



OXFAM

**Promoting Informal
Workers' access to the Lao
Social Security fund**

**A Participatory Research Study
Lao PDR May 2021**

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Acronyms

ADB	Asian Development Bank
CAMKID	Community Association for Mobilizing Knowledge in Development
CBHI	Community Based Health Insurance
Covid-19	Coronavirus disease 2019
DoLSW	Department of Labour and Social Welfare
ECCDA	Environment and Community Development Association
FGD	Focus Group Discussion
HIB	Health Insurance Bureau
ILO	International Labour Organization
IWAA	Informal Worker Advancement Association
KII	Key Informant Interview
Km	Kilometer
LAK	Lao currency (Kip)
LFS	Labour Force Survey
LFTU	Lao Federation of Trade Union
LJI	Laos-Japan Institute
LNCCI	Lao National Chamber of Commerce and Industry
LSB	Lao Statistics Bureau
LSSF	Lao Social Security Fund
LSSO	Lao Social Security Organization
LSW	Labour and Social Welfare
MoES	Ministry of Education and Sports
MoF	Ministry of Finance
MoH	Ministry of Health
MoIC	Ministry of Industry and Commerce
MoLSW	Ministry of Labour and Social Welfare
MPI	Ministry of Planning and Investment
NA	National Assembly
NHI	National Health Insurance
NHIF	National Health Insurance Fund
NSPS	National Social Protection Strategy
NSSF	National Social Security Fund
QC	Quality Controller
SHG	Self-Help Group
SSO	Social Security Office
UHC	Universal Health Coverage
USD	US dollar
VSS	Voluntary Social Security

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Executive Summary

Introduction

This participatory research has two objectives: firstly, to build the capacity of Oxfam's partners on data collection and to improve their knowledge about the Voluntary Social Security (VSS) scheme; and secondly to inform a research report titled "Promoting Informal Workers' Access to the Lao National Social Security Fund". The data collection team was comprised of officials from national and sub-national levels, mainly from the Lao Federation for Trade Unions, Labour and Social Welfare, the Social Security Organization, the National Health Insurance Bureau and the Office for Community Based Health Insurance. The field work took place during November and December 2020 in four selected areas: Bokeo, Champassak, Vientiane Capital and Luang Prabang. The team interviewed staff from five national and international organizations in Vientiane, sixteen provincial organizations, and eight district organizations. The team also conducted six focus group discussions in four provincial capitals to allow an open discussion with 26 members of the voluntary scheme; the same participants also provided individual feedback and information during key informant interview sessions. In addition to that, data of 234 informal workers from both provincial capitals and other towns was collected. These 234 participants were also informed about the benefits of the VSS, policies, terms and conditions. This process was performed through face-to-face meetings during the course of which the interviewees were asked about their interest to join the LSSF.

The current research builds upon experiences of a 2019 study conducted by the Lao-Japan Institute (LJI). Based on LJI's experiences, the research team redefined the objectives of the study and the methodology for data collection and analysis, and expanded focal stakeholders to also cover the National Health Insurance / Community Based Health Insurance. In addition to the research findings, this report incorporates inputs from participants in a validation workshop organized on 25 February 2021.

Findings regarding existing Voluntary Social Security (VSS) members.

1. Findings show a connection between the Lao Social Security Fund (LSSF) and the National Health Insurance Fund. In provincial capital areas that have access to voluntary scheme of LSSF, 35% of VSS members also have social insurance from other providers such as self-help groups, village funds, and insurance from private companies.
2. VSS members can be categorized into three groups: members that applied to the VSS on their own volition, members transferred from the formal sector, and those who became VSS members through the intervention of intermediaries such as civil society organizations and projects that support informal workers to access to social security. The shares of these groups in the sample are 54%, 38% and 8%, respectively.
3. In provincial capital, about 77% of VSS members reported being covered by the lowest insurance layer (LAK 99,000 per month). 83% pay their voluntary contribution monthly, and 8% report late payment. The VSS members who live more than 5 kilometers away from Social Security Office's (SSO) branches tend to pay their contribution 3 months to one year in advance.
4. 15% of the sampled VSS-members reported they were not aware of all seven groups of benefits provided by the VSS. 73% are aware of the health care benefits, but only 27% know about sick leave benefits. The VSS members that were 'aware of all' groups of VSS benefits, and have used its services, tend to report higher satisfaction scores compared to those given by the ones who are 'not aware of any' benefits.

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5. Several challenges and limitations were mentioned by the VSS members. These include poor services at public health facilities, lack of information about VSS policies, and the that the process to claim the benefits is lengthy.
 6. However, other than their perception of poor services and shortage of medicines, LSSF's card holders also felt that they did not receive the same treatment than ordinary patients who pay cash for the services at public health facilities.

Findings regarding informal workers who are not members of the VSS.

7. Of the 234 non-VSS informal workers interviewed, 50% live in provincial capital areas, 56% were female, the average age was 40 years old, 85% are married, 90% have secondary education or lower, and 69% are self-employed or family workers. 55% have daily income, 20% have monthly income, and the average cash income is LAK 2.2 million per month. The 37% of the sample live on less than the national minimum wage.

75% of non-VSS informal workers reported that they had visited health facilities in the 12 months prior to the survey, or that a family member had visited a health facility within this time period. Provincial capital residents tend to visit provincial hospitals, private clinics and central hospitals; while non-provincial capital residents mostly relied on provincial hospitals, district hospitals and health centers. Those that used medical services recently reported a decent satisfaction score. On a scale of 1 to 5 (1 is lowest and 5 is highest), provincial hospitals were awarded an average score of 3.5-3.8 and health centers received an average score of 3.

8. 60% of the respondents reportedly save money and assets (in cash, gold, land, livestock), to use those savings if required for an urgent need. The 37% of non-provincial capital and 42% of the provincial capital people also have access to loans.
9. The awareness about VSS among these informal workers is still limited. 47% of them heard only its name but were not aware of its characteristics or services; 34% reported that their understanding about the VSS is limited; 19% (24% in provincial capital and 13% in non-provincial capital) said that they have adequate knowledge of what VSS is and how it works.
10. During the interviews, the enumerators explained the VSS to the informants, allowed follow-up questions from them, and lastly asked them if they were interested to join the VSS. 93% confirmed that VSS scheme's benefits are relevant and 85% were interested to join. The 15% that were not interested to join reported as reasons that they cannot afford to pay the full amount, or on a regular basis, that they don't want to use poor health care services, or that they see themselves still young and healthy, and thus they do not see the need for these services.
11. Among the 234 informal workers, a small number are partially covered from the LSSF's services through their spouses. 92% of them (23 out of 25) said that, nevertheless, they would like to have their own LSSF membership or would like to join the VSS by themselves, thus receiving access to the full package of benefits.
12. Of those that showed interest in joining the VSS, 82% chose the lowest contribution level (LAK 99,000 per month). 73% of people in provincial capital wanted to contribute monthly and 45% in non-provincial capital preferred to do advanced payments (of 3 months, 6 months or 12 months).
13. However, 60% of people in provincial capital and 52% of the non-provincial capital who were interested to join the VSS still had concerns. Those referred mainly to whether they would be able to meet payment deadlines, could go to LSSO for registration by themselves, filling the forms and the need to travel to the SSO offices in the provincial capital. Another concern was

about the documents required by the SSO such as ID cards and family books. Some workers in the provincial capitals migrated in from other areas and therefore don't have an updated documents, as well as newly married couples do not have their own family book yet.

14. A regression model (Probit Model with 2 sample groups and 3 specifications) was utilized to identify the factors that determine informal workers' interest to join the VSS scheme. It was found that sex, age, marital status, income frequency, and residential areas of low-income informal workers significantly related to their interest to join VSS scheme. Among workers living below minimum wage, those interested in joining VSS are more likely to be female and married. Likewise, there is an inverted U-shape relation between the age of the informal workers in the sample and their interest in joining the VSS (the interest increase during young adulthood until adulthood, and then starts decreasing). Living in provincial capital or near a SSO office negatively correlated with interest in joining the VSS; this may be due to having better access to information on VSS services and benefits, and maybe linked to the existence of alternative providers to the SSO. Informal workers that are members of collective organizations (such as production groups, mass organizations funds, village funds and associations) are more likely to be interested in joining VSS. This is true only for the group of informal workers with income above the minimum wage.
15. A simulation involving age and probability to identify those who might be interested in the VSS was performed based these results. It was found that the interest of informal workers on the VSS scheme increased from the early ages, it reaches its highest level at age 40 for low-income group and at age 42 years old for group of higher income and then starts to descend.

Discussion

16. One-on-one and face-to-face discussion providing VSS-related information was evidenced to be an effective and efficient method to enroll villagers and informal workers, likely because it provides comprehensive information on the VSS scheme, while at the same time allowed opportunity to resolve any existing questions and doubts. Evidence suggested that a good composition for a VSS promotion team would consist of members from the FTU, LSW, SSO, NHI/CBHI and intermediaries (such as civil society organizations). This setting allowed team members to support each other during the field work and create useful dynamics and learning opportunities among them.
17. Improving VSS members' satisfaction plays a key role to keep VSS members within the system. The SSO may need to take into account member concerns regarding preferred health facilities, lack of information about VSS benefits, and delays in benefit claiming processes. If their needs are successfully meet, there will be increased chances that they will recommend the VSS among their circle.
18. Due to the limited availability of human resources in the LSSO to work on the expansion of the VSS scheme in non-provincial capital areas, the research team is in favor of the LSSO initiative to request support from district LSW offices. However, this will need some fine tuning regarding allocation of budget and human resources as this is not part of their core responsibilities. It is also recommended that civil society organizations or groups of informal workers (such as the one supported by FTU) act as intermediaries for introducing the VSS to non-member informal workers.
19. As a summary, there are mainly 3 barriers that prevent informal workers' access to the VSS scheme. These are access to information, personal constraints, and VSS scheme's design constraints.

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20. As mentioned earlier, after providing detailed information on the VSS to all interviewed informal workers, 85% of them showed interest to join. The remaining 15% are not only the ultra-poor but also people who are not satisfied with service of health facilities, as well as young and single persons. Even though 85% informal workers wanted to enroll, the LSSO still has a role to address their concerns, as mentioned before: terms and conditions such as the regularity of payment, presence of person to be insured at registration, ID documents, among others.
 21. The most frequently mentioned limitation during the key informant interviews was the capacity of low-income people to access the VSS. Distribution of monthly income in the sample of informal workers shows that income of informal workers can be varied and is not necessary low. However, results of estimations show that income frequency/seasonality determines interest in joining VSS scheme for low-income informal workers who earn less than minimum wage. In provincial capital areas, the degree of discouragement is higher for the low-income workers compared to the high-income who live in the same area.
 22. There seems to be a clear linkage between the LSSF and the NHIF. Increasing VSS membership can contribute to a more sustainable LSSF and to the improved performance of the NHI. To improve this linkage, some actions are needed: (i) to improve NHI and health facilities, (ii) improve satisfaction of LSSF membership in health facilities, (iii) simplify the claiming mechanisms, and (iv) improve transparency in LSSO and NHI, and (v) scale-up the promotion and facilitation of informal workers' access to VSS.

Recommendations

On the supply side, recommendations include:

- (i) LSSO and LFTU involve LSW, NHI and a local authority or person that is trusted in the local community (such as village head) in each promotion team; and LSSO issues notice on social security to stakeholders (private sector, INGOs and social organization) to mobilize their support;
- (ii) The first target group for promoting VSS may comprise current VSS members, low-income workers especially female and married persons, workers at age 25-58, production groups, workers' associations, mass organizations' fund and village funds in both provincial capital and rural districts where concentration of informal workers is high, and officials in mass organizations;
- (iii) Develop a promotion network from central to village level and organize a national forum on social security;
- (iv) Information dissemination should be face-to-face so as to allow people ask their questions and facilitate informative discussion;
- (v) LSSO advocate to general population the importance of increasing the number of VSS members for the sustainability of the LSSF and the general benefits for society as a whole, not only the benefit of the future VSS members;
- (vi) Strategically, LSSO to encourage mainstreaming awareness about social security into education curricula, especially at the university, vocational education and training centers, and skills development centers, as it shall constitute part of the basic knowledge people of working age acquire before entering the labour market;
- (vii) Publicize the real stories shared by other satisfied VSS members sharing their experiences into VSS advertisement;
- (viii) Information shared by VSS-members is credible, therefore maintaining satisfaction of current VSS-members is necessary.

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23. Continue improving services in health care sector: In validation workshop, group work of central government officials, including NHI staff, agreed that LSSO and NHI should have more cooperation. That cooperation includes: to jointly work and strive to provide better health care benefits and regularly meet to develop improvements in the operational system. At the same time, NHI and the Ministry of Health must improve quality of service at hospitals and other health facilities by solving issues relating to financial constraints and speeding up the implementation of policy on “5 Goods 1 Satisfaction”¹ to standardize the quality of health services at all levels.
24. Developing a specific social security scheme for vulnerable workers: facilitating non-poor informal workers to enroll in the VSS scheme may be possible by filling information gaps (through promotion activities) and having more attractive benefits in VSS scheme. However, the research team also suggests that LSSO consider developing a specific social security scheme for vulnerable workers who have low-incomes. The development process may start with identifying vulnerable informal workers to be supported, using income information or location of residence. Like in Japan and China, people who are categorized as vulnerable workers will be fully or partially subsidized. However, social insurance in a subsidized scheme need not to be a full social security package. In China, the government subsidizes rural people and non-salaried urban residents to join pension and basic medical insurance schemes with contribution payments made on an annual basis. The amount of the contribution should be lower than 9% of national minimum wage and payment terms should be more flexible.
25. To better facilitate access to the VSS scheme through district office and intermediaries, it is recommended that LSSO and its partners:
- i) pilot delegating VSS work to selected district LSW offices;
 - (ii) learn from the experience of civil society organizations and informal worker advancement associations (IWAA), as well as FTUs, in facilitating informal workers’ access to VSS; and
 - (iii) find alternative methods to prevent the limitations to enrollment affecting informal workers who do not have ID card and family books, as required. In this regard, the LSSO can work with the Ministry of Home Affairs to find a solution.
26. Knowledge sharing and information management among LSSO, LFTU and other partners should be encouraged to improve the capacity to enroll informal workers, which make up the majority of workers in Lao PDR, into social protection schemes. Recommended activities include producing research studies and disseminating their findings, improving statistical data collection and sharing openly, encouraging research activities by LSSO and LFTU officials, and improving the management information system on informal workers and VSS members. As a specific comment to the LSSO: it is suggested that data pertaining to VSS individual and enterprise members are disaggregated: registered and reported separately.

