemes and community-based social protection mechanisms in extending coverage, a value added seems possible through cooperation and linkages between the two types of institutions. To better define and locate this expected value added are the rationales for the study. The results will contribute to the development of truly integrated social protection strategies.

IV. Definitions

Statutory social security schemes:

Compulsory contributory social health insurance schemes as well as tax-financed health care schemes administered by national/regional or local authorities.

Community-based social protection mechanisms

Community-based social protection mechanisms include:

- a) Institutions that directly administer a community-based social protection scheme. Examples are mutual benefit societies, micro-insurance schemes, trade-union based schemes, cooperatives, associations, micro finance institutions, etc.
- b) Institutions that facilitate the implementation of a statutory or community-based social protection mechanism. Examples are civil-society and trade organizations such as agricultural or other cooperatives, farmers organizations, informal economy org. or sectoral associations of workers that play a role of intermediary between the social security scheme and their members.

Linkages

| An important part of the project is to better define and establish a mapping of linkages between statutory social security schemes and community-based social protection mechanisms in an integrated national social protection strategy and of any other inter-institutional linkages that have the potential to be replicated for these two types of institutions.

The following definition is therefore only a working definition:

Linkages are all kinds of partnerships that may be developed between several actors including community-based social protection mechanisms and statutory social security schemes and of various natures (functional & technical, financial, regulatory, political, etc.) including for example:

- subsidies and redistribution
- financial consolidation, risk transfers (reinsurance, guarantee funds)
- technical advice
- sharing of management functions
- assistance in marketing, registration and contribution collection
- exchange of information, good practice
- regulation and/or control
- education, prevention and promotion
- fraud prevention and control
- co-contracting with health care providers or joint design and implementation of a contractual framework
- improvement of health service quality at local level
- access to health service delivery networks

- joint participation in the design and implementation of national social protection extension strategies (linkages at policy level)

V. Scope

This study is limited to maternity and the risk of ill-health. This includes medical care, cash sickness and maternity benefits.

However, respondents are requested to provide summary information if they identify important linkages related to other risks. A separate section in the guidelines below is dedicated to this.

VI. Guidelines

The guidelines are intended to point to the important areas for which information is sought. They should guide expert consultants and ensure that information collected on different countries is coherent, however, it may not in all cases be necessary to follow them mechanically (e.g. an answer of a question may also answer another one in which case it is not necessary to repeat the information). The guidelines are completed by specific terms of reference (one per country) in order to better take into account national contexts.

1. Setting the scene: a brief description of social protection in the country

- a) Are there statutory social security scheme(s) for health in the country?

Please describe each existing scheme including at least: the name of the scheme, its main characteristics (financing, contribution rates if contributory, main features of health services delivery such as contracting, provider payment etc.), benefit package, membership criteria (coverage) and number of members and dependents, redistributory elements within the scheme, whether any risks other than health are covered, development of the scheme over the last 10 years (major reforms and extension of coverage), legislative framework of these schemes (reference of the law/decreet).

- b) Are there community-based social protection mechanisms for health in the country?

Please describe the existing community-based schemes including at least: the types and names of the schemes, number of existing schemes and evolution over the past 10 years, main characteristics (contribution rates, main features of health services delivery such as contracting, provider payment etc.), benefit package, main target population and estimated number of members and dependents, geographical area (rural or urban), whether any risks other than health are covered.

With regard to institutions that facilitate the implementation of a statutory or community-based social protection scheme, please describe these institutions including at least: the types of organization and their original purpose, their

main target population, the degree of representation of the target population by the organizations.

- c) What other social protection mechanisms or schemes do exist in the country (private or public health insurance companies, etc.)?
- c) If data is available, please provide information on what percentage of the population is covered by the different statutory, community-based schemes/mechanisms and other mechanisms if any
- d) Is there a legal framework for the establishment of community-based social protection mechanisms?
- e) Is there a legal/common definition of the informal economy in the country? What is the share of informal economy employment as part of total employment? What percentage of the total population is excluded from statutory social security? According to your assessment, which groups of the population are most often excluded from statutory social security?
- f) What have been the most important policy reforms to extend coverage in the last decade? Please describe briefly. Is there currently a political will to extend coverage and/or are there any concrete coverage extension initiatives (e.g. formulation of a national strategy of extension of social protection, a government working group, discussion of a bill in parliament etc.)

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2. Linkages

- a) Are there linkages between the statutory scheme(s) and the community-based social protection mechanisms? In the absence of such linkages, are there linkages between at least one of these two types of institutions and other institutions (e.g., CBOs + local State + insurance companies; central State + mutual organizations; etc.) with the aim to extend coverage?
- b) What are the nature and the aim of these linkages? Please describe each identified linkage in detail including at least information on the type of linkage, institutions involved, the levels at which the linkage exist (local, regional, national), purpose and objective of the linkage, the history (milestones), previous or existing support from other institutions (e.g. government, donors) and the geographical area/populations concerned.
- c) Is there a legal base for these linkages and if yes, since when/in which law?
- d) If there is no legal base, have these linkages nevertheless been endorsed by the government and/or are they directly/indirectly supported by the government?

3. Impact of linkages

- a) What has been the experience with the linkages (particularly with regard to the development of coverage rates and the attainment of original objectives)?

Please provide detailed information on the strengths/weaknesses of each type of linkage in practice and the reasons/factors for its success/failure. What have been enabling and hindering factors in the implementation of linkages? What are the lessons that can be learned from the experience of the country for future initiatives to strengthen linkages in the/in other countries?

4. Future developments

- a) Are there currently or can be anticipated for the near future any initiatives in the country to create or improve linkages in the future? If so, please describe for each initiative: actors involved, types of planned linkages, purpose and objectives of the planned linkages, populations concerned, schedules and planned steps for implementation.
- b) According to your assessment, would it be beneficial to build/strengthen linkages in the countries and why?
- c) How could linkages be built/strengthened in the country in the future? Please provide your recommendations.

5. Other schemes

- a) During your analysis, have you noticed any linkages as regards other social risks such as work injury, survivorship, old-age etc.? If yes, please provide summary information on these linkages outlining at least the institutions involved and the type of linkage.

6. Contracting with health care providers

As part of a similar study on the enhancement of the functioning of social protection schemes, we are specifically interested in contracting mechanisms. Thank you therefore for also providing the information requested in the following.

- a) What have been the most important attempts to enhance the contracting process between social protection schemes (SP CB mechanisms, SS schemes, insurance companies, etc.) on the one side and the health sector (health service providers) on the other side? These attempts may include: a legislative framework or master plan, the existence of written / formal agreements between schemes and health care providers, the establishment of a special unit within the Ministry of Health in charge of the contracting process, the design of guidelines or tool kits aimed at facilitating the establishment of agreements, etc.