

Towards Universal Health Coverage for Home-Based Workers in Southeast Asia

2019

HomeNet

South-East Asia

Universal Health Coverage (UHC) has become a rallying call for the global health movement and is now officially encapsulated within the United Nation's Sustainable Development Goal 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. A major challenge for governments around the world has been to ensure that UHC reaches informal workers, who make up over 60 percent of the global workforce and are at higher risk of poverty than workers in the formal economy.

Home-based workers, who work to produce goods in their own homes, are a particularly vulnerable sector of the informal workforce. Earnings are low, and the work is isolated and often invisible. Most of these workers are women who are juggling income earning with care and community responsibilities.

Access to quality health services for themselves and their families is critical to maintaining their livelihoods, but too often they continue to fall through the cracks in the health system – earning too much to qualify for health fee exemptions but excluded from formal employment-based health schemes.

This exclusion has both social and economic consequences. Home-based workers may delay seeking health care because of the costs involved, which may ultimately mean they become too sick to work and families lose an important source of income. When they or their family members experience a medical emergency, workers must spend money on health care, which means they are unable to buy the essential raw materials needed to maintain their incomes. Women workers experience this more intensely because of their disproportionate responsibility to care for children, the ill and elderly in their own households.

The good news is that in Southeast Asia, where informal employment makes up almost 80 percent of total employment,^[1] governments have recognized this problem and are taking some important steps towards extending UHC to informal workers. For example:

Cambodia has committed to achieving UHC by 2025 in its national targets. In 2018 some occupational groups – domestic workers, farmers, tuk tuk drivers and street vendors affiliated to registered associations – were incorporated into the **Health Equity Fund**, which provides free health care for the poor.

In 2014, **Indonesia** launched the **Jaminan Kesehatan Nasional (JKN)**, a compulsory health insurance scheme which covers informal workers. Linked to the JKN is the **Kartu Indonesia Sehat (KIS)** which is a free health insurance card for those unable to afford the health insurance payments. Some occupational groups in the informal economy considered especially vulnerable, such as farmers and fishermen, now have access to the KIS card. Indonesia has also made progress in extending occupational health services to informal workers through its Occupational Health Posts (Pos-UKK) initiative which will focus on workplace health promotion and training, hazard identification, and workers' medical examinations. The government aims to introduce one POS-UKK station for every three primary health care centres.

Laos has introduced the **National Health Security Fund** which subsidizes health care for the poor by placing limitations on the amount that health facilities may charge at primary health units and hospitals. This is a positive step towards the government's goal of implementing a tax-based national health insurance scheme to cover the poor and informal workers. Furthermore, the **National Social Security Fund**, which includes a health benefit, has now been opened to informal workers, who may access the same benefits as formal workers for a contribution equal to 9 percent of the minimum wage.

Philippines signed into law a UHC Act in February 2019, which will open up new sources of funding for **PhilHealth**, the country's national health insurance scheme. New sources of funding will come from sin taxes and other general taxes, allowing for free diagnostic services, consultation fees and medical tests to be incorporated into the scheme's benefits.

Thailand has long been in a leader in UHC in the sub-region with its tax-funded **Universal Coverage (UC) scheme** providing free healthcare for all. The UC scheme is also commendable because of its participatory nature – people's organizations are represented at all levels of the scheme from policy making bodies all the way to the ground. **Local Health Funds** also allow people's organizations to apply for their own funds to run health promotion activities. In 2018, 26 informal worker organizations were successful in obtaining funding for occupational health promotion activities.

1 This data is for East and Southeast Asia (excluding China), from latest ILO statistics contained in Women and Men in the Informal Economy: A Statistical Picture (2018).

What can governments in Southeast Asia do to ensure greater coverage for **home-based workers**?



CAMBODIA



- Ensure that domestic financing for the Health Equity Fund is made available once donor support comes to an end in 2022.
- Expand universal access to the Health Equity Fund for all groups of informal workers, including home-based workers as per the provisions of the National Social Protection Policy Framework.
- Move towards a more comprehensive benefits package under the Health Equity Fund, so that it offers the same benefits available under the National Social Security Fund, including coverage for work-related illness and injury.
- Eradicate the requirement of annual renewal for Health Equity Fund cards, which places an undue burden on informal workers.



INDONESIA



- Include home-based workers and other groups of vulnerable *women* workers into the KIS card.
- Ensure wider implementation of the POS-UKK initiative and attach an operational budget to those stations which are as yet unfunded.
- Raise awareness about the POS-UKK initiative amongst grassroots organizations of informal workers and develop methods for working with these organizations in a participatory manner.



LAOS



- Extend inclusion into the National Health Security Fund to informal workers and reduce the number of documents required to access the scheme.
- Ensure that domestic financing is available for the Fund beyond its donor-financed initial phase.
- Revise the 9 percent of national minimum wage contribution from informal workers which is required to join the National Social Security Fund. Formal workers receive a subsidy from their employers, and so only contribute 5.5 percent of their income. Informal workers should not have to contribute more than this. The contribution calculation should be made from an estimation of average incomes in the informal economy, not from the minimum wage which is well above what informal workers earn.
- Better disseminate information about both the National Health Security Fund and the National Social Security Fund, so that informal workers are aware of their existence.



PHILIPPINES

- Ensure that PhilHealth contributions for informal workers are more generously subsidized through the new sources of funding. The cost of contributions has risen steadily over the years, making it less affordable for informal workers.
- Include civil society organizations within the governance structures of the health scheme. Inclusion of civil society organizations was mandated under the previous National Health Insurance Act but has been excluded from the new UHC Act.



THAILAND

- Continue to be consistent in its support for universalism and public investment in health care services.
- Move towards greater equity in spending and benefits between the UC scheme, the Social Security Scheme for formal workers, and the civil servants' welfare fund.
- Ensure a greater focus on preventive health, including occupational health services for informal workers.

HomeNet South-East Asia requests member states of ASEAN to raise the profile of UHC within their national policy agendas in line with the ASEAN Declaration on Strengthening Social Protection which calls for the collective acceleration of progress towards UHC in all ASEAN member states.

HomeNet South-East Asia is a sub-regional network of membership-based organizations of informal home-based workers located in Cambodia, Indonesia, Philippines, Laos and Thailand. It aims to enable organized home-based workers to democratically run and manage self-sustaining organisations and networks at the national and sub-regional levels. In 2018 **HomeNet South-East Asia** members agreed to organize for Universal Health Coverage. **HomeNet South-East Asia** believes that for health systems to be truly inclusive of informal workers, the following principles should apply:

- **Universalism:** All human beings within a given country should be covered, including informal workers whether they are citizens or not.
- **Equity in Standards:** Everyone should have access to the same standard of health care, and the same level of state spending should apply to all.
- **Public Financing:** Inclusive health care systems require significant public financing.
- **Comprehensive & Equitable Benefits Packages:** All diseases should be covered, with a strong focus on preventive and promotive health, including work-related health issues, and sexual and reproductive health. The use of medicine should be rationalized to reduce wasteful expenditure.
- **Participatory Governance:** Space should be made for civil society to be part of the governance structure of the health scheme.

Women in Informal Employment: Globalizing and Organizing is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. We believe all workers should have equal economic opportunities and rights. WIEGO creates change by building capacity among informal worker organizations, expanding the knowledge base about the informal economy and influencing local, national and international policies. Visit www.wiego.org.