¹ Policy on “5 Goods and 1 Satisfaction” include Good Warm Welcome, Good Cleanliness, Good Convenience, Good Accurate diagnosis, Good Timely Treatment, and Satisfaction of Patient. It was introduced in 2016 and used as a tool to monitor quality and standards of health care services in Lao PDR. By late 2020, there were 95 indicators for measuring implementation of this policy and Ministry of Health (MoH) aimed to certify 50% of provincial hospitals with this standard by 2020, 70% by 2025 and 90% by 2030

I. Introduction

1.1 Background

Poverty rates in Laos have decreased over the last ten years, while inequality has increased. A joint study by the Asian Development Bank (ADB) and the International Labour Organization (ILO) expects that the number of vulnerable workers will continue to rise if adequate policies are not put in place, as much of the population works in the informal economy. Particularly vulnerable groups include informal workers and women, including self-employed workers, small-scale farmers, daily wage-earners, migrant workers, home-based workers, as well those that are unemployed, or underemployed in the formal economy. These groups often have limited capacity to access the social security system and to meet costs relating to important needs such as health and education.

The Lao Social Security Fund (LSSF) is a fund pooled by the Lao Government for government officers, army, police, employers and their employees, and informal workers. The fund was created in order to jointly finance various social security benefits. The Lao Social Security Organization (LSSO) acts as a secretariat to the LSSF's Board of Management and the Ministry of Labour and Social Welfare (MoLSW) to implement and manage the operations of the LSSF. The Voluntary Social Security (VSS) is a voluntary scheme opened to informal workers nationwide since 2014. According to the LSSO, VSS's coverage remains low. In 2018, there were 8,007 people covered by the VSS, amounting only to the 2.7% of the total number of LSSO's insured persons (LSSO, 2019).

The Lao government considers expansion of LSSO's coverage among both formal and informal workers as a priority of the National Social Protection Strategy (NSPS) endorsed on 1 April 2020. The NSPS aims to provide adequate social protection for all and to ensure sustainable growth, thus significantly contributing to achieving the 2030 Sustainable Development Goals. Oxfam and its partners² are collaborating with the LSSO and the MoLSW to facilitate the expansion of social protection coverage to the most vulnerable and marginalized groups.

With this purpose, Oxfam has designed a participatory research to understand informal workers' needs, assess their ability and willingness to voluntarily access the LSSO, identify bottlenecks and challenges, and suggest relevant recommendations that may contribute to increased participation in the VSS. At the strategic level, this research aims to contribute to the implementation of the NSPS' Strategic Objective 2.2: the social security covers an increasing number of workers in the informal sector. The study will inform actions contributing to NSPS's Activity 6: to adapt the current scheme design to the characteristics of workers in non-standard forms of employment.

1.2 Objectives, methodology and key definitions

1.2.1 Objectives

This research has two main objectives.

Objective 1: to build capacity of Oxfam's partners (both government and non-government) in data collection and to improve their knowledge on the LSSF with particular regard to the VSS scheme.

The technical team for this purpose has involved Oxfam's key partners (LFTU, CAMKID, IWAA, ECCDA, and LSSO), right from the beginning of the research planning and design process. The national, provincial, and district team members were oriented on the objectives and the research methodology before conducting the field survey, including lengthy sessions dedicated to discussion on the characteristics of the LSSF and the VSS scheme as well as their relation to the NSPS. Survey mock-ups, coaching and discussion were also organized for each team to make them familiar with the survey tools.

Objective 2: conducting research on "Promoting Informal Workers' Access to the Lao National Social Security Fund".

² Lao Federation of Trade Unions-LFTU, Environment and Community Development Association-ECCDA, Informal Worker Advancement Association - IWAA, and Community Association for Mobilizing Knowledge in Development-CAMKID.

In 2019, the Laos-Japan Institute (LJI) was funded to undertake study on a similar topic which recommended scaling-up the promotion of the VSS among informal workers, among other suggestions (LJI, July 2019). This research looks into the characteristics of the current VSS scheme. This time, the informal workers' geographic location was also taken into consideration as LSSO's service centers are predominantly available only in provincial capitals.

The main research questions are:

- What can be done to improve the VSS scheme to help it to better meet the needs of those informal workers who are already members?
- Introduce the VSS to non-member informal workers and invite them to join the LSSO through the VSS. Gather information such as the preferred contribution amount and frequency of payments, and also about the reasons for which they are not interested to join the VSS, if that was the case.
- What alternative funding sources would be able to support the poorer informal workers to join the VSS?

1.2.2 Methodology

The process was preceded and supported by a desk review of available literature on social security for informal workers in Laos and other countries.

Focus Group Discussions (FGD) were used to collect information from VSS-member informal workers in provincial capitals, while survey questionnaires were used to gather data from non-VSS member informal workers in provincial capitals and other areas. Additionally, Key Informant Interviews (KII) were conducted with relevant organizations at the national, provincial and district levels.

The research findings was presented at [a validation and consultation workshop](#) organized on 25 February 2021 co-chaired by the Vice President of LFTU, Deputy Director of LSSO, and Country Director of Oxfam in Laos. Participants in the workshop included officers at management level from LFTU, President and Vice President of LFTU from the four provinces targeted for the research, representatives from MoLSW, Lao National Chamber of Commerce and Industry (LNCCI), Ministry of Education and Sport (MoES), National University of Laos (NUoL), Social Security Offices (SSO) from four studied provinces, ILO, European Union in Laos (EU), United Nations (UN), The Swiss Agency for Development and Cooperation (SDC), CAMKID, IWAA, and ECCDA. After the presentation of study results, there was open floor discussion in the morning which was followed by group work sessions in the afternoon. Ideas and inputs from the workshop are integrated into this report and policy recommendations.

1.2.3 Key definitions

Informal worker: To be consistent with Article 3 in Labour Law (NA, December 2013) and Law on Trade Union (NA, November 2017), this study defines “informal workers” as working aged persons who are employed in a labour unit or self-employed, who operate economic activities without official registration. This includes people in family or household businesses that receive irregular payments.

Employed person: Only people who worked at least an hour for pay or profit in the past 7 days are counted as being employed, this is consistent with definition and reference period of employment in the Lao Labour Force Survey (LSB, 2018). Our survey refrained from interviewing unemployed or people outside labour force (such as housewives, elderly people, students and people with a disability).

Income of informal worker: Monthly income is calculated as total cash income that a worker earned from all income sources in the past 12 months divided by 12. Employment status and frequency of income were asked only for the main income source (the source that provides largest amount of income). In case of small trading/business, only net profit was recorded.

Poor informal worker: An informal worker will be categorized as poor if he or she has monthly income of lower than the national minimum wage. This study follows minimum wage in the Notification No. 560/PMO, in which 1,100,000 LAK (one million one hundred thousand Lao kip) per person per month was established as the minimum wage for labour in Lao PDR (PMO, 2018).

Provincial capital: the capital city of a province. Huayxai district for Bokeo province, Luang Prabang city for Luang Prabang province, Pakse city for Champasak province, and four urban districts (Chanthabuly, Sisattanak, Saysettha and Sikhottabong) for Vientiane capital. Access to SSO is easy for people who reside in the provincial capitals where LSSO's service centers are located.

1.3 Primary data

The VSS scheme is still relatively new in Laos and related research is scarce. Also scarce is data pertaining to informal workers who constitute the majority of Laos' workforce and who are also the target for the VSS. As such, primary data collection and analysis was a priority for this study. The following sections provide more detail about the process of fieldwork.

1.3.1 Survey timeframe and locations

The field data collection was undertaken from November 16 to December 12, 2020. During the course of 2020, many informal workers were impacted by the COVID-19 crisis. Even formal workers were laid off and became informal workers or unemployed. The four selected fieldwork locations were Bokeo and Luang Prabang provinces in northern Laos, Vientiane capital in the central region, and Champasak province in the south (See Map in Figure 1). The fieldwork activities needed five working days in each location: one day for the KIIs, one day for team training and survey mock-ups, and three days for actual data collection.

It was assumed that geographic location (physical distance) would be linked to better access to LSSO's services, and therefore data collection was done both in provincial capital and non-provincial capital areas. In provincial capital areas, the survey was conducted in commonly frequented areas such as city markets, restaurants, near street vendors, salons, repair shops, motorcycle stations and other areas.

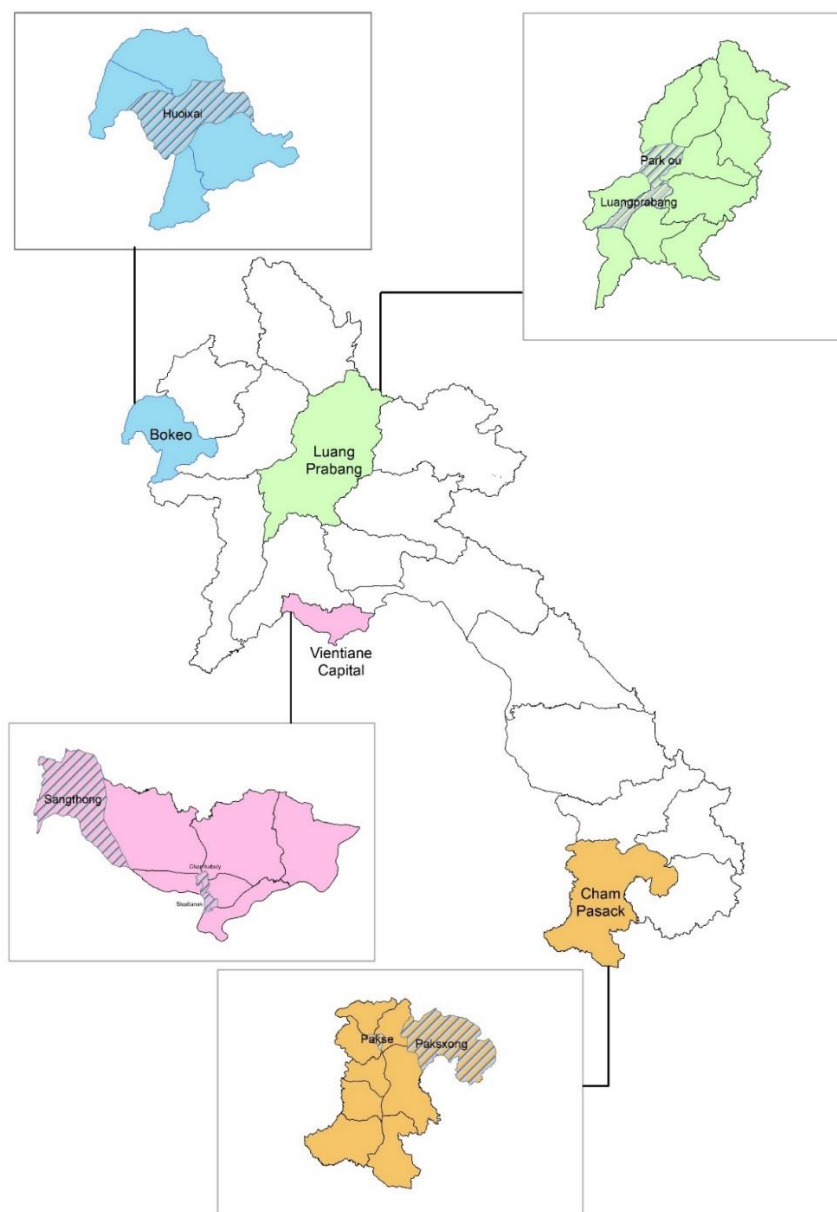
Survey villages outside the provincial capital areas were selected by Oxfam's project partners. These were all located far from the provincial SSO office and were sites where Oxfam's partners have previously implemented activities for informal workers, making coordination with local authorities and access easier. While analyzing the data, it was taken into account that while people selected in each location were random, the villages themselves were not.

Participating locations:

- Data collection in Bokeo province was performed in Ban Huayxai-Noi which is 35 kilometers from the provincial center and accessed by a dirt road. It is also the village of CAMKID's office. Many of the inhabitants of this village used to work in banana plantations but are now engaged in various types of work.
- In Champasak, data was collected in Ban Lak 35 in Pakxong district, 35 kilometers from Pakse. The provincial FTU has implemented activities in collaboration with the Tea and Coffee Production Group there. The villagers mainly engage in farming activities and some of them employ casual workers during the harvest season. The government has plans to upgrade and develop this area into a small town.
- IWAA introduced the team to Ban Pakthaep in Sangthong district, 61 kilometers from Vientiane city, also accessed by dirt road. Its inhabitants are originally from the North of Laos, and thus have the traditional weaving skills of that area. IWAA has actively worked with female weavers in this village.
- In Luang Prabang, the district FTU suggested Ban Somsanouk as a survey location. This village has strong linkages with the army station and government offices, and thus it is easy

to find people there partly benefiting from the LSSO as their spouses participate in the compulsory social security scheme. Somsanouk is approximately 31 kilometers from Luang Prabang city.

Figure 1: Map of participating provinces and districts.



Source: Developed by author using geographic boundary version 2015

1.3.2 Survey team and quality control

The survey team's composition was diverse and included officers from the national, provincial and district levels, officers from relevant government bodies, the LFTU acting as worker's representative, the LSW as labour and social welfare administrators, the SSO as the social security service provider, the National Health Insurance Bureau (NHIB)/Community Based Health Insurance (CBHI) as health services provider, and civil society organizations. The survey team members all have a strong linkage with informal workers and social security organizations in Laos.

The teams assigned for fieldwork in each province had different backgrounds, knowledge and experiences. Therefore, the national team prepared the materials specifically catering for each province's team, paying careful attention to more inexperienced teams and trying to stimulate their capacity to learn and work together. The experience in one province led to lessons learned that were quickly applied in the next province.

The survey orientation and trainings were organized and delivered four times, one-time in each studied location. As the majority of enumerators had only some knowledge on the LSSF and experience applying the data collection methodologies, members of the national team also functioned as Quality Controllers (QC). The trainees received personalized attention to ensure that they understood the purpose of the research, the content of the questionnaires and how to perform their enumerator duties.

1.3.3 Informants and detailed procedures.

Data collection was performed utilizing a mix of different methods and tools.

