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Health Finance & Governance Project
Technical Briefing

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Health Finance
& Governance
Expanding Access. Improving Health.

Expanding Health Coverage for Informal Workers in Low- and Middle-Income Countries



Abt Associates Inc.

In collaboration with:

Avenir Health | Broad Branch Associates | Development Alternatives Inc. (DAI) | Johns Hopkins Bloomberg School of Public Health (JHSPH) |
Results for Development Institute (R4D) | RTI International | Training Resources Group, Inc. (TRG)

Speakers

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Moderator



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Extending UHC to informal workers: Lessons and experiences from ILO's work

Xenia Scheil-Adlung
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ILO



Informal workers:
Definition,
characteristics, size
and policy objectives

The facts:
Exclusion from health
services

ILO's policy approach:
Extending coverage to
the informal economy



Informal workers: Definition, characteristics, size and ILO policy objectives

Definition	Economic activities by workers and economic units that are in law or in practice not or insufficiently covered by formal arrangements (laws are not applied, enforced or discourage compliance because they are inappropriate, burdensome, or impose excessive costs).
Characteristics	Denial of rights at work / Absence of sufficient opportunities for quality employment / inadequate social protection / lack of social dialogue constituting obstacles to the development of sustainable enterprises. The share of women in informal employment is higher than men Other vulnerable populations , e.g. youth, minorities, migrants, older persons, disabled are disproportionately present
Size	More than half of the world's workforce: Globally between 45 and 90 % of workers / in small and medium enterprises with 10 to 250 employees, as many as 90 per cent are informal.
Objective of the Recommendation on the informal economy	Facilitate the transition from the informal to the formal economy , while respecting workers' fundamental rights and ensuring opportunities for income security Promote the creation, preservation and sustainability of enterprises and formal decent jobs Prevent the informalization of formal economy jobs.



Informal workers:
Definition,
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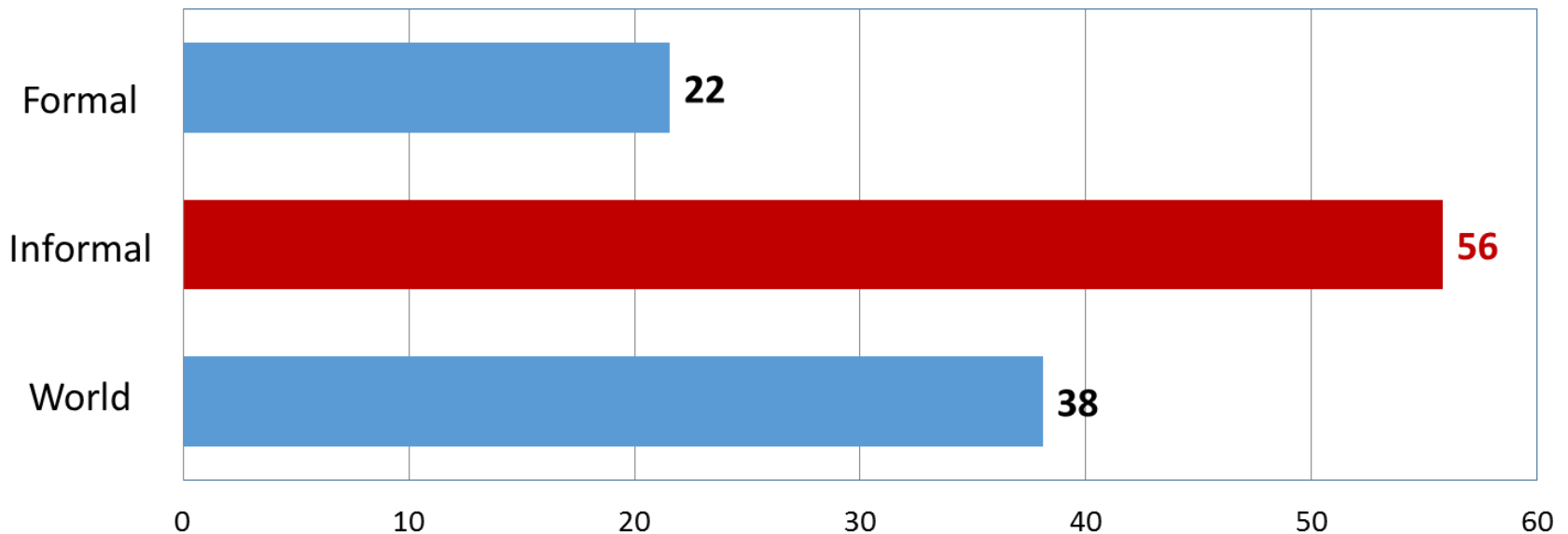
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The global exclusion of informal workers from rights

Proportion of the global formal/informal population *not protected* by legislation or affiliated to a health insurance scheme, 2015
(in % of global population; proxy for informal workers: rural workers)



