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Expanding the safety net: a case for unemployment insurance for street traders in the informal economy.

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INTRODUCTION

- Unemployment insurance: component of social security
- Reliance on the existence of an identifiable employer-employee relationship =exclusion of informal workers
- Social security vs. social protection
- ILO - coverage (at least one benefit):
  - ✓ Global population: only 52.4%
  - ✓ Africa: only 19.1%

CONCEPTUALISING STREET TRADERS

"Familiar characteristic of African cities"

Affordable source of goods & services, generate demand for formal and informal suppliers, create jobs

Apartheid legacy: mainly concentrated in low income margins

Demographic: "Historically disadvantaged, mainly black people who are marginalised to the fringes of society" – *Mackwickana v eThekwini Municipality* 2015 3 SA 165 (KZD)

WIEGO stats

- 4.4% of national employment
- 773 105 workers

PROBLEM

- Impact of exclusion on street traders:
  1. inability to support themselves and their families if work-related injury or unemployment occurs;
  2. increased out of pocket expenditure; &
  3. women returning to work soon after childbirth due to lack of maternity benefits

- Vulnerable during normal times, vulnerability exacerbated during times of crises such as Covid-19

- Clear need for extension of the social protection safety net

INTERNATIONAL AND REGIONAL FRAMEWORKS

- Universal Declaration of Human Rights
- International Covenant on Economic, Social and Cultural Rights
- Social Security (Minimum Standards) Convention
- Maternity Protection Convention
- Recommendations 202 and 204
- SADC Code on Social Security

CONSTITUTIONAL FRAMEWORK

- s 27 of the Constitution
- "Everyone has the right to social security"
- Broad framework, limited by legislative framework

UIA

- Covers risk of unemployment & provides economic support in the form of short-term benefits
  - ✓ unemployment
  - ✓ illness
  - ✓ maternity
  - ✓ parental
  - ✓ adoption
  - ✓ commissioning parental
  - ✓ dependant's

UIA

- Narrow definitional framework
  - ✓ Applies to employees in formal employment

- Extending benefit rates and qualifying categories (CEACR confirmed)
  - ✓ e.g., s 12(1A) – tailored provision for domestic workers

- However, still excludes other informal such as street traders

- Tailored responses due to lack of an employer and unique characteristics

PROPOSED STRATEGIES

- Expanding definitional framework from "employees" to workers, including self-employed workers
- Provision for workers to register themselves with Fund
- Flexible/tiered contribution rates to cater to low and irregular income
- Provision for workers to elect the benefits they would like to affiliate to
- Option for voluntarily opt-in
- Partnership with informal trader organisations to facilitate registrations
- Leveraging existing mechanisms like SASSA and mobile payments
- Education and awareness campaigns

BEST PRACTICES

- The Republic of Ghana
  - ✓ Informal employment: 89% of total employment
  - ✓ Established three-tier contributory pension scheme (SNNIT)
  - ✓ Mandatory for formal workers, optional for informal workers
  - ✓ Linked to National Health Insurance Scheme – all SNNIT contributors are automatically entitled to NHIS coverage

CONCLUSION

- Inclusion of street traders is a legal and moral imperative
- Requires a shift from formality-based systems to universal social protection
- Political will, innovation, and participatory design are key