1. Tool 1 (Key Informant Interview Guide) was used to interview relevant organizations.
2. Tool 2 (Questionnaire) was used to interview VSS members in provincial capital of participating areas.
3. Tool 3 (Questionnaire) was used to collect data from non-VSS members in provincial capital and non-provincial capital in the surveyed areas.
4. Tool 4 (Focus Group Discussion Guide) was used to guide discussions with groups of VSS members in the four provincial capitals.

Key Informant Interviews (KII). The KIIs were performed with staff from the five national level bodies, sixteen provincial level organizations, and eight district level organizations with responsibilities on informal workers. The interviews aimed to gather information and collect opinions and advice on potential methods to increase informal workers' access to the LSSF.

It is necessary to highlight that, as Vientiane capital is not yet covered by the National Health Insurance (NHI), the Community Based Health Insurance (CBHI) still fulfils the role of health provider there.

Table 1: Organizations interviewed (Tool 1)

Participating areas	National		Provincial/Capital		District	
	Number	Organizations	Number	Organizations	Number	Organizations
Bokeo			4	FTU, LSW, SSO, HIB	2	FTU, LSW
Luang Prabang			4	FTU, LSW, SSO, HIB	2	FTU, LSW
Champasak			4	FTU, LSW, SSO, HIB	2	FTU, LSW
Vientiane Capital	5	LFTU, LSSO, LNCCI, HIB, ILO	4	FTU, LSW, SSO, DoH/CBHI	2	FTU, LSW
Total	5		16		8	

Source: Survey on Informal Worker's Access to LSSF, November to December 2020

In addition to conducting the interviews with the FTU and the SSO, these organizations were asked to assist by arranging appointments with informal workers, both VSS members and non-members. The LSSO and provincial SSO further contributed to the fieldwork by providing more than 200 brochures (introducing the VSS scheme) which were used as supporting materials during the fieldwork.

Figure2: Mission team during an interview session with the Champasak SSO officers.



Source: Survey on Informal Worker's Access to LSSF, November to December 2020. Photo: Thiphaphone

Focus Group Discussions (FGD). The FGDs were used to collect data from informal workers who were already VSS members. However, reaching even a small number of informal worker VSS members proved challenging. Member registration falls under the responsibility of provincial SSO. It was reported that there are 50 active members in Bokeo, 377 in Champasak, 551 in Luang Prabang and 50 in Vientiane Capital³. The goal was set to meet with 4-9 VSS members in each province. Due to the limited coverage outside of provincial capitals, the survey team faced difficulties finding VSS members in rural villages, therefore 26 FGD participants were from provincial capital areas.

Figure3: VSS members in Ban Nongtha-tai (Vientiane capital) discussing LSSO's services



Source: Survey on Informal Worker's Access to LSSF, November to December 2020. Photo: Chansathith

³ Vientiane capital's SSO managed to serve only 50 VSS members, it is because most of residents registered at the head quarter office of LSSO located in the same city. In addition, Vientiane capital's SSO started operating VSS scheme since July 2019. At this moment, people in Vientiane capital can access to LSSO services at both head quarters and branch office.

Based on personal information collected during the individual one-on-one interview sessions, 10 out of 26 respondents (38%) were transferred from the compulsory to the voluntary scheme due to the COVID-19 crisis and one was still unemployed. 58% of sampled members were female, 81% were married, and their average age was 46. The majority of sampled members (77%) rely on a single income source and have an average income of 2.2 million LAK per month. Many also reported having savings in gold, bank deposits and cash. 58% of them were self-employed receiving income on a daily basis, and 31% were employees, receiving income on a monthly basis.

Table2: Sample of VSS members (Tool 2)

	Actual number of members	Interviewed	% of total
Number of VSS members in surveyed provinces			
Bokeo	50	5	10%
Luang Prabang	551	8	1.5%
Champassak	377	9	2.4%
Vientiane capital:			
- SSO branch*	50	4	8%
- Headquarter**	5,316	-	
Total		26	
Transferred from compulsory social security scheme		10	
Female		58%	
Average age		46	
Married		81%	
Have savings in some form		65%	
Have loans		15%	
Have other social security		35%	
Have more than 1 income source		33%	
Status of main employment			
Employee		31%	
Employer		4%	
Self-employed		58%	
Unemployed		4%	
Volunteer		4%	
Income frequency			
Daily		39%	
Monthly		35%	
Other		26%	
Average income per month (LAK)		2,219,502	

* This survey coordinated with branch offices, number of VSS members taken as of December 2020. ** number as at September 2020. Source: Survey on Informal Worker's Access to LSSF, November to December 2020

FGDs for both male and female participants were intended to be conducted after the one-on-one interview sessions with all the sampled members. Sex segregated groups were possible in Champasak and Luang Prabang, which had a slightly larger sample size for this category of respondent. In Bokeo, the informants were mixed together in one group as their number was small - only 5 members in total. In Vientiane capital, the chance was very limited to meet VSS members due to their busy schedules and only 4 women participated. IWAA arranged for the survey team to meet with Sewing Group members in Ban Nongtha-tai, which is a group supported by an IWAA project to access LSSF.

Table3: Focus Groups Discussion composition (Tool 4)

	Province	District	Venue	Group size	Gender
1	Bokeo	Houisay	Bokeo LFTU	5	Mixed (4 female, 1 male)
2	LPB	LPB	LPB FTU	4	Female
3	LPB	LPB	LPB FTU	4	Male
4	Champassak	Pakse	CPS LFTU	6	Male
5	Champassak	Pakse	CPS LFTU	3	Female
6	Vientiane capital	Chanthabouly	Ban Nongthatai	4	Female
	6 groups			26	15 female, 11 male

Source: Survey on Informal Worker's Access to LSSF, November to December 2020

Semi-structured questionnaires. These were used to interview Non-VSS members in provincial capital and non-provincial capital areas. The process was performed as follows: (i) the enumerators asked the informant about their personal circumstances and risk coping experiences and/or strategies, after that (ii) an information brochure was presented and the VSS scheme explained in detail (benefits, terms and conditions, etc.), and finally (iii) the informal workers were asked whether they would be interested in joining the LSSF under the VSS scheme. If the informal workers were interested to join the LSSF, they were asked what conditions would be suitable for them. If their answer was negative, follow-up questions were asked to collect information about the reasons for their disinterest. The team was able to collect information from 234 persons engaged in paid employment outside the formal sector. The criteria to include the informants in the sample were that they must be 14-60 years old and currently working for a salary or profit.

Figure 4: Interview of coffee farmers in Pakxong district (left) and egg trader in city of Huayxai (right)



Source: Survey on Informal Worker's Access to LSSF, November to December 2020. Photos: Vilasith

The sample comprised between 57-60 people in each surveyed location, 50% being workers in provincial capital and 50% from outside the main provincial town. Their average age was 40 years old, 97% were 20-60 years old. 56% of the respondents were female and 85% were married. 90% were people with secondary education or lower. In terms of economic activities of respondents, 67% were in the service sector, 24% were in agriculture and 9% were working on processing and handicrafts. Self-employed persons accounted for 44%, 27% were employees and 25% were working for family businesses. More than half of our sample (55%) received their income daily, most of them working in the service sector. Another 20% received their income monthly, with the majority of this group working as employees. Finally, 15% of the sample would receive their payments on completion of specific work tasks with irregular frequency, mostly self-employed workers. Average income of sample non-members was about 2.2 million LAK per month (approximately USD 230). 37% of respondents earned less than the official minimum wage (1.1 million LAK per month).

Table 4: Non-VSS members surveyed in selected locations (Tool 3)

	Bokeo	Luang Prabang	Champassak	Vientiane	Total	
Number of non-VSS members surveyed	59	58	57	60	234	
Location						
Provincial capital	29	28	29	30	116	50%
Non-provincial capital	30	30	28	30	118	50%
Sex						
Male	31	27	25	21	104	44%
Female	28	31	32	39	130	56%
Average age (years old)	37	42	41	39	40	
Age groups						
Below 20	3	1	1	1	6	3%
20 to 60 years old	55	56	56	59	226	97%
Above 60	1	1	0	0	2	1%
Marital status						
Married	53	48	50	48	199	85%
Separated	2	1	1	3	7	3%
Single	3	8	6	8	25	11%
Widow	1	1	0	1	3	1%
Education						
No schooling	1	0	2	2	5	2%
Primary	18	14	18	29	79	34%
Lower secondary	20	19	15	17	71	30%
Upper secondary	17	13	15	11	56	24%
Higher than secondary	3	12	7	1	23	10%
Main job						
Agriculture	24%	15%	33%	24%		24%
Service	76%	80%	46%	64%		67%
Industry and handicraft	0%	5%	21%	12%		9%
Employment status						
Employee	14	18	9	23	64	27%
Employer	0	2	3	2	7	3%
Work for family business	18	20	15	6	59	25%
Self-employed	27	18	30	29	104	44%
Income frequency						
Daily	75%	66%	40%	40%		55%
Weekly	2%	2%	7%	5%		4%
Fortnight	2%	0%	2%	2%		1%
Monthly	10%	14%	25%	32%		20%
Yearly	2%	7%	2%	12%		6%
Irregular/After work done	10%	12%	25%	12%		15%
Average income per month	3,535,861	2,437,098	2,568,170	1,787,097	2,153,152	
Below 1.1 million LAK	40%	42%	23%	40%		37%
1.1-2.2 million LAK	25%	30%	30%	38%		31%
2.2-3.3 million LAK	12%	14%	23%	8%		14%
3.3-4.4 million LAK	9%	4%	5%	8%		7%
4.4-5.5 million LAK	7%	5%	13%	2%		7%
More than 5.5 million LAK	7%	5%	5%	3%		5%
Monthly income < 1.1 million LAK						
- % of female sample	48%	39%	23%	49%		40%
- % of male sample	33%	46%	24%	24%		32%

Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

II. Informal workers' access to LSSO in participating provinces

2.1 Bokeo province

Bokeo is a northern province that shares a border with Thailand and is an important logistics route for road transport between Thailand and China. The Bokeo headcount poverty index in 2019 was 19.4% which is higher than national average of 18.3% (LSB, 2020), and about 3.2% of the nation's poor reside in this province. According to the data from the 2017 Labour Force Survey (LFS), there were about 16,000 informal workers in Bokeo province.

The KIIs conducted in Bokeo showed that there is a concentration of informal workers in agriculture plantations and the service sector such as logistics, transport, restaurant and casino work. Being a border province, a number of people have also migrated to work in Thailand. The Provincial FTU with support from Oxfam and in cooperation with CAMKID, is assisting with the formulation of three groups of worker associations for informal workers including: laborers at ferry ports, construction workers, and artisanal handicraft producers.

For SSO, promotion of VSS in Bokeo has just started recently. SSO staff have been making appointments with villagers after disseminating information about the scheme through mass media and village speakers. In late 2020 there were about 50 active members of the SSO making up approximately 0.3% of 2017 informal workers. In the past years, FTU, SSO, DoLSW and CAMKID have been working together for the joint dissemination of information about VSS in 8 villages where a number of vulnerable workers reside, however this activity has not yet yielded good results. The main reasons cited include that people in the target areas recently experienced a collapse of a Self-Help Group fund and as a result they are not sure about LSSF. Secondly, the quality of service at public health facilities is not as good as it should be. Thirdly, outreach to rural people is still limited due to lack of staff at SSO. Finally there are an increasing number of vulnerable workers whose income is low and seasonal due to the COVID-19 crisis and drought.

Bokeo is one among 17 provinces covered by the National Health Insurance (NHI) co-paid by government since 2016-2017. Therefore, all people in the province have equal access to health care services at public facilities at low cost. According to the Bokeo NHI Bureau, budget transferred from central level into health care facilities for both NHI and LSSF patients is usually delayed. Because of that, local hospitals/health centers have had to buy medicines on credit from pharmacies, with the amount of debt gradually increasing. Members of LSSF at selected public health facilities generally follow policies of NHI. Not all treatments are free for an LSSF insured person, they need to pay 50% for some high cost medical service such as computerized tomography (CT) scan and dialysis. NHI staff cited that it is important for LSSF members and the general public to be aware of coverage of their health benefits. KII informants summarized that understanding about policies of NHI among Lao people was also limited. Improvements on dissemination, service quality, service areas and medical staff code of conduct are necessary.

DoLSW agreed that it is important to increase access to social security for informal workers, but the most urgent task at this moment is to eradicate poverty through job creation and commercialization of local agriculture production for this province. The village authority in Ban Huayxai-Noi confirmed that although many villagers were aware of the VSS, the required minimum monthly contribution of 99,000 LAK was not affordable for them given the current economic conditions. Also, people in the village regularly use their family registration book to receive health care services under NHI in the health center nearby the village.

2.2 Luang Prabang province

Luang Prabang is another northern province. The provincial capital is a world heritage listed site and center of the country's tourism industry. However, the headcount poverty index in 2019 was 20.4% which is higher than Bokeo and the national average (19.4% and 18.3% respectively). Luang Prabang is home to about 7.8% of the nation's poor (LSB, 2020) and the majority of people in this province still work in the subsistence agriculture sector. Calculation using data from the 2017 LFS, there are an estimated 84,000 informal workers in Luang Prabang province.

According to KIIs in Luang Prabang, there are three main groups of vulnerable informal workers: workers in commercial agriculture plantations (banana and rubber), traveling vendors and illegal outbound migrant workers to Thailand and Malaysia. The Provincial FTU, with support of Oxfam and ECCDA, has been assisting formulation of nine groups of informal workers and two saving groups, including groups of workers in banana plantations, rubber plantations, artisanal handicraft producers and hand weavers.

According to the SSO, promotion of VSS in Luang Prabang is currently active only in provincial capital due to a lack of human resources in the promotion team, and there are difficulties regarding payment for people residing outside the provincial capital. Promotion of VSS has been undertaken mainly at district town level, and few times at village level in 2019 via dissemination meetings. There were about 400 VSS members registered at SSO in 2019, the number increasing to 511 in late 2020 which represents only 0.6% of informal workers. A large portion of the new VSS members were people laid off by enterprises due to the COVID-19 pandemic (mainly hotels and restaurant employers), and therefore transferred to the voluntary scheme.

Although in the provincial capital people are aware of LSSF and VSS, KII informants mentioned several difficulties regarding utilization of public health care service such as: quality of services; the selected hospital does not want to transfer patients to other hospital in case that treatment is beyond capacity of selected hospital; limits on selection of hospital; and other negative perceptions about the public hospital.