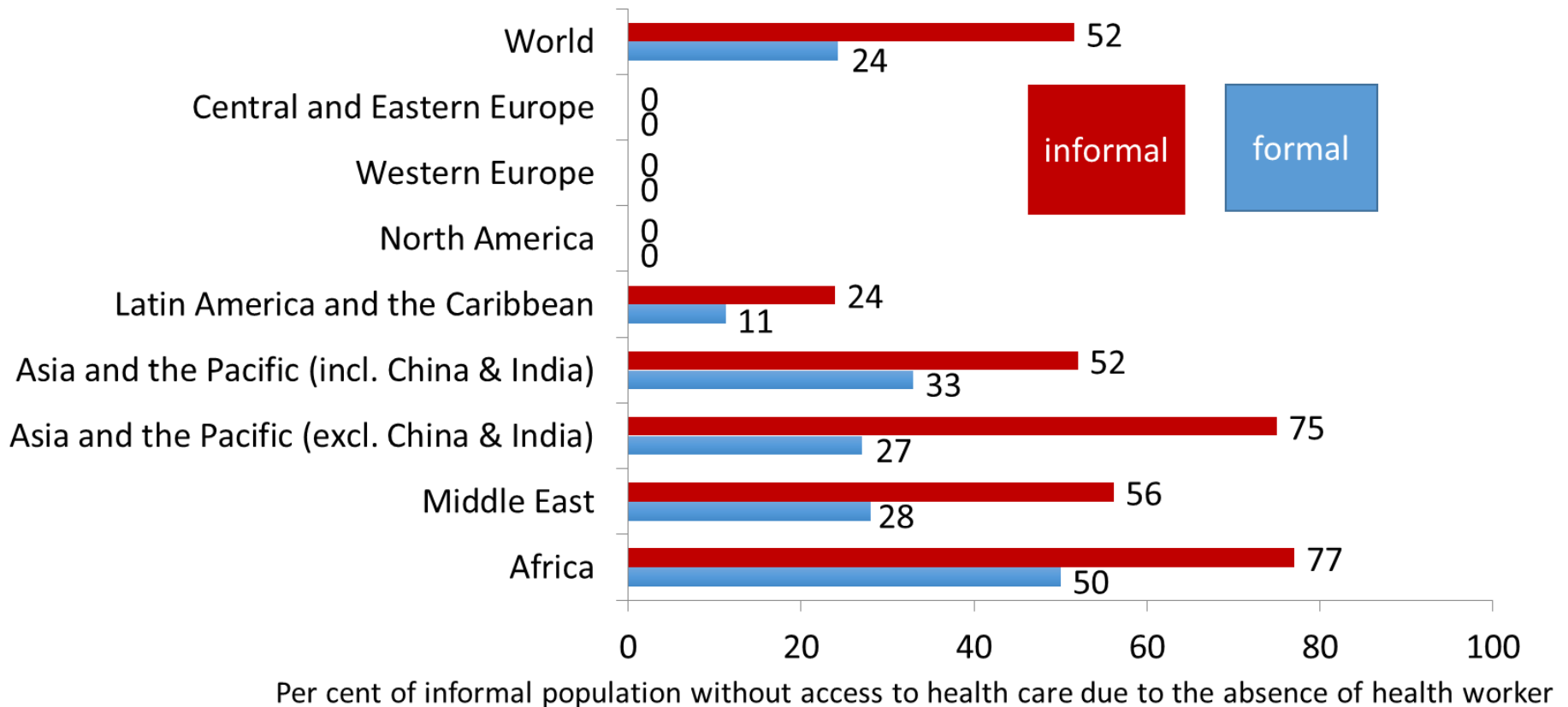
Source: ILO 2015



The exclusion of informal workers from access to health services due to workforce shortages

Population without access to health care due to workforce shortages

Regional Staff Access Deficits (SAD) of rural/urban populations
(proxy for informal workers: rural residence)



Per cent of informal population without access to health care due to the absence of health worker

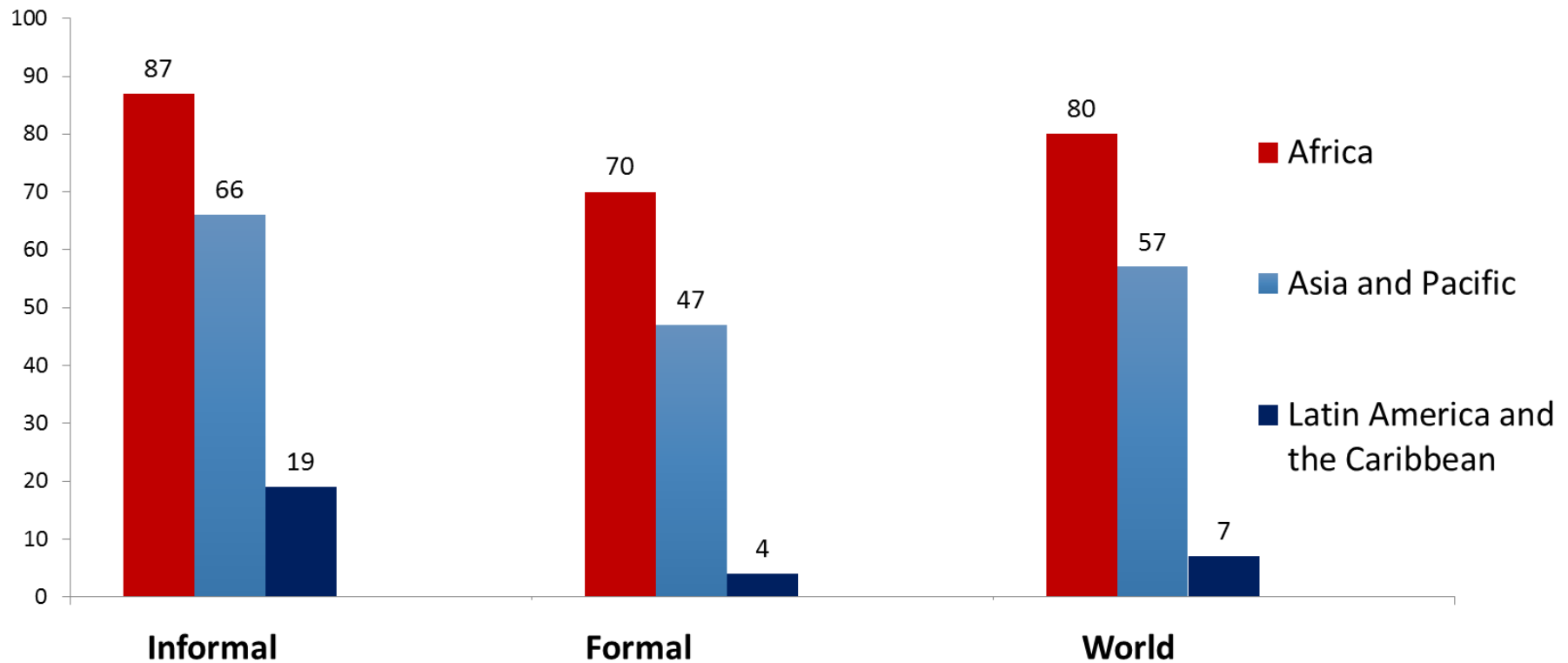
Source: ILO 2015



The exclusion from public funds

Percentage of formal/informal workers without access to health care due to financial resource deficits*, Africa, Asia and LA