NHI coverage and difficulties in Luang Prabang was similar to Bokeo province. In the provincial capital, the team met with a VSS member that regularly combines using NHI and VSS: he selected Mahosot Hospital in Vientiane to receive LSSF's health benefits and uses his family registration book to obtain NHI in the local hospitals. Luang Prabang's Department of Health agreed during interview that promoting access to VSS would be helpful for NHI in term of capital sufficiency. In addition, mainstreaming knowledge about social and health insurance into learning curriculum is also important and department staff noted that the medical school already includes these topics in the curriculum for medical students.

All informants interviewed in Luang Prabang expressed their concerns over the impact of COVID-19 on people's employment, especially in the tourism and service sector which has been heavily impacted by the closure of international borders. They were worried that expansion of social security coverage among informal workers would remain slow until those impacted workers are re-skilled and gain new employment. In Pak-Ou district, the LSW office expects that investment project in the Pak-Ou hydropower dam will bring job opportunities for around 5,000 people if the district successfully concludes negotiations with the Thai investor and project owner.

2.3 Champasak province

Champasak is one of the larger provinces located in southern Laos, sharing borders with Thailand to the west and Cambodia to the south. The western part of the province has potential in fishery activities along Mekong River and the eastern part reaches onto the Bolaven plateau area which is the largest coffee production base in Laos. The headcount poverty index in 2019 was 8.7% which is very low compared to the national average (18.3%) and poverty rates in other participating provinces. However 4.7% of the nation's poor people live in Champasak (LSB, 2020). Using data from the 2017 LFS, approximately 91,000 informal workers are calculated to be in Champasak province.

According to KIIs in Champasak, informal workers in this province are workers who have migrated to Thailand, seasonal workers in plantations (tea, coffee, and rubber), and other workers in the service sector. The Provincial FTU with support from Oxfam has been assisting formulation of four groups of informal workers which are involved in the production of rice, tea and coffee, and forming Self-Help Group Funds. In addition to group formulation, last year FTU cooperated with SSO to disseminate information about VSS for target groups. Unfortunately, promotion activities were not continued in 2020 because of limited SSO financial resources.

According to SSO, promotion of VSS was carried out through various channels such as advertisement spots over village speaker, village meetings and activities under certain projects such as an ILO project for promoting social security among coffee farmers. In 2020, the number of VSS members in

this province was 377 (0.4% of 2017 informal workers). 50% of these members were workers transferred from enterprises. The importance and significance of social security has increased recently in this province, leading the provincial governor of Champasak to allocate funding from the provincial budget to SSO for their promotion activities. Apart from issues in public health care facilities, SSO also experience difficulties such as budget constraints and the quantity and quality of human resources. SSO informants also noted the importance of cooperation from multiple stakeholders.

The NHI bureau in Champasak reported 100% coverage in their province. However, similar difficulties related to cash flow management in public health facilities were also reported. Regarding the promotion of VSS, a KII informant shared that LSSO could learn from the experiences of the Community-based Health Insurance (CBHI). He suggested that the government should allocate more budget for dissemination of information, increase cooperation between NHI and LSSO and gain political support from leaders at sub-national levels such as provincial and district governors.

Despite the COVID-19 economic impact, a key informant from Champasak DoLSW estimated that about 80% of informal workers in this province could afford to have VSS if they were interested because employment opportunities in the province seemed to be increasing as a result of investment in the Special Economic Zone. His concern was only for the low-income and unskilled workers who are particularly vulnerable and people in these groups may not be able to afford the VSS contributions.

2.4 Vientiane capital

Vientiane capital is located in central part of the country and shares the Mekong River border with Thailand. It has the highest employment levels in the country. In 2015, the year of the most recent population census, the population density was 209 people per square kilometer which is eight times the national average (LSB, 2016). The headcount poverty index in 2019 was 5% which is the lowest in the country and approximately 3.6% of the nation's poor live here (LSB, 2020). Calculation using data from 2017 LFS, estimates there to be approximately 227,000 informal workers in Vientiane capital with 66% living in urban areas.

According to KIIs in Vientiane capital, there are a variety of types of informal workers who have already formed themselves into groups, such as an association of small transport operators (tuk tuk, taxi and minibus drivers) and groups of organic farmers. With Oxfam's support, Vientiane capital's FTU has cooperated with IWAA and ECCDA to form and strengthen 10 groups of informal workers in six out of the nine districts in the capital. These groups include hand weavers, basket artisans, workers in banana plantations, tuk tuk drivers and scrap metal collectors. In addition to group formulation, activities for disseminating information about VSS have also been organized in collaboration with SSO and NHI. FTU reported that more than 10 informal workers in their project registered as VSS members in 2019 which exceeded their expectations.

There are two SSO offices in Vientiane capital: the headquarters and a branch office. In September 2020, LSSO reported 5,356 VSS members - 2.4% of the 2017 estimate for total number of informal workers in the capital. 99.3% of the members are managed by the headquarter office. Vientiane capital branch was only recently delegated to work on VSS, from July 2019. Their plan for 2019-2020 was to promote VSS within four urban districts (Chanthabuly, Sisattanak, Saysettha and Sikhottabong). The SSO branch did a pilot for dissemination in one village, but reported to the research team that the village authority seemed not to understand all 123 articles in the Social Security Law, relying on the branch staff to disseminate information about social security. SSO also noted the difficulties accessing services at public health facilities, but wanted potential members to be aware of long-term social benefits other than health care too. An KII informant also suggested that providing information about LSSF to the younger generation, such as secondary school students, would be a good base.

Unlike the other three participating provinces, NHI was not available in Vientiane capital at the time of survey. Apart from the LSSF beneficiaries, there were about 3,000 families or 21,000 people covered by CBHI in late 2020. CBHI member families contribute every 3 months, with 50% of the subscription amount co-funded by government. CBHI members from all age-groups can receive death benefits and free medical treatment at selected public health facilities. The Provincial Department of Health mentioned there will be possibility of having NHI in Vientiane capital in the near future. Although both CBHI and LSSF are contributory schemes, they cannot be merged or transferred.

Vientiane capital DoLSW officers raised that would be possible for the capital city to mobilize more informal workers into VSS scheme if LSSO invested more in advertising and worked closely with the Department of Skills Development and Employment and the Department of Labour Administration. However, LSW and FTU offices in the more remote district of Sangthong are still concerned about the payment capacity of low-income earners if joining LSSF.

The next section of the report will look into the actual data of the individuals who are members of VSS scheme and reside in provincial capital area, to explore insurance schemes available for informal workers.

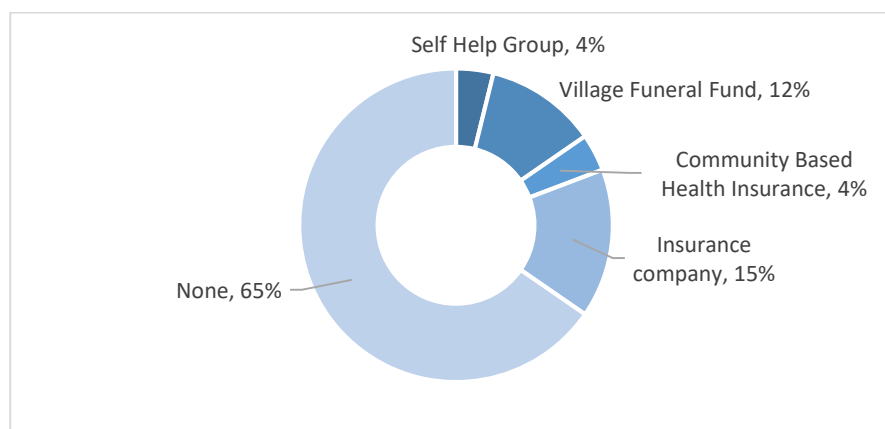
III. Existing Insurance Schemes for Informal Workers

3.1 Social security schemes benefiting VSS members

Among the interviewed VSS members in provincial capitals, the majority of them (65%) rely on only LSSO for insurance schemes. However, some VSS members benefit from more than one insurance scheme. 9 out of 26 (35%) reported having insurance from providers such as Self-Help Groups (SHG) of mass organizations (Lao Women Union and LFTU), Village Funeral Fund, CBHI, or insurance provided by private firms.

SHGs in Laos normally organize themselves in the form of saving and credit unions, with some groups providing health and death benefits to the members alongside saving and lending schemes. Funeral funds are regularly operated by village authorities and joined by households residing within their village. As mentioned in the previous section, the Community Based Health Insurance (CBHI) is operated under the Vientiane capital Department of Health. It used to be available nationwide, but is currently only serving people in Vientiane capital. In addition, people in Laos can also purchase some forms of insurance which are offered by insurance companies. From discussions with sampled members, we learned that two among them have purchased health insurance from Thai companies. It is important to note that before the COVID-19 crisis and the closure of international borders, Lao people could easily go to neighboring countries such as Thailand for medical services and thus having Thai insurance (such as AIA) is convenient.

Figure 5: Other insurance schemes used by VSS contributors



Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

3.2 Key providers of insurance schemes in Lao PDR

There are at least five types of service providers which are summarized in Table 5 below. Formal providers include LSSO, which is now operated under supervision of MoLSW, NHI and CBHI that are implement by vertical organizations of Ministry of Health (MoH), and insurance companies⁴ that are registered by the Ministry of Industry and Commerce (MoIC) and supervised by Ministry of Finance

⁴ As of 2020, there are 22 companies in Lao PDR. Eleven of them operate combined insurance activities (both life and general insurance), eight provide general insurance and three specialize in life insurance.

(MoF). There are also some forms of social security that are provided by semi-formal providers such as Self-Help Groups and Village Funds.

The LSSO provides a variety of services to formal and informal workers through compulsory and voluntary schemes. The compulsory scheme is for government officers, army personnel, police personnel and employees in the formal economy. Meanwhile, the voluntary scheme (VSS) is intended to cover workers and employers outside the formal sector; workers of business entities not registered with the Ministry of Industry and Commerce. As summarized in Table 5, the benefits provided under these schemes are quite similar, with the exception that the VSS members are not entitled to receive unemployment benefits.

Overall, social security schemes in Laos are contributory except for public health insurance. Both Community-Based Health Insurance (CBHI) and National Health Insurance (NHI) are subsidized by the government which is aiming to achieve a system of Universal Health Coverage (UHC). At the time of data collection, the NHI provides health insurance to Lao people in 17 provinces throughout the country, with the exception of Vientiane capital where the CBHI is available⁵.

⁵ See this article for more information on the NHI <https://www.who.int/laos/news/detail/01-09-2019-lao-ministry-of-health-moves-forward-with-national-health-insurance>

Table 5: Key providers of social security in Lao PDR

Social security providers		Emergence	Contribution	Target	Types of benefits/insurances									
					Health	Maternity	Sick leave	Loss of working capacity benefit	Pension	Death	Survivor	Unemployment	General insurance *	
Formal organizations														
I	LSSO	Compulsory	Before 1990	Contributory	Formal workers	X	X	Employment injury & occupational disease	X	X	X	X	X	
		Voluntary	2014	Contributory	Informal workers	X	X	All kinds of sickness that prevent insured persons from being able to work	X	X	X	X	None	
II	Health Insurance	CBHI	2005	Subsidized (Partly)	Vientiane capital	X					X			
		NHI	2016	Subsidized (Mostly)	17 provinces	X								
III	Insurance companies	Life insurance	1990	Contributory	Not specified						X			
		Non-life insurance	1990	Contributory	Not specified	X								X
Semi-formal organizations														
IV		Self Help Group/Fund	1990s	Contributory	Particular groups	X	X				X			
V		Village Fund	Unknown	Contributory	Inside village	X	X				X			

*In Article 15 of Insurance Law: General insurance includes Accident, Health, Property, transported goods, passenger transportation, manufacturing site, asset, finance, business risk, agriculture, disaster etc. (NA, 2019). Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

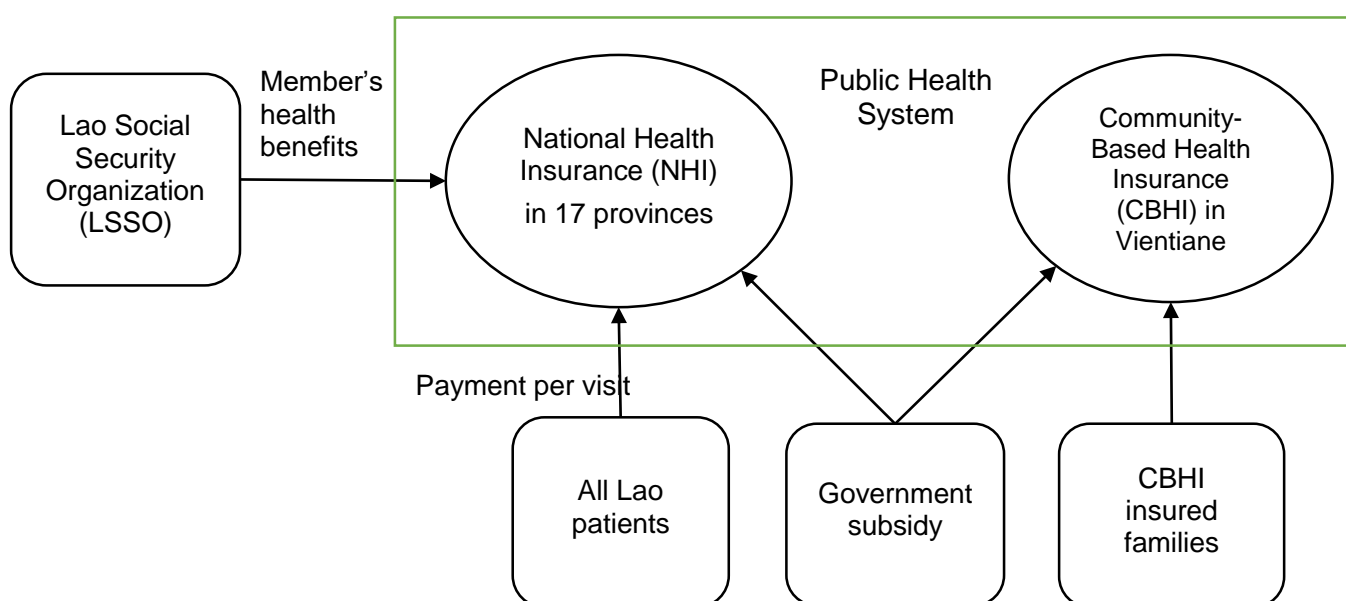
3.3 Public health insurance providers

The formal insurance providers listed in Table 5 are covered by different legislation. Figure 6 illustrates the connection between LSSO and the public health insurance.

The Lao Government introduced the CBHI in 2005 and shifted to a state-subsidized National Health Insurance scheme (NHI) in 2016. Lao citizens who access treatment at public health facilities in these provinces make a very small out-of-pocket payment, or co-payment. People from poor households (as identified by their village chiefs), pregnant women, children under 5 and monks are exempted from these co-payments. NHI co-payment rates for eligible members depend on the type of health facility:

- Health centers (outpatient and inpatient): 5,000 LAK (approximately USD 0.55) per visit or admission;
- District hospitals (outpatient): 10,000 LAK (USD 1.10) per visit.
- Provincial and regional hospitals (outpatient): 15,000 LAK (USD 1.60) per visit.
- Central hospital (outpatient): 20,000 LAK (USD 2.20) per visit.

Figure 6: Connection between LSSO, NHI and CHI



Source: Survey on Informal Worker's Access to LSSF, November to December 2020. Developed by Author

According to a Ministry of Health 2019 report (MoH, 2020), public health insurance (NHI and CBHI) covered around 76% of the total population in December 2019. It was reported that in participating provinces the government allocated a budget of 180 billion LAK (\$19.8 million) as contribution into NHI to subsidize people's health insurance fee in 2019, in order to push progress towards the universal health coverage targets. As mentioned in Section 2.4, CBHI in Vientiane capital, in 2020, covered about 3,000 families or 21,000 persons or 2.26% of population in Vientiane. The government also contributes matching budget to CBHI in an amount equal to 50% of total member contributions.

The LSSO used to manage their sub-fund for member's health benefits with contracted hospitals, however this management of sub-fund was transferred to the NHI Bureau on from mid 2019. and transactions for the funds are now organized at central level between LSSO and NHI bureau on an annual basis.⁶

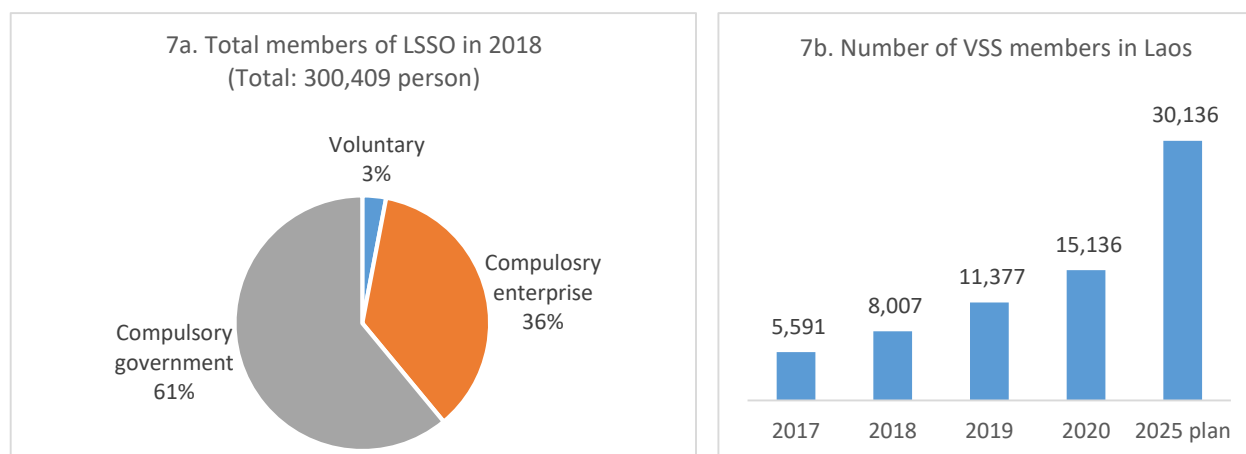
⁶ Signing ceremony for the Memorandum of Understanding LSSO and Ministry of Health www.nssf.gov.la

IV. Voluntary Social Security

4.1 National outreach plan of the VSS scheme

At a national level, informal workers represented 3% of the total number of LSSF's insured persons in 2018 (Figure 7.a). According to the Labour Force Survey (LFS), there were 1,291,934 persons employed in the informal sector and household business in Lao PDR in 2017, this implies LSSO only reached 0.43% of them. According to administrative data, the number of VSS members has increased at a rate of around 42-43% per year during 2017-2019 (Figure 7.b). Due to the COVID-19 crisis, which has seen a number of workers shift from formal to informal sectors, in 2020 LSSO was able to mobilize 3,759 new members which is a 33% increase from 2019. In the next five years, the government aims to reach 15,000 new VSS members with growth rate of about 15% per year.⁷

Figure 7: Number of LSSF members in 2018 and VSS members in 2017-2020 and plan for 2025



Source: 2017 data is the SO 2.2 baseline taken from NSPS's monitoring table, 2018 data is from the Annual Report of LSSO, 2019 data is from LJI's study (LJI, July 2019), 2020 data obtained from [LSSO's press on annual meeting](#) (calculated as 2019 figure plus new members of 3,759), and target for 2025 obtained from 6th draft of the 9th NSEDP

4.2 VSS benefits, terms and conditions

According to LSSO, VSS eligible persons are informally employed or self-employed outside the formal sector and aged between 14 to 60 years old. Any interested individual can register at an LSSO office. The documents requested for registration include an ID card, the family registration book and a completed application form. Former LSSO members or those who are transferred from compulsory scheme may present their member card or member ID as their information is already recorded in the LSSO's system. Each VSS contract is for a 2-year term and members can modify the insurable earnings and terms of payment when renewing the contract.

Benefits

Of all the schemes presented above in Table 5, the LSSO's VSS is the most affordable and has a broad coverage of benefits. VSS benefits can be divided in three groups:

- Benefits limited to the insured person: sick leave, loss of working capacity and old-age pension benefits;
- Benefits that cover spouse and children of the insured person: health care and maternity benefits; and
- Benefits covering the insured person's family: death grant and survivors' benefits.

In a point of difference to the compulsory scheme, the VSS does not provide unemployment benefits, providing instead compensation for work-related injuries and sickness that make it necessary to stop work activity.

⁷ Growth rate is estimated by author

Rate of contribution and payment system

The LSSO designed VSS with 17 possible levels of monthly contribution, based on the insurable earnings, as shown in Table 6. The lowest contribution is 99,000 LAK (USD 11) per month and the highest is 243,000 LAK (USD 27) per month. The lowest level has been set to align with the national minimum wage (9% of 1,100,000 LAK). VSS members receive seven types of benefits, but the amount of each benefit is calculated based on the level of contribution.

Table 6: Benefits, contribution and insurable earnings under VSS scheme

VSS Benefits	Monthly contribution to be selected by insured person		Insurable earnings for each contribution level	
	LAK	USD	LAK	USD
1. Health care benefits	243,000	27	2,700,000	297
	234,000	26	2,600,000	286
2. Maternity benefits	225,000	25	2,500,000	275
	216,000	24	2,400,000	264
3. Sick leave benefits	207,000	23	2,300,000	253
	198,000	22	2,200,000	242
4. Benefit for loss of working capacity	189,000	21	2,100,000	231
	180,000	20	2,000,000	220
5. Old-age pension benefits	171,000	19	1,900,000	209
	162,000	18	1,800,000	198
6. Death grant	153,000	17	1,700,000	187
	144,000	16	1,600,000	176
7. Survivors' benefits	135,000	15	1,500,000	165
	126,000	14	1,400,000	154
	117,000	13	1,300,000	143
	108,000	12	1,200,000	132
	99,000	11	1,100,000	121

Source: VSS pamphlet ([accessible via this link](#)) and Survey on Informal Worker's Access to LSSF, November to December 2020.

VSS members can choose to make monthly payments or advanced payments. The LSSO allows 3-months, 6-months and 12-months advance payments. The LSSO has been working closely with commercial banks to facilitate online-payments and bank transfers by VSS members living far from LSSO offices, or members that prefer an alternative to payment in cash at an LSSO service point. At the time of survey, members of LSSF were able to pay their contribution amounts using bank transfer, or by mobile application for members who bank with the Lao Development Bank. LSSO has also been working with telecommunication companies for integration of mobile money applications such as U-Money and M-Money to facilitate member transactions.

While in the compulsory scheme it is usually the employer's human resources or finance units that deduct contribution amounts from the employee's salary, and pay LSSO on their behalf, the VSS insured persons have to do that by themselves. However, to screen out inactive members, all VSS benefits are temporally deactivated if insured persons do not pay for more than 3 consecutive months. According to data provided by LSSO on November 9, 2020, there are 11,492 VSS members throughout the country and about 1,577 persons (or 14%) have not paid their contribution on time.

4.3 VSS members in areas targeted by the research survey

4.3.1 Key characteristics of VSS members

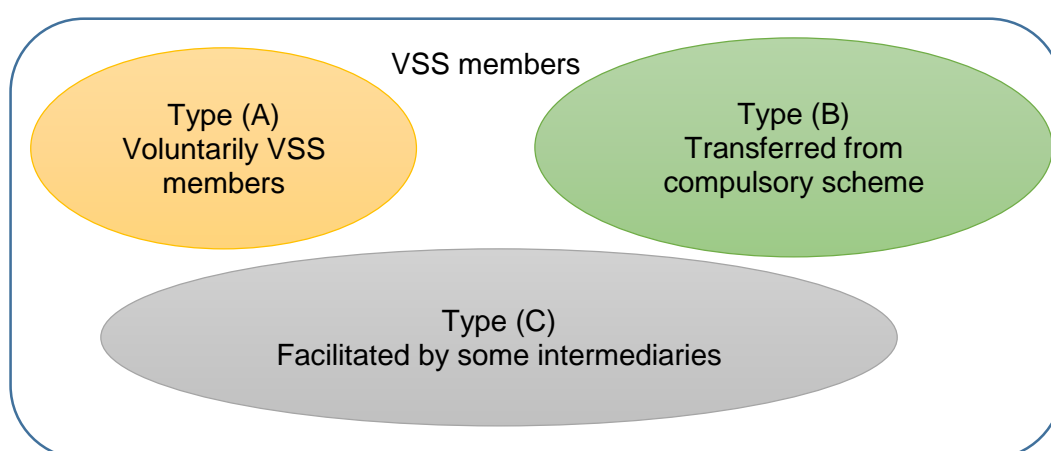
Based on discussions with 26 VSS members in provincial capitals of the four surveyed areas, we can categorize them into at least 3 types based on how they entered the VSS.

Type (A): “Voluntarily VSS members” are workers who voluntarily joined the VSS without any enforcement.

Type (B): “Workers transferred from compulsory scheme”. These members mostly ended a formal working contract or were laid off, and willing to continue contributing to the LSSF independently in order to retain access to the benefits. This type of member was allowed to maintain the same contribution rate as what they previously paid in compulsory scheme (even if higher than 243,000 LAK per month).

Type (C): “Workers who are introduced to the VSS by intermediary organizations/persons”.

Figure 8: Types of VSS members based on how they entered the scheme



Source: Survey on Informal Worker’s Access to LSSF, November to December 2020. Developed by Author.

The survey team came across two interesting Type C cases during the field survey in Vientiane capital. Case 1 is head of a Sewing Group and Case 2 is the accounting officer of that group. Both reported that their decision to join LSSF in July 2019 was facilitated by an association. The association paid their 2019 contribution fee to reward their volunteer work for the association, and then both cases paid their own contribution amounts from 2020. At the time of survey (December 2020), these two people were still VSS members and told survey team that they plan renew the contract when the current period ends in 2021.

Among the sampled VSS members, 54% decided to join the VSS by themselves (Type A), 38% joined the fund since they were employees in enterprises and transferred to VSS scheme after they stopped doing those jobs (Type B), and 8% were introduced to the VSS by the intermediary associations/persons (Type C).

Among the three, Type (A) is the study’s main focus with the study team interested to find the common factors determining the decision of informal workers to voluntarily join the fund. This kind of information will be useful for relevant agencies and inform the design and delivery of interventions to promote VSS for informal workers.

The majority of observed VSS members (77%) joined LSSF after 2014 when LSSO broadened the scheme and made it open to the public. Despite the existence of 17 levels of social security under the VSS, 20 out of 26 people still selected the minimum level of contribution (99,000 LAK). Though people in the sample who selected the lowest package have relatively low income, the sampled number is too small to confirm that selection of social security package is determined by people’s earnings. 83% of interviewed members reported they pay contribution monthly and only some pay every 3 months or annually. Only 2 out of 26 reported making late payment, which is very low.