(proxy for informal workers: rural residence)



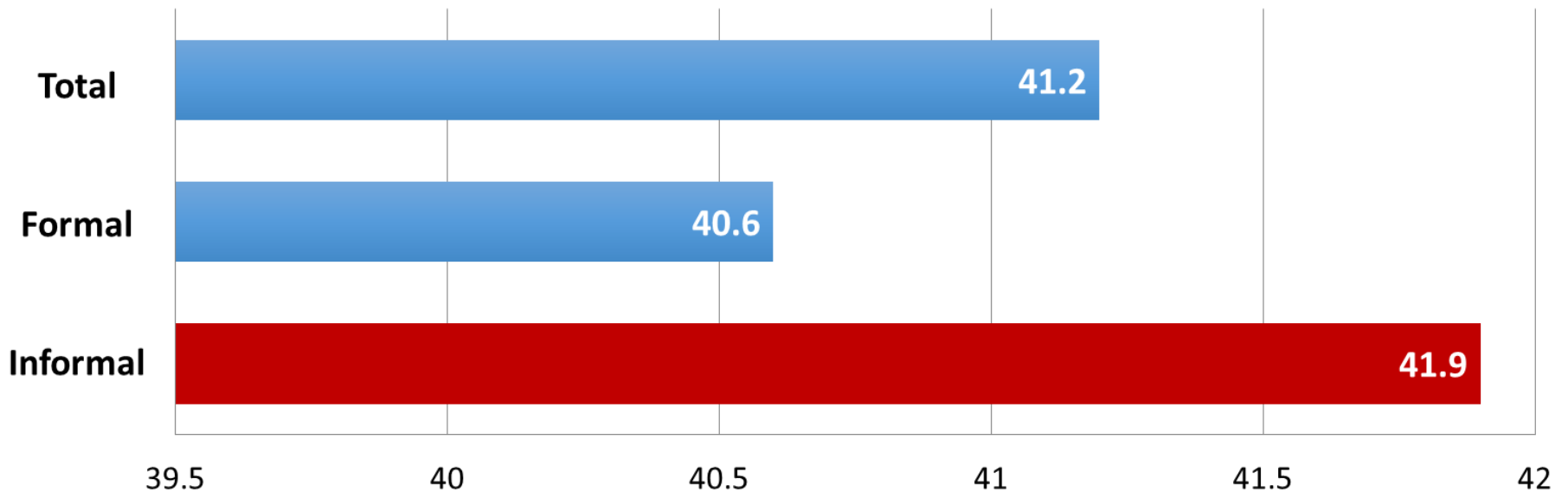
* Threshold: US\$ 269
Source: ILO, 2015.



Affordability of services: OOP

(proxy for informal workers: rural residence)

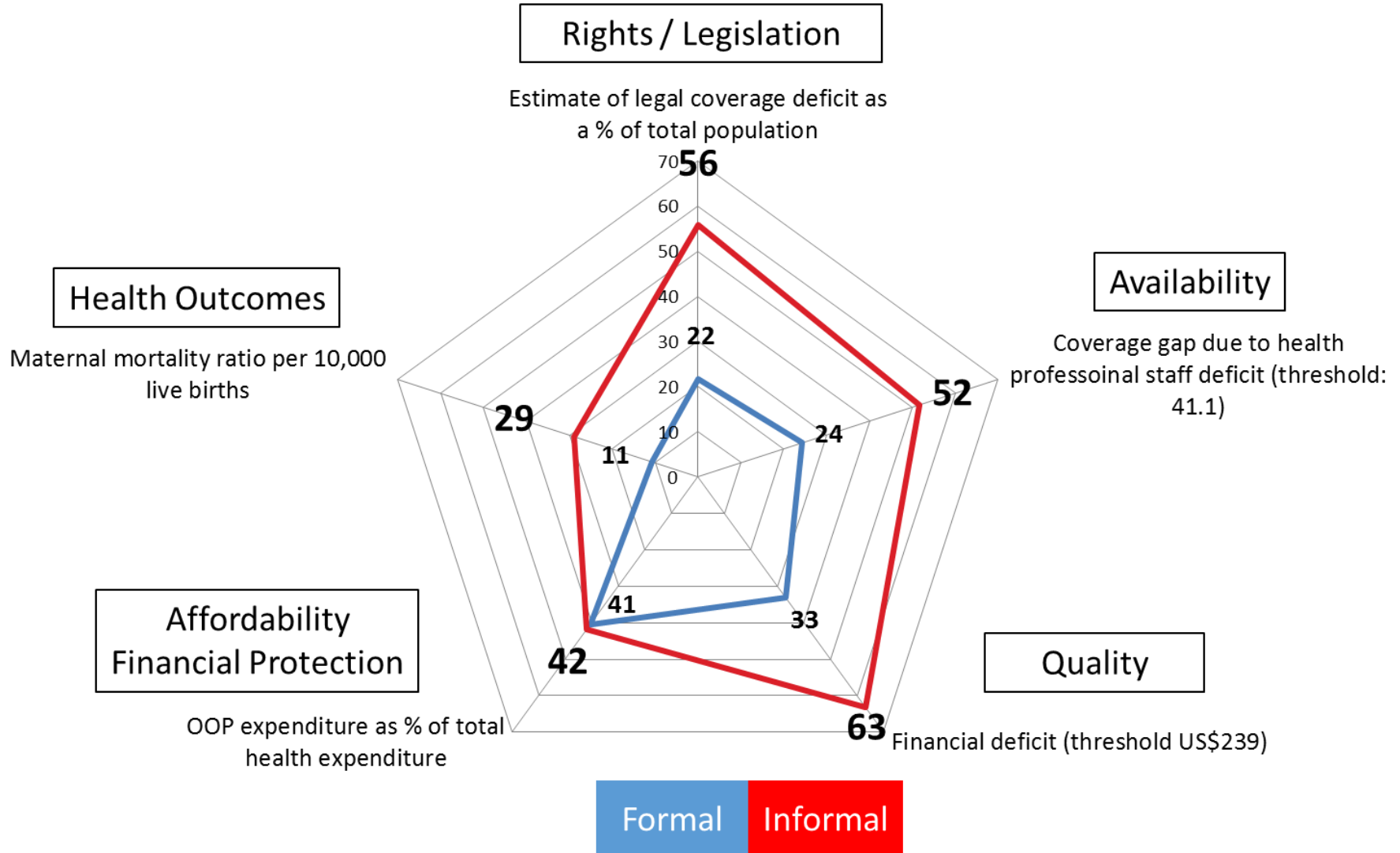
Distribution of global OOP paid by formal and informal workers in percent of THE, (2015)