Table 7: Characters of VSS members and details about their selected packages

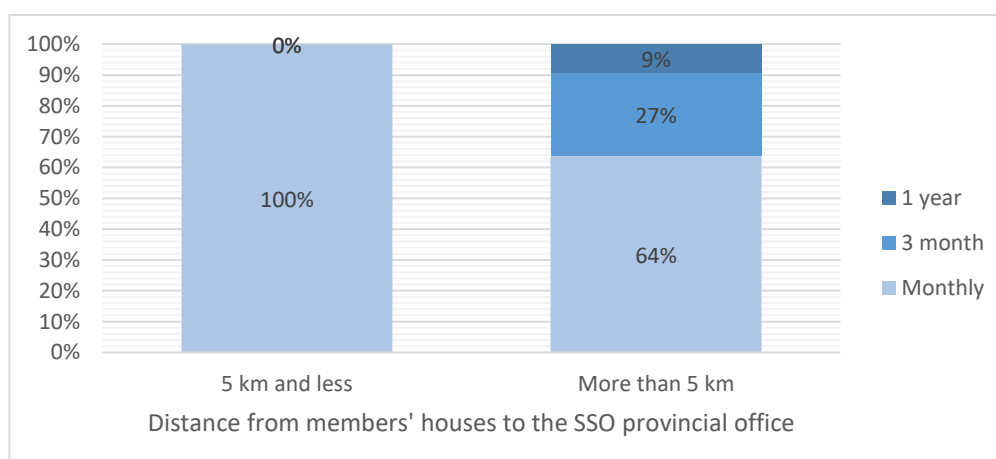
	Surveyed VSS members (26 people)		Average income per month (LAK)
	Number	% of total sample	
Decision maker to join LSSF			
(a) Decided to join LSSO by him/herself	14	54%	
(b) Decided by employer	10	38%	
(c) Facilitated by an intermediary	2	8%	
Year joined LSSF			
o Before 2014	6	23%	
o After 2014	20	77%	
Selected VSS level			
o 99,000 per month	20	77%	1,897,941
o More than 99,000	3	12%	4,648,178
o Don't know	3	12%	
Frequency of payment			
o Monthly	20	83%	
o 3 month	3	13%	
o 1 Year	1	4%	
Have experience of late payment	2	8%	

Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

4.3.2 Physical access to SSO service centers

The survey team elected to hold discussions with VSS members who reside in provincial capital because LSSO's outreach has not yet expanded into remote areas. Due to this fact, 54% of interviewed members live not more than 5 kilometers from an SSO provincial office, the average distance being 6.2 kilometers. In Luang Prabang province, SSO reported they were currently promoting VSS only within provincial capital. It is important to highlight that the LSSO has a very limited presence at the district level. None of the participating areas has district level SSO offices, therefore people in these areas must travel to the provincial capital to register at the SSO office. Figure 9 shows how distance from the offices for VSS members can influence which frequency of payment they select. Of people who live more than 5km from an SSO office, 27% chose to pay every 3 month and 9% pay annually

Figure 9: Distance from SSO provincial office and selected terms of installment



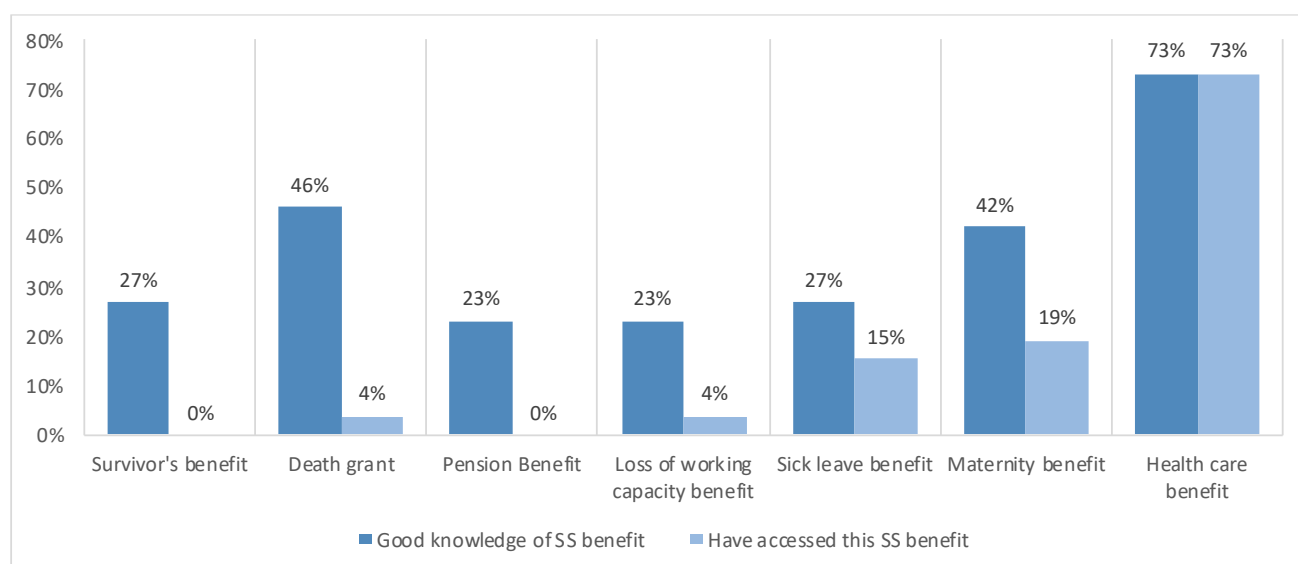
Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

Most of the VSS members that joined independently by their own decision (Type (A)), mentioned that they had been informed and guided by their relatives and friends who work at LSW or LSSO offices. This evidence shows the importance of having in the Promotion Teams a person who informal workers can trust, such as a local authority, leader or representative of some kind who is known to the target. Another anecdotal case was found in Luang Prabang, where an adult couple aged 50 years working as traders in the market heard the information from workers in a bottled water factory near their home, and the couple then approached the LSSF to find more information. It is suggested that not many informal workers are actually reached by the formal SSO information networks.

4.4 Knowledge about VSS policies and use of benefits

Before conducting survey, the research team assumed that all VSS members would know in detail about the policies for each type of benefit they are entitled to receive. However, 7 out of 26 (27%) VSS members reported that they do not have adequate and appropriate knowledge of VSS benefits, despite already being VSS members.

Figure 10: Knowledge about VSS policies and experiences accessing VSS benefits



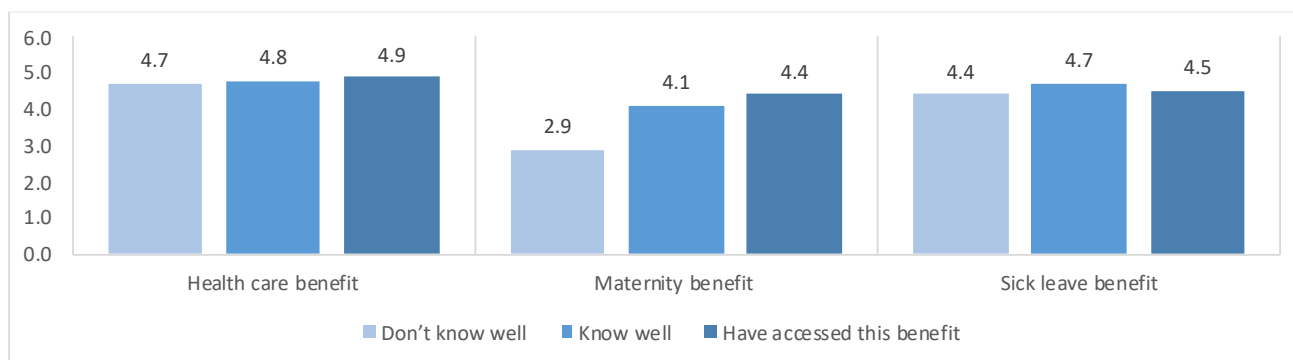
Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

The most well-known benefit among VSS members is health care; 73% know about it and same percentage have experience utilizing its services. The second best-known is the death grant (46%) and the third is the maternity benefit (42%). Information in Figure 10 shows that VSS members seem to know only benefits that they have accessed / received in the past, except for death grant and survivor's benefits. **However, an interesting finding is that VSS members do not have appropriate knowledge about pensions, sick leave, disability or survivor benefits.** If it is assumed that VSS members have adequate or appropriate knowledge only about those benefits they have accessed in the past, then it could mean that people rarely use Sick Leave Benefit only because they are not fully aware that this is an option for them. This finding deserves further investigation with a larger sample of VSS members because the rate of members using health care benefits is quite high (73%) but few people are claiming for sick leave benefits.

4.5 Service and benefits rating

From surveyed data it seemed that knowledge about VSS benefits and members' experience of using benefits may determine their perception on VSS as a whole. Therefore, we separated out three groups of VSS members and asked them to assign an 'importance score' to certain types of benefits. As expected, people who have adequate knowledge about the benefits and have used them in the past tend to give higher important score and those who don't have adequate knowledge tend to give lower score, Figure 11 illustrates the cases of three mostly commonly accessed benefit types.

Figure 11: Important score for the most used benefits by knowledge on policies of members



Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

Likewise, the people who have adequate knowledge and have experience of accessing the benefits would like to keep all benefits in the VSS package, while people who don't know or have not accessed, would like to drop some benefits in order to reduce the contribution cost. The exception to this is the pension and health care benefits, which all members want to keep.

Interestingly, 27% of "members who know about maternity benefits" and 33% of "who don't know" mention dropping this benefit if it could reduce their insurance cost. The main reasons for this are that some members are too old to have children or have no plans to have a child, so don't think it is useful. Nevertheless, maternity benefits are perceived as important for female members, with data showing that 100% of women with adequate knowledge about the benefit want to keep it. However, the data collection exercises presented in Figure 11 and Table 8 need to be repeated with a larger and sample size before confirming and validating the results.

Table 8: Benefits to be takeout if that would reduce the contribution amount.

Types of benefits	% of total cases		
	Don't have adequate knowledge	Have adequate knowledge	Have ever accessed this benefit type
Survivor's benefit	11%	0%	No case
Death grant	7%	0%	0%
Pension Benefit	0%	0%	No case
Loss of working capacity benefit	5%	0%	0%
Sick leave benefit	11%	0%	0%
Maternity benefit	33%	27%	0%
- Male	20%	50%	
- Female	40%	0%	
Health care benefit	0%	0%	0%

Source: Survey on Informal Worker's Access to LSSF, November to December 2020

4.6 Member's priority issues relating to VSS services

Focus Group Discussion (FGD) were conducted in an open session with VSS members. Male and female groups were separated where possible to have information from both sexes. The survey team was able arrange sex disaggregated groups in Champasak and Luang Prabang where the number of male and female members were large enough (4-5 person per group). The discussions with members centered around three topics: quality of health care services, knowledge of VSS policies and the procedure for claiming VSS benefits.

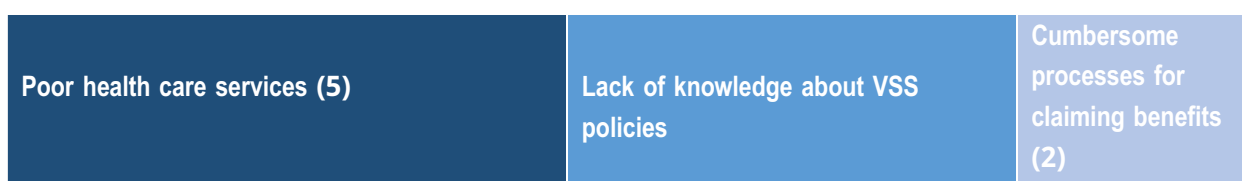
Health care services: VSS members complained about poor services at health facilities where they can use their LSSF card. When they visit health facilities for medical treatment or other health care services, they felt that people who pay cash seem to receive faster and better services compared to LSSF card holders. In many cases, hospitals run out of quality medicines and members were advised to buy medicines from outside pharmacies or from doctors.

Understanding about VSS policies: This is the second most important issue members cited, especially those who were recently transferred from the compulsory scheme. When they worked in the formal sector they had the employer's Human Resource Unit to take care of or assist with

registration and claims. Although there is a hotline operating (telephone number 1508) FDG participants reasoned that some questions are too complicated to talk about on the phone. They prefer one-on-one personal counseling and advice, similar to the advice provided during the course of the FDG.

Claiming procedure and time consuming: the FDGs were also an opportunity to discuss the experiences of members who had previously made claims for health care benefits and/or death grants. Several participants cited that they experienced claims procedures to be complicated and time consuming, especially for people who are illiterate or are in dealing with a personal emergency. In case of buying medicine outside, it's when the hospital does not have prescribed medicines and patient can use that receipt to claim from the hospital. If the cost was not high, they would rather do not claim it due to cumbersome procedures. These were key reasons why participants see the VSS scheme as less attractive and burdensome. They want faster and less cumbersome process for claiming the benefits.

Figure 12: Pressing issues reported by VSS members during FGD



Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

It should be noted that national efforts to improve the quality of health care services delivered via public health facilities are ongoing. The policy on “5 Goods and 1 Satisfaction”⁸, a component of health sector reform, was introduced in 2016 as a tool to monitor quality and standards of health care services. In late 2020 there were 95 indicators under this policy. The Ministry of Health aimed to certify 50% of provincial hospital with this standard by 2020, 70% by 2025 and 90% by 2030 (Phamisith, 2020).

V. Non-VSS informal workers

5.1 Health care and maternity services: uses, access and satisfaction

Among the seven benefits being provided to informal workers through the VSS scheme, health care and maternity services are reported to be the most frequently used by VSS members (73% and 19% respectively). Therefore, we examine access and use of these services among informal workers who have not yet joined LSSF but do fit the criteria of VSS members in that they work for pay or profit and are aged below 60 years. Table 9 shows percentage of people in provincial capital and non-provincial capital areas that reported either themselves or a family member had visited a health care facility in the previous 12 months.

Health care: About 75% of families outside the provincial capital had visited health care facilities in the last 12 months⁹, which was higher than usage rates reported by families in provincial capital (53%). In terms of health facilities, those outside the capital are more likely to use health services offered under public health system: provincial hospital, district hospital and health centers. The exception was those in Vientiane capital who rarely visit district hospitals because they can go to the central hospitals which are nearby and easily accessible.

On the other hand, people in provincial capitals tend to visit doctors in many alternative venues central and provincial hospitals, army hospitals, private clinics, and hospitals in abroad (mainly Thailand).

⁸ Policy on “5 Good 1 Satisfaction” include Good Warm Welcome, Good Cleanliness, Good Convenience, Good Accurate diagnosis, Good and Quick Treatment and Satisfaction of Patient.

⁹ We interviewed individual informants, however, asked if he/she or any family members has ever visited health facilities at least once in the past 12 months. Therefore, information in this section represents not only the individual, but his/her family.

Among domestic health facilities, private clinics and army hospitals do not accept LSSF cards. At an army hospital, only family members of army personnel can use the services free of charge and others have to pay cash. The survey data also shows that patients outside the provincial capitals access services at their local health centers as well as district and provincial hospitals, depending on the complexity of the ailment. On average, these types of health facilities are located in proximity of 3, 5, and 29 kilometers respectively.

72% of surveyed households reported they pay for the health care services. Among the 28% of people reporting that they receive free health care services at public health facilities, 52% used NHI (as they were able to present a household registration book), 30% benefited from LSSF as they are a family member of the contributors, the rest took advantage of the national policy that provides free health care for children under 5, pregnant women, and the poor.

During the fieldwork it was decided to add a question on satisfaction of maternity and health care service, for the survey in Vientiane and Luang Prabang. The question included a simple satisfaction scale 1 to 5, with highest score, and high level of satisfaction, being 5. The results suggested satisfaction scores on public health facilities are lower compared to level of satisfaction on services provided by private clinics and army hospitals. However, average satisfaction scores for public health facilities are still above average, ranging from 3 to 4.4 for the votes from non-provincial capital people. In case of provincial capital, the score are 3.5-4 for provincial and central hospitals. As for district hospitals, in provincial capital area a low score (1.5) was given, likely reflecting that provincial capital people visit provincial or central hospitals instead of district hospitals.

Maternity services: it is clear that people outside provincial capitals rely fully on public health facilities for maternity services (health centers, district-provincial-central hospitals). The majority (60% of users) still paid for the services and products. For example: 30,000 LAK for X-ray and 160,000 LAK for giving birth at a district hospital; 15,000,000 LAK for caesarean section operation, medicine, humidity crib for giving birth at a central hospital, 250,000 LAK for giving birth at the Vientiane Mother and Child Hospital. About 38% of respondents who utilized maternal services in the last 12 months reported getting free services due to government support (government policy) or because they were covered by private insurance.

Table 9: Uses of, access to, and satisfaction on health care and maternity services by location

	Last 12 months			
	Ever accessed health care services		Ever accessed maternity services	
	Provincial capital	Non-provincial capital	Provincial capital	Non-provincial capital
All sample	53%	75%	11%	22%
Facilities				
Abroad	5%			
Private clinic	20%	6%	8%	
Army hospital	3%	8%	8%	
Central hospital	13%	7%	8%	12%
Provincial hospital	49%	33%	77%	50%
District hospital	5%	32%		15%
Health center		15%		19%
Distance to facilities (Km)				
Private clinic	20	21		
Central hospital	6	61	8	77
Provincial hospital	6	29	9	29
District hospital	3	5	6	10
Health center		3	6	1
Payment for users	150 users		39 users	
Case by case				3%
Paid	72%			60%
Free of charge	17%			38%

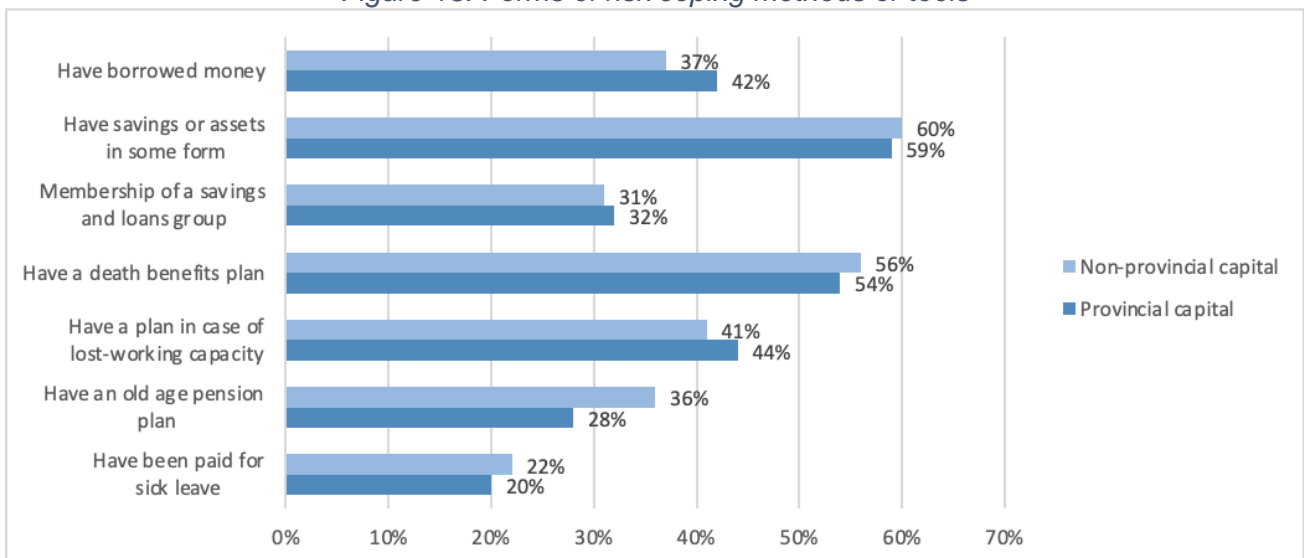
Satisfaction score 1-5	LPB & VTE, 66 users		LPB & VTE, 7 users ¹⁰
Abroad	4.7		
Private clinic	4.7	4.8	
Army hospital	5.0	4.0	5.0
Central hospital	4.0	4.4	3.3
Provincial hospital	3.5	3.8	4.0
District hospital	1.5	3.9	4.5
Health center		3.0	

Source: Survey on Informal Worker's Access to LSSF, November to December 2020. LPB= Luang Prabang, VTE= Vientiane capital

5.2 Existing risk coping methods

In this study, we understand that social security mechanisms or other insurance are regarded as tools for coping with emergency, risks or shocks; however, it is not the only one. Without having social protection under LSSF, the survey found that informal workers rely on various approaches for coping with emergencies. More than half of the informal workers in both provincial capital and non-provincial capital areas have accumulated savings in some form such as gold, livestock, land, and cash. They often referred to reliance on those assets when they face an emergency such as death or loss of working capacity. About 37-42% have access to loans and 31-32% are members of at least one social organization or group which could provide them help and financial support if and when needed. However, only 20-22% of non-VSS informal workers reported they still get paid during their sick leave by, for example, owners of restaurant or shop who have employees, farmers of long cycle agro-products such as coffee and livestock, and some family business owners who have family members working for them.

Figure 13: Forms of risk coping methods or tools



Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

5.3 Knowledge and opinions of informal workers on VSS scheme

5.3.1 Have informal workers heard about the VSS scheme?

After checking with survey participants about any existing approaches they would apply for coping with risks or a financial emergency in their lives, we ask them about their knowledge on VSS scheme provided by LSSO which was launched in 2014. **Among informal workers we interviewed, 52% reported they heard about VSS scheme, with a higher percentage (59%) in the provincial capital where the SSO office is located than in non-provincial capital areas (45%).**

¹⁰ Number of observation for this case was small (7 users), it ought to be considered as anecdotal evidence.

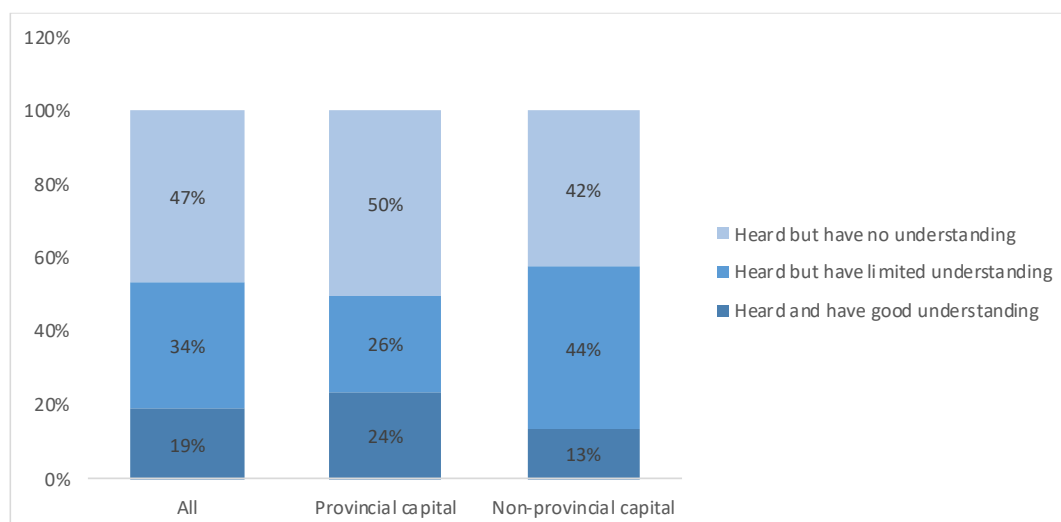
Table 10: Knowledge of interviewed informal workers about the VSS scheme

	Total observations	Ever heard about VSS scheme	
		Number	% of total
All sample	234	121	52%
Provincial capital	116	68	59%
Non-provincial capital	118	53	45%

Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

The survey team asked informants about how well they understood the VSS. **Only 19% of people who heard about VSS scheme had a good understanding about benefits, policies, terms and conditions;** the rest understood but not well (34%) or had heard only name of the scheme (47%) but had no knowledge of the details. By location, there are more people in the provincial capitals who have adequate knowledge compared to the non-provincial capital area (24% versus 13%). It must be noted that in non-provincial capital areas, we conducted our survey in villages where Oxfam's partners have implemented project activities which include disseminating information about the LSSO and VSS schemes, therefore, the percentage of people who had heard about VSS and had some level of understanding is larger (44%).

Figure 14: Level of understanding of people who heard about VSS scheme



Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

5.3.2 Informal workers' interest in the VSS scheme

"Voluntary" is a key word that the survey team kept in mind when designing tools for data collection, and the interest of informal workers to join LSSF must be developed based on their understanding about benefits, terms and conditions of VSS scheme. It was noted from a previous study that it can be a case where informal workers already know and understand well about the VSS scheme but having no interest in joining, or want to join but face other difficulties which prevent them from doing so.

Figure 15: Deputy President of Pak-Ou FTU is explaining VSS policies to an informal worker



Source: Survey on Informal Worker's Access to LSSF, November to December 2020. Photo: Chansathith

Based on above understandings, the survey team identified people who know and don't know about the VSS scheme, explained the scheme to them, and finally provided them with a VSS pamphlet. For the national survey team, this was an important achievement as team members were able to explain VSS in detail to 234 individual informal workers. There were approximately 60 informal workers for the 6 to 7 team members in each province, which means an enumerator repeated the same sort of VSS introductory information 9 to 10 times. It was good not only for informal workers, but also for the enumerators, who all work in relevant organizations at local level, as it enabled a deeper understanding of the scheme and provided them with practical experience on promoting the scheme.

After hearing the explanation about VSS policies, benefits, terms and conditions, 93% of surveyed informal workers responded that all seven benefits are important. 6% indicated that the maternity benefits are not important for them and only 1% think that all benefits are not important at all. The reasons given for not being interested in maternity benefits are similar to those raised by VSS members in group discussions (being too old to have children, do not have plan to have children or being single). Location and sex of informants did not have a tendency to alter responses to this question. When asked about additional benefits that should be included in the social security scheme, 86% said "what is being provided in the package is sufficient". However, about 14% think there should be some more benefits, for example: general types of insurance (accident, fire, disaster), allowances for poor families and orphans, debt relief, unemployment insurance. Some suggested additional benefits such as the LSSF card should be accepted in all hospitals, to receive better services in hospitals, or that the VSS should cover also parents of contributor.

Table 11: Importance of and opinions on VSS scheme

	All sample	Location		Sex	
		Provincial capital	Non-provincial capital	Male	Female
a. Are seven benefits important?					
All are important	93%	92%	93%	91%	94%
All not important	1%	1%	1%	2%	0%
Maternity benefit not important	6%	7%	6%	7%	6%
b. Are seven benefits sufficient?					
Yes	86%	87%	85%	85%	87%
No	14%	13%	15%	15%	13%

Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

5.4 Informal workers' interest in joining the VSS scheme, and their preferences

Despite 93% of surveyed informal workers agreeing that all seven benefits under VSS scheme are important, only 85% expressed interest to join the VSS scheme.

- 82% of who are interested in enrolling in the VSS scheme reported that they would select the lowest insurance level (99,000 LAK per month to have 1,100,000 LAK insurable earnings). Informal workers who selected this lowest level tend to be people outside the provincial capital area and male (85% and 87%). While, people who selected higher insurance levels tended to be from the provincial capital and female, covering 16-23% in each age group, with a slightly lower percentage is for people aged above 55.
- If frequency of contribution is flexible, 38% of interested informal workers do not want to pay monthly. Especially for people outside provincial capital areas, 45% of them would prefer to pay in advance every 3 months, 6 months or 12 months. About 8% prefer to pay 12 months in advance, these people tend to be self-employed and family workers who earn income weekly (weavers, food processors), yearly (coffee farmers, people growing rice and raising livestock) and after completing jobs (construction workers). Therefore, flexible frequency of contribution is not only important for people outside provincial capitals, but also informal workers who earn income on irregular basis.

During KIIs the survey team met with an informant who argued that “LSSO currently extends benefit to the contributor’s family (children and spouses), therefore informal workers who are benefiting from their spouse may not want to join VSS scheme”. To test this assumption, the survey team identified respondents who are benefiting from LSSF (either in a compulsory or voluntary scheme) and asked specifically whether they would be interested to join VSS scheme by themselves. 23 out of 25 people who are benefiting from their spouse’s LSSF card (92%) are still interested in joining VSS scheme, despite having “health care and some other benefits” from their spouse already. They cited that they want access to other benefits as well, for example: pension, sick leave, loss of working capacity and full death grant.¹¹

Table 12: Interest in joining the VSS scheme of surveyed informal workers

	All sample	Location		Sex	
		Provincial capital	Non-provincial capital	Male	Female
a. Are you interested to join?					
Yes	85%	78%	92%	84%	87%
No	15%	22%	8%	16%	13%
b. Preferred insurance level?					
99,000 per month	82%	77%	85%	87%	77%
More than 99,000 per month	19%	23%	15%	13%	23%
c. More than 99,000 per month by age group					
15-24 years old	16%	20%	14%	0%	27%
25-34 years old	20%	23%	17%	15%	23%
35-44 years old	23%	30%	17%	21%	25%
45-54 years old	18%	24%	13%	11%	24%
55 years old and above	6%	8%	0%	0%	10%
d. Preferred frequency of contribution?					
Monthly	63%	73%	55%	60%	65%
Advanced 3 months	27%	20%	32%	30%	24%
Advanced 6 months	3%	3%	3%	2%	4%
Advanced 12 months	8%	4%	10%	8%	7%

¹¹ Death grant for VSS contributor is 15 months of insurable earnings, LSSO pay 6 months of insurable earnings for death of spouse.

e. Advanced 12 months by income frequency					
Daily	6%	5%	6%	5%	6%
Weekly	13%	0%	14%	14%	0%
Fortnight	0%	0%	0%	0%	-
Monthly	3%	0%	7%	0%	6%
Yearly	18%	-	18%	13%	33%
Irregular/After work done	16%	13%	17%	21%	12%
f. Benefiting from LSSF as family members					
Observed workers (persons)	25	5	20	8	17
Interest to join VSS (persons)	23	4	19	8	15
Interest to join VSS (%)	92%	80%	95%	100%	88%

Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

5.5 Reasons for not being interested to join VSS scheme, and key concerns if joining

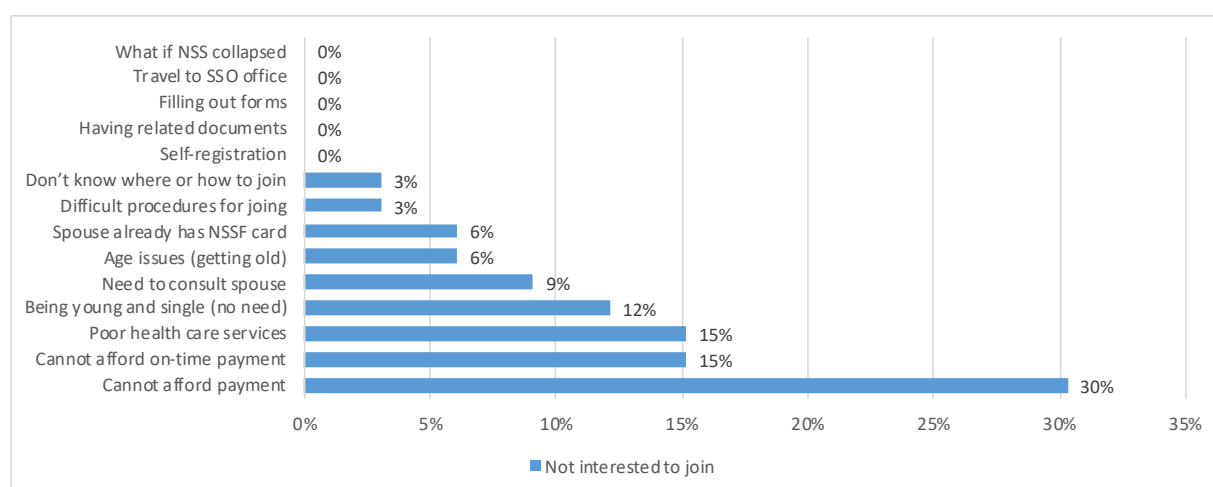
Following questions on “being interest to join VSS”, the team asked informants about their reasons for not being interested, and also if they did join VSS would they have any outstanding concerns. The response showed that factors determining these two challenges differ.