The global picture: Exclusion of formal and informal workers from health protection

(in per cent of population; proxy for informal workers: rural residence)





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Extending UHC to informal workers: ILO's focus

Policy approaches and values outlined in ILO Conventions and Recommendations, e.g.

- ILO Recommendation on National Social Protection Floors

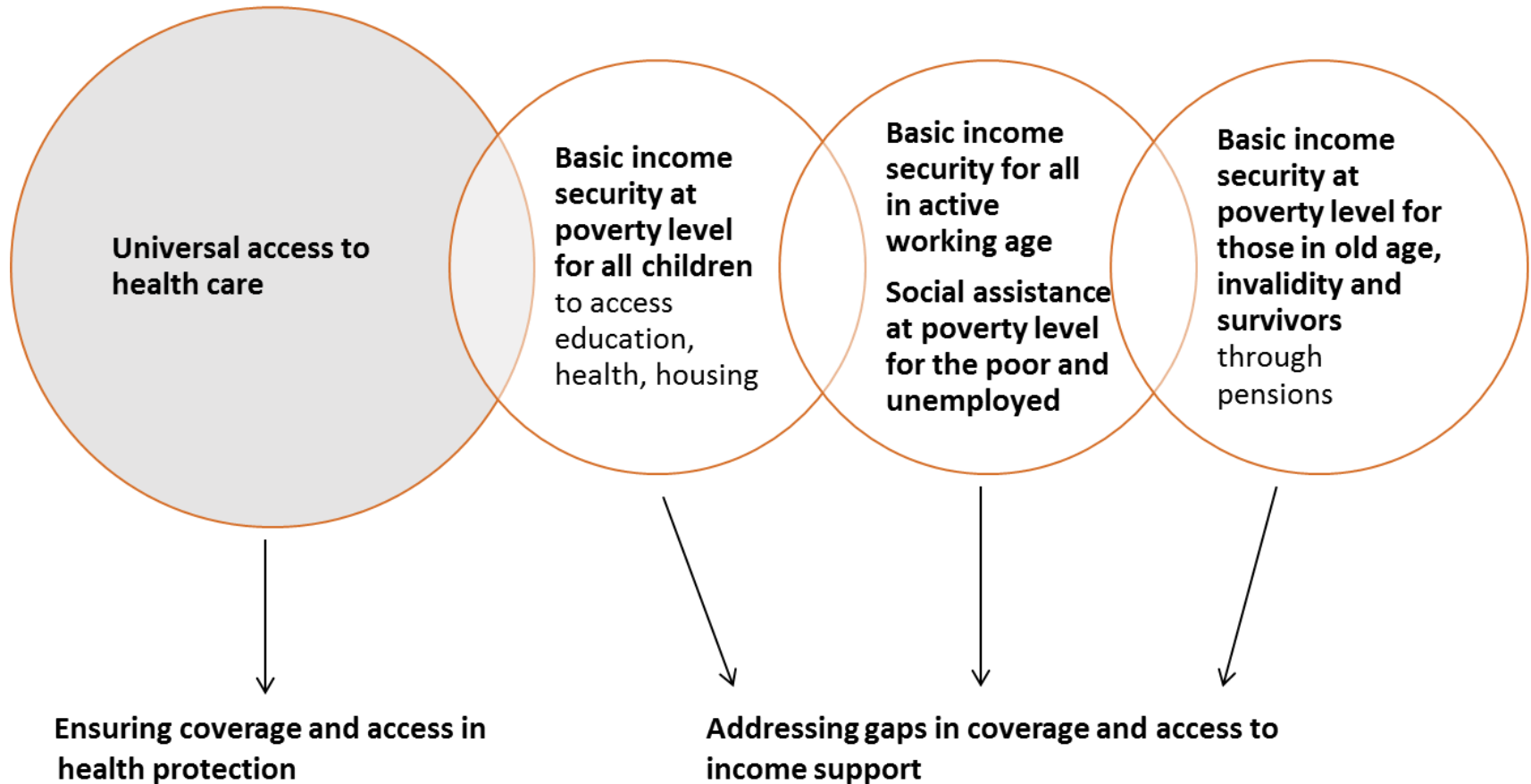
Focal areas of work:

- Technical cooperation
- Data development and actuarial studies
- Research
- Knowledge sharing
- Advocacy at global, regional and country level



ILO Recommendation 202 on National Social Protection Floors

Achieving dignity, ending poverty, and addressing inequality through universal coverage in health and income support for all in need





Technical cooperation in some 30 countries of Africa and Asia (including Rwanda, Zambia and Cambodia, Laos, Myanmar, Thailand, Viet Nam)

Overall approaches

Identifying gaps and priorities based on e.g. fiscal space analyses, costing and monitoring

Developing legislation and financing mechanisms with a view to reducing access barriers e.g. due to OOP and health workforce shortages

Focusing on organizational and administrative structures including facilitating registration

Ensuring social dialogue/voice

Coordinating with other social protection schemes and systems, linking with labour market and macro-economic policies with a view to poverty alleviation

Specific approaches

Informal workers in rural areas / agriculture

Informal workers in SMEs

Domestic workers

Informal care workers

Self-employed



Thank you !

scheil@ilo.org

Universal health coverage and informal workers

Anna Marriott,
Public Services Policy
Manager



OXFAM

What is UHC?

The goal of universal health coverage is to ensure that all people obtain the health services they need without suffering financial hardship when paying for them.

WHO 2012



What is UHC?

What needs to be more explicit?

- Removal of **direct payments**, including user fees
- Importance of **public financing** and **mandatory pre-payment**
- Large, preferably national **risk pools**

In addition

- UHC means **same** entitlements for all
- **Progressive realization and solidarity**
- **Accountability?** Government as duty bearer
- **Comprehensive primary health care**



Informal workers and UHC

Some basics:

- The vast majority of working age adults in low and middle-income countries work informally
- Today half of the entire global work force is self employed

Therefore:

- Informal workers are NOT a niche target.
- Appropriateness of employment-based contributory financing models must be questioned

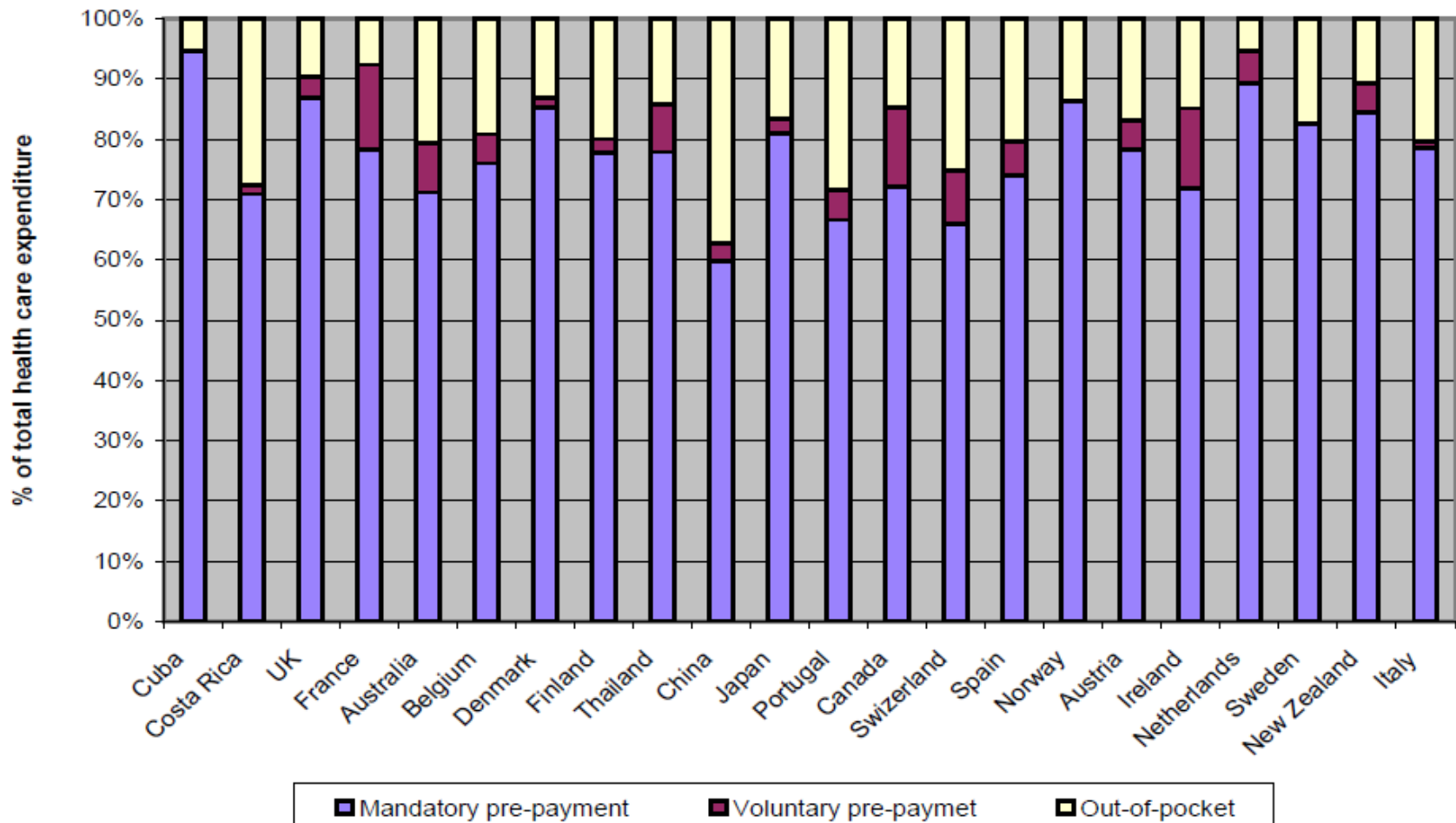


Health insurance schemes: leaving informal workers behind

The reality:

- UHC financing models designed for the easiest to reach first e.g. Conventional social health insurance
- Common position – ‘get this working and then extend to informal workers’. Cementing inequality from the start.
- Solution for informal workers too often: explicit or de facto **voluntary** schemes;





Examples:

- **Ghana** – success? 14 years on = c40% coverage. On current rate of progress UHC achieved in 2076
- **Tanzania** – 10 years = 17% coverage. Government spends \$83 per government employee enrolled on the scheme (six times more than spent per capita on health)
- **Kenya** – national hospital insurance fund – 50 years = 18% coverage



Financing Approaches that Work

- Growing number of countries leading the way to UHC
 - Rejecting imported approaches from rich countries
 - Reject insurance premiums from informal workers
1. Tax only – e.g. Brazil, Sri Lanka, Malaysia
 2. Tax pooled with insurance premiums only from formal sector – e.g. [Thailand, Mexico], Kyrgyzstan, Moldova

Final reflections – UHC is a political project

- High level political will underpins any UHC success
- Shift in emphasis essential from ‘How do we make informal workers pay’ to ‘How do we get the healthy and wealthy to pay?’
- International health community must engage in wider debate on fair fiscal policy and progressive taxation
- Stop importing inappropriate employment-based insurance schemes from high income countries – entitlement based on citizenship/residency



Expanding Health Coverage to Informal Workers in USAID-Priority Countries

Sharon Nakhimovsky

Onaopemipo Abiodun, Adam Koon, Altea Cico



Ending Preventable Child and Maternal Deaths (EPCMD) countries

EPCMD Countries	
Afghanistan	Mozambique
Bangladesh	Myanmar
Democratic Republic of the Congo	Nepal
Ethiopia	Nigeria
Ghana	Pakistan
Haiti	Rwanda
India	Senegal
Indonesia	South Sudan
Kenya	Tanzania
Liberia	Uganda
Madagascar	Yemen
Malawi	Zambia
Mali	

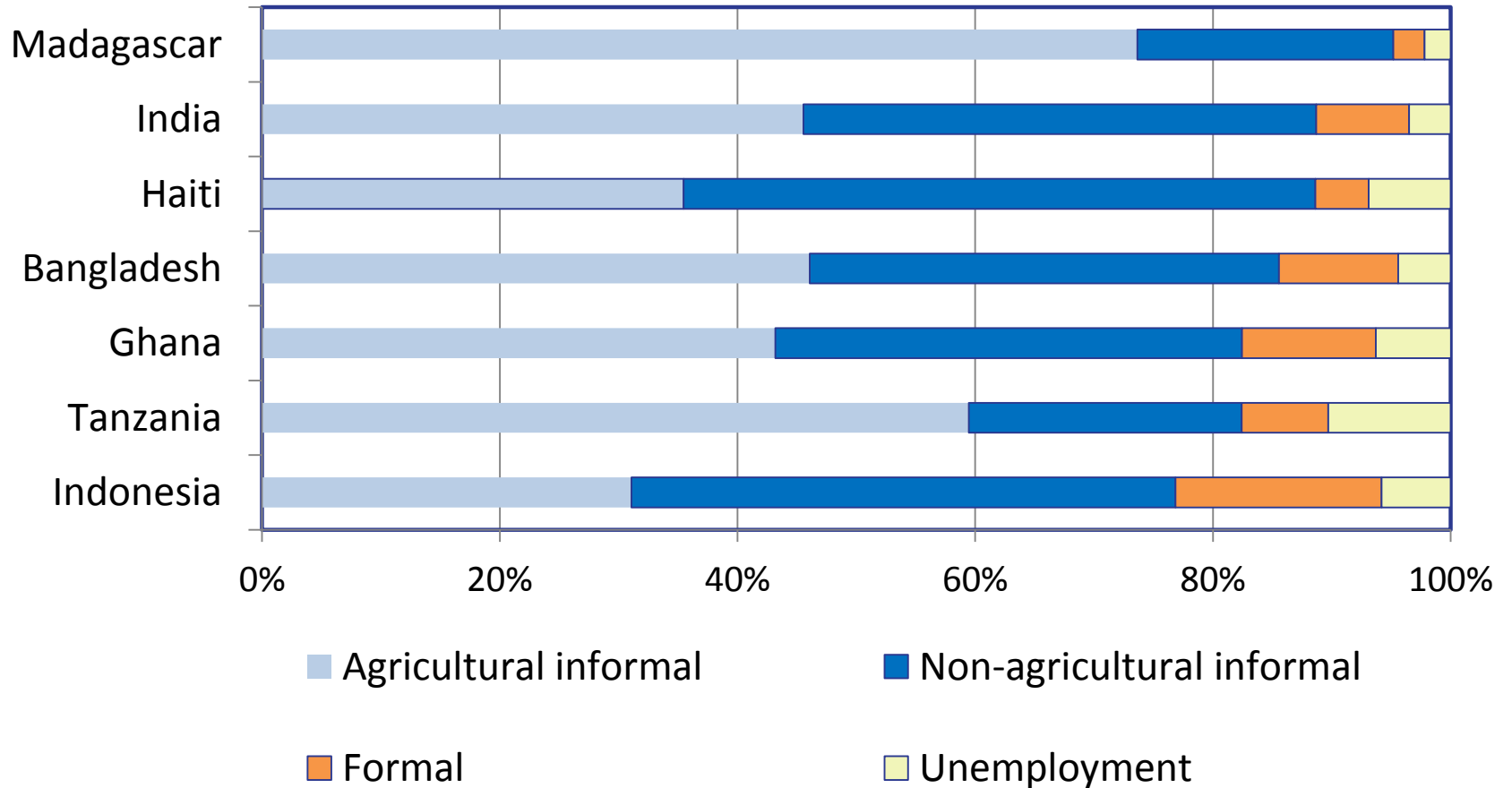
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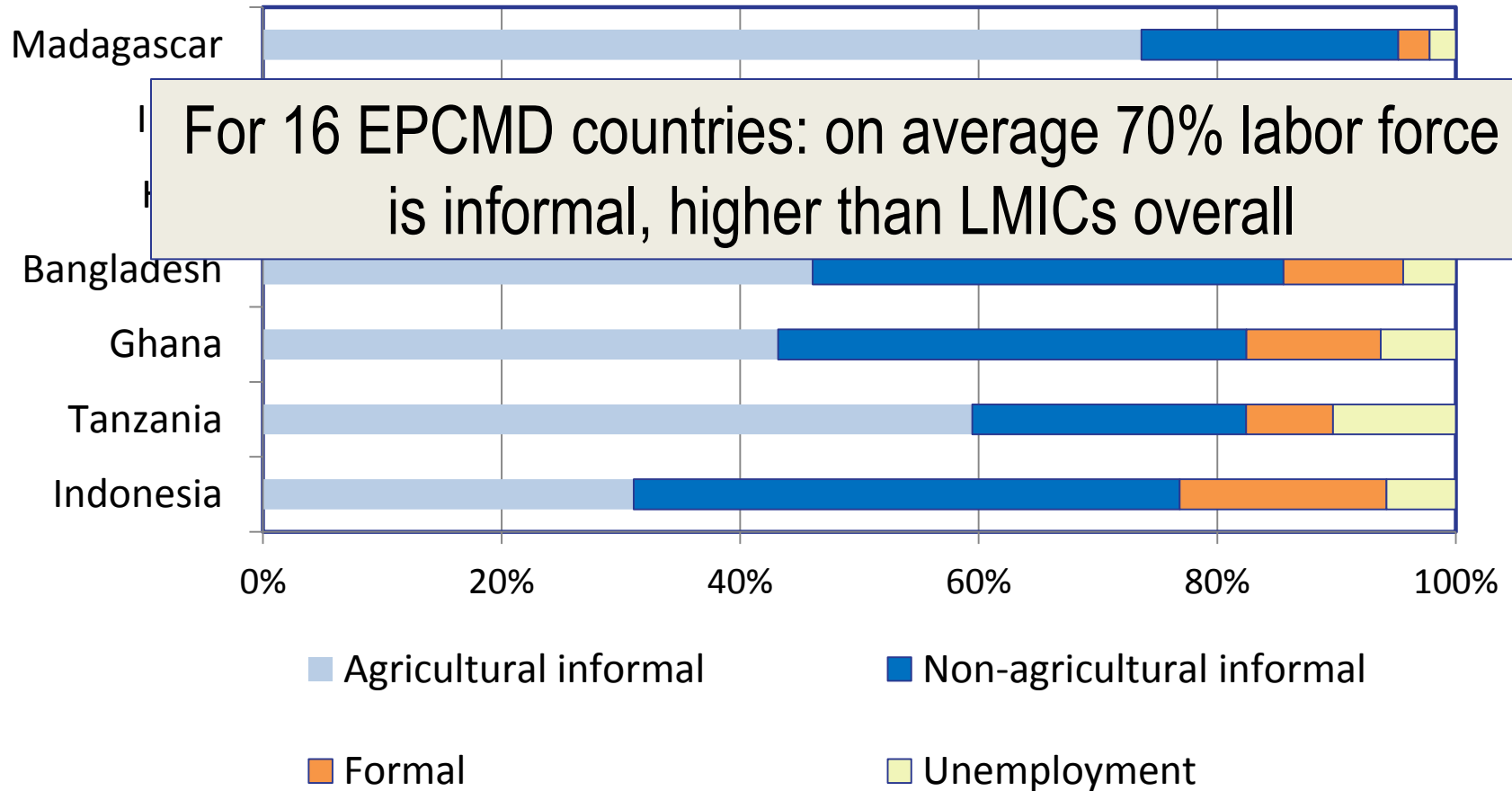
Study objectives and methodology

Questions	Methodology
<ul style="list-style-type: none">• What % of EPCMD labor force is informal?	<ul style="list-style-type: none">• Compile secondary statistics
<ul style="list-style-type: none">• What do we know about covering informal workers in low- and middle-income countries (LMICs)?	<ul style="list-style-type: none">• Review seminal literature
<ul style="list-style-type: none">• How do EPCMD governments expand coverage?• Challenges?• How are they addressed?	<ul style="list-style-type: none">• Conduct 34 key informant interviews in 10 EPCMD countries

Informal workers as a percentage of the labor force in select EPCMD countries

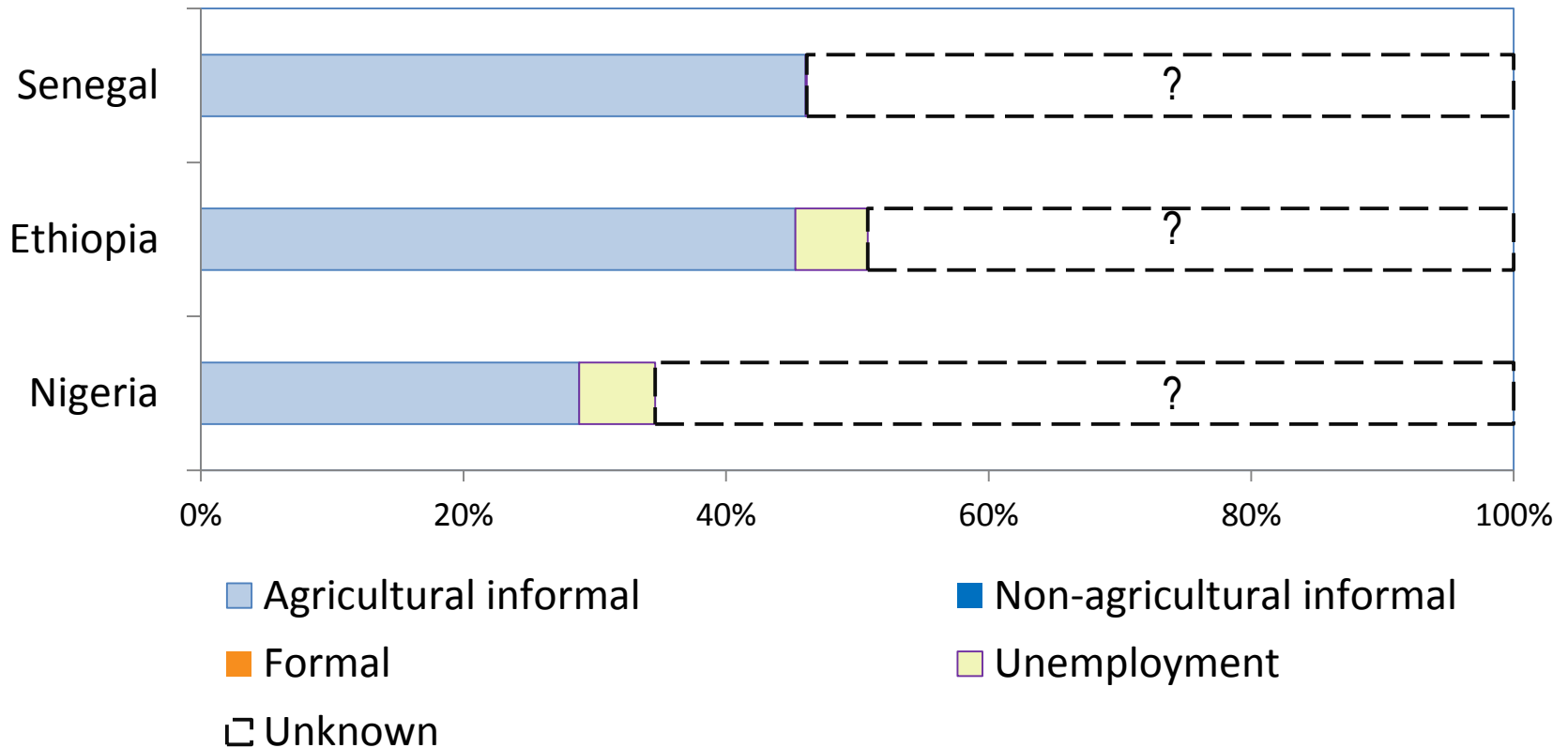


Informal workers as a percentage of the labor force in select EPCMD countries



Insufficient survey data – informal workers remain invisible

Informal workers as a percentage of the labor force



Governments using multiple approaches to expand coverage for informal workers

Insurance
coverage
expansion

- What implementation challenges?
- How are governments addressing them?

- What supply issues limit coverage?
- How are governments addressing them?

Supply-side
investment

Challenges to expanding coverage to informal workers through insurance schemes

- ▶▶ Enforcing/encouraging enrollment
- ▶▶ Identifying individuals/families
- ▶▶ Collecting payments



Improving operations of insurance schemes



- ▶▶ Use enrollment as prerequisite for obtaining other needs
- ▶▶ Use labor groups to reach members in incremental approach
- ▶▶ Introduce easier payment options
- ▶▶ For small schemes,
 - ❖ Introduce tax subsidy
 - ❖ Pool contributions across larger areas
 - ❖ Professionalize scheme management

Issues in the supply of health services affecting coverage of informal workers

- ▶▶ Lack of providers, at all or at appropriate hours
- ▶▶ Poor quality of services, including due to insufficient medical supplies



Improving supply of health services for informal workers



▶▶ Keep health facilities open later



▶▶ Increased public investment in infrastructure and supplies

Long-term solutions for sustainable coverage

- ▶▶ Less financing from voluntary contributions
- ▶▶ More financing from general government revenue
 - ❖ Tax (and other institutional) reform may be necessary
- ▶▶ But past legacies, fiscal space, and capacity create constraints



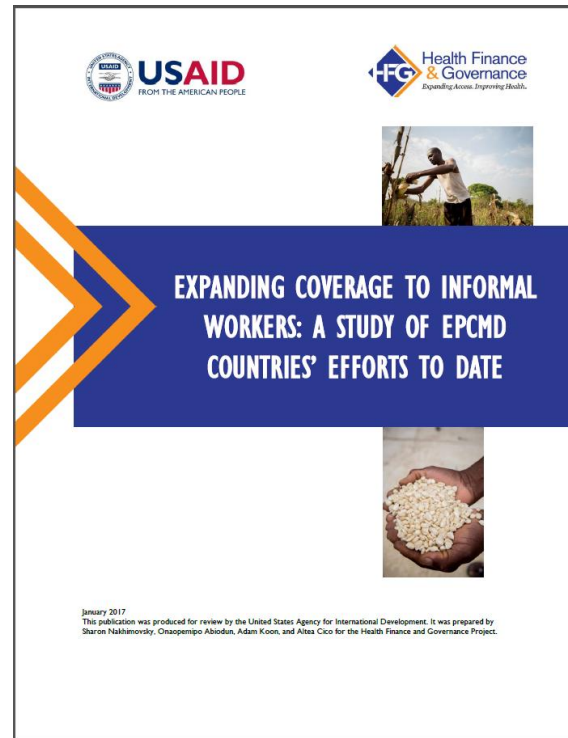


Implications of findings

- ▶▶ Progress towards UHC requires covering informal workers – big challenge for EPCMD countries
- ▶▶ No silver bullet, but a lot of micro experimentation and long-term planning
- ▶▶ Looking ahead
 - ❖ Better data on informal workers
 - ❖ Improved insurance scheme operations and supply-side capacity
 - ❖ Informed long-term policy

THANK YOU

Please see our full report at: www.hfgproject.org





Q&A



**Xenia
Scheil-Adlung**



**Anna
Marriott**



**Sharon
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**Laurel
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Thank You!

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