Top-five reasons for not being interested in joining VSS:

- Cannot afford to pay the minimum cost of the VSS package due to low level of income (5 in 15);
- Cannot afford on-time payment and given that late payment cannot be more than 3 consecutive months (2 in 15);
- Health care is important but the health care service available through the LSSF is poor or has low quality, they can use cash for better services and no need to have VSS (2 in 15);
- Being young and healthy so they do not see the need (2 in 15);
- Being married that have to consult with spouse before making any decision (1 out of 15).

Figure 16 presents the frequency of reasons cited by respondents for not wanting to join the VSS scheme. Issues such as age, having access to part of LSSF's benefits (husband or wife already joined), knowledge about VSS policies and difficulties of procedure are also factors that deter informal workers from joining VSS, though less frequently.

Figure 16: Reasons for not being interested to join (primary barrier)

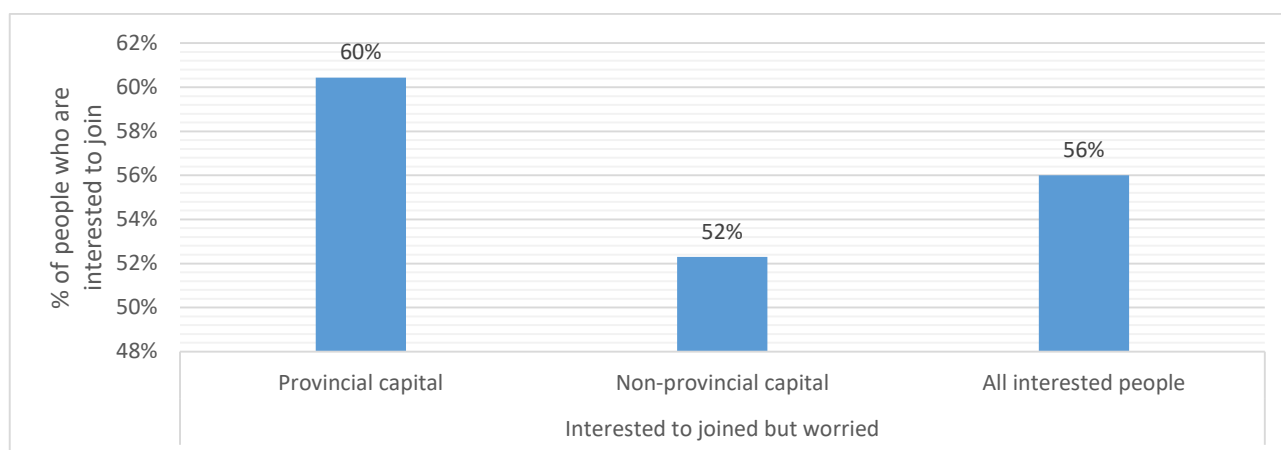


Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

Even among informal workers that expressed interest in joining the VSS after hearing about the scheme in more detail during the course of the interviews, 56% still have some concerns, especially

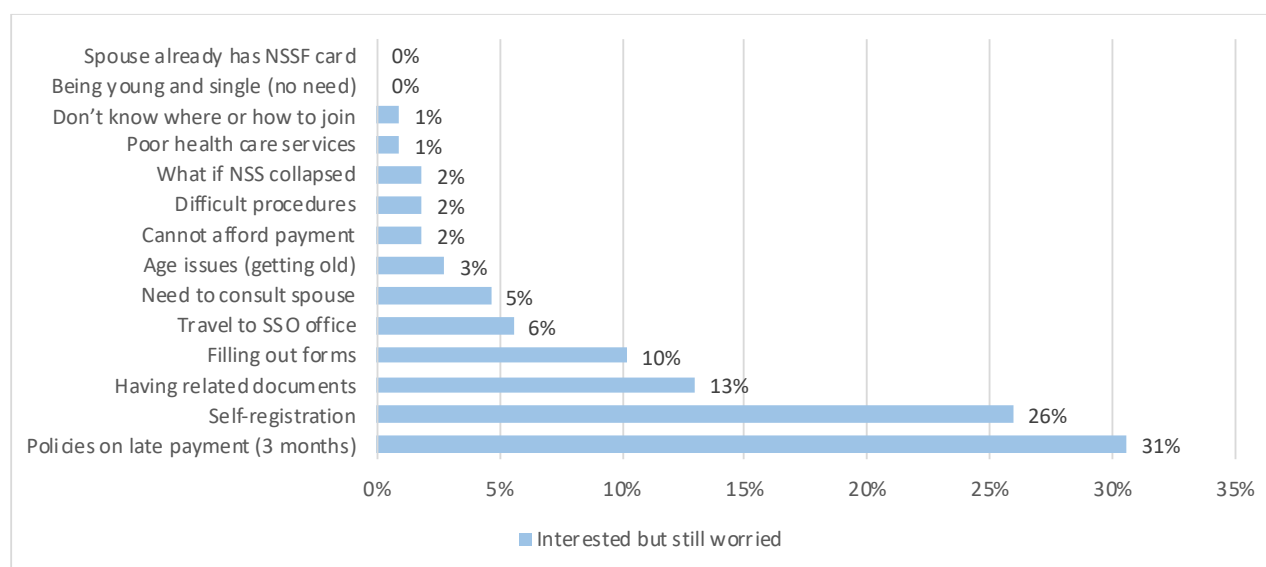
for people in the provincial capital areas. The top concern is about not being able to pay the contribution on-time; and second is about the conditions set by LSSO around self-registration, providing related documents, and filling out the registration forms. Non-provincial capital people who live far away complained that traveling to SSO office is costly. Rural and illiterate people were also concerned about filling out the application form and were not confident about going to a branch office to register by themselves. The requirement for identification documents such as ID card and family book was also found to be an issue. Many migrant workers in Vientiane capital do not have updated ID cards and many young workers who just got married do not have their own family books.

Figure 17: Interested to join VSS but still have concerns



Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

Figure 18: Other concerns of informal workers about joining VSS (Second barrier)



Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

5.6 Factors determining informal workers' interest in joining VSS scheme

The research team was able to collect information from 234 non-VSS informal workers which was sufficient sample to attempt a regression model. Table 13 presents descriptive data of surveyed informal workers. About 85% of the sample showed interest in joining VSS. Almost half of sample are female, they earn daily income, live in provincial capital, and had previously heard about VSS before participating in the survey. The sample included people are from different types of employment status and with different education backgrounds. Their average earnings are LAK 2,153,152 per month or LAK 107,658 per day, about 37% of them live below minimum wage of LAK 1,100,000 a month. 31% reported being members of collective groups such as production group (45%), village development

fund (31%), and mass organizations' fund (23%). Each participating province shares about 24-26% of total sample of non-VSS members. Details are given in Table 13.

Table 13: Descriptive data of surveyed informal workers

Variable	Number of observations	Frequency/Average	Minimum	Maximum
Being interested to join VSS after survey	234	85%		
Female	234	56%		
Age	234	40	17	66
Marital status				
Married	234	85%		
Widow	234	1%		
Separate	234	3%		
Single	234	11%		
Education				
No schooling	234	2%		
Primary	234	34%		
Lower secondary	234	30%		
Upper secondary	234	24%		
Higher than secondary	234	10%		
Employment status				
Employee	234	27%		
Employer	234	3%		
Family workers	234	25%		
Self-employed	234	44%		
Frequency of income				
Daily income	234	55%		
Weekly	234	4%		
Bi-weekly	234	1%		
Monthly	234	20%		
Yearly	234	6%		
After work done	234	15%		
Average income per month (LAK)	230	2,153,152	25,000	14,700,000
Below minimum wage (LAK 1.1 million/month)	234	37%		
Member of collective group	234	31%		
Live in provincial capital	234	50%		
Participating provinces				
Bokeo	234	25%		
Champasak	234	24%		
Vientiane capital	234	26%		
Luang Prabang	234	25%		

Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

Table 14 shows the results of Probit estimation for a function of Informal Workers' Interest in joining VSS. Dummy (1,0) was used as dependent variable, equal to 1 in case the informant is interested to join and 0 in case the informant is not interested to join. This estimation is to identify factors that are statistically and significantly correlated with the probability that informal workers are interested in joining VSS scheme. "Positive sign" in the estimation result means "the higher value of that particular factor or the higher the possibility that there will be interest in joining VSS scheme". "Negative sign" means "the higher values of that factor, the less possibility".

Independent variables include personal characteristics including sex (female), age and squared term of age, and marital status (married), seasonal income earner (yearly and/or after work is done), income level (income per month), and geographic location (Provincial capital). Variables for 3 participating provinces (Bokeo, Champasak, and Luang Prabang) are used as control variables to absorb differences in characteristics between provinces. Dummy variable for Vientiane capital is excluded from the regression to avoid multi-collinearity problems.

From Spearman Correlation Test, data on "seasonal income earner" is highly correlated with employment status (self-employed and working for family business) and agriculture activities (growing rice, livestock and coffee). Therefore, those variables are omitted in the estimation model to avoid

issues of correlation among independent variables. With similar reasons, variable “Provincial capital” is used instead of variable “education” and “employment status”. In the dataset, “Provincial capital” has correlation with many key variables: positive correlation with “Upper secondary school”, negative correlation with “no schooling”, and positive correlation with “employee status” and “receiving income on monthly basis”

We estimated Probit Model in Table 14 in two steps. As the first step, we used the full sample (234 observations). At second step, the sample was divided into two groups: (1) Informal workers with income below 1.1 million LAK per month (37% of total sample) and (2) Informal workers with income above 1.1 million LAK per month (63% of total sample). This breakdown helps us to understand decision making process of both lower and higher income informal workers in relation to joining VSS when they already have adequate knowledge about the scheme.

Table 14: Factors determining informal workers' interest in joining VSS scheme Probit models (with Robust Standard Errors)

	1. All sample						2. Below minimum wage				3. Above minimum wage			
	[a]		[b]		[c]		[a]		[b]		[a]		[b]	
	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value	Coefficient	P-value
Personal characteristics														
Female	0.196	0.426	0.163	0.472	0.188	0.376	1.139	0.053 *	1.172	0.017 **	0.108	0.721	0.097	0.742
Age	0.179	0.004 ***	0.166	0.006 ***	0.158	0.009 ***	0.657	0.010 **	0.635	0.003 ***	0.301	0.002 ***	0.292	0.003 ***
Age squared	-0.002	0.003 ***	-0.002	0.004 ***	-0.002	0.006 ***	-0.008	0.013 **	-0.008	0.002 ***	-0.004	0.002 ***	-0.004	0.002 ***
Married	0.185	0.506	0.450	0.084 *	0.414	0.108	0.430	0.555	1.656	0.006 ***	-0.229	0.554	-0.152	0.691
Seasonal income earners														
Yearly	-0.749	0.134	-0.224	0.611	-0.201	0.646	-7.981	0.000 ***	-2.361	0.027 **	0.020	0.972	0.222	0.672
After work done	0.255	0.470	0.323	0.366	0.373	0.272	-1.256	0.111	-1.328	0.058 *	1.176	0.028 **	1.204	0.022 **
Average income per month	-5.89E-08	0.267	-6.86E-08	0.172										
Live in provincial capital	-0.791	0.007 ***					-6.494	0.000 ***			-0.304	0.371		
Member of collective group	0.686	0.024 **	0.736	0.011 **	0.647	0.015 **	0.604	0.444	0.314	0.664	0.685	0.029 **	0.737	0.022 **
Participating provinces¹²														
Bokeo	-0.262	0.462	-0.212	0.523	-0.312	0.347	0.904	0.393	0.910	0.217	-0.583	0.209	-0.587	0.201
Champasak	-0.637	0.105	-0.515	0.136	-0.553	0.103	-0.414	0.720	-0.486	0.524	-0.789	0.118	-0.750	0.12
Luang Prabang	-0.415	0.249	-0.365	0.259	-0.355	0.267	-1.840	0.010 **	-1.668	0.009 ***	0.144	0.79	0.153	0.772
Constant	-1.659	0.166	-2.004	0.092 *	-1.963	0.092 *	-4.992	0.223	-10.678	0.004 ***	-4.267	0.026 **	-4.330	0.022 **
Number of observation	230		230		234		84		84		146		146	
Wald chi2(13)	24.65		22.52		19.74		449.43		24.39		20.5		21.43	
Prob > chi2	0.0166		0.0207		0.0318		0		0.0066		0.039		0.0183	
Pseudo R2	0.1721		0.1236		0.1054		0.5624		0.4104		0.1932		0.1861	
Log pseudolikelihood	-78.305		-82.894		-86.764		-14.268		-19.225		-49.933		-50.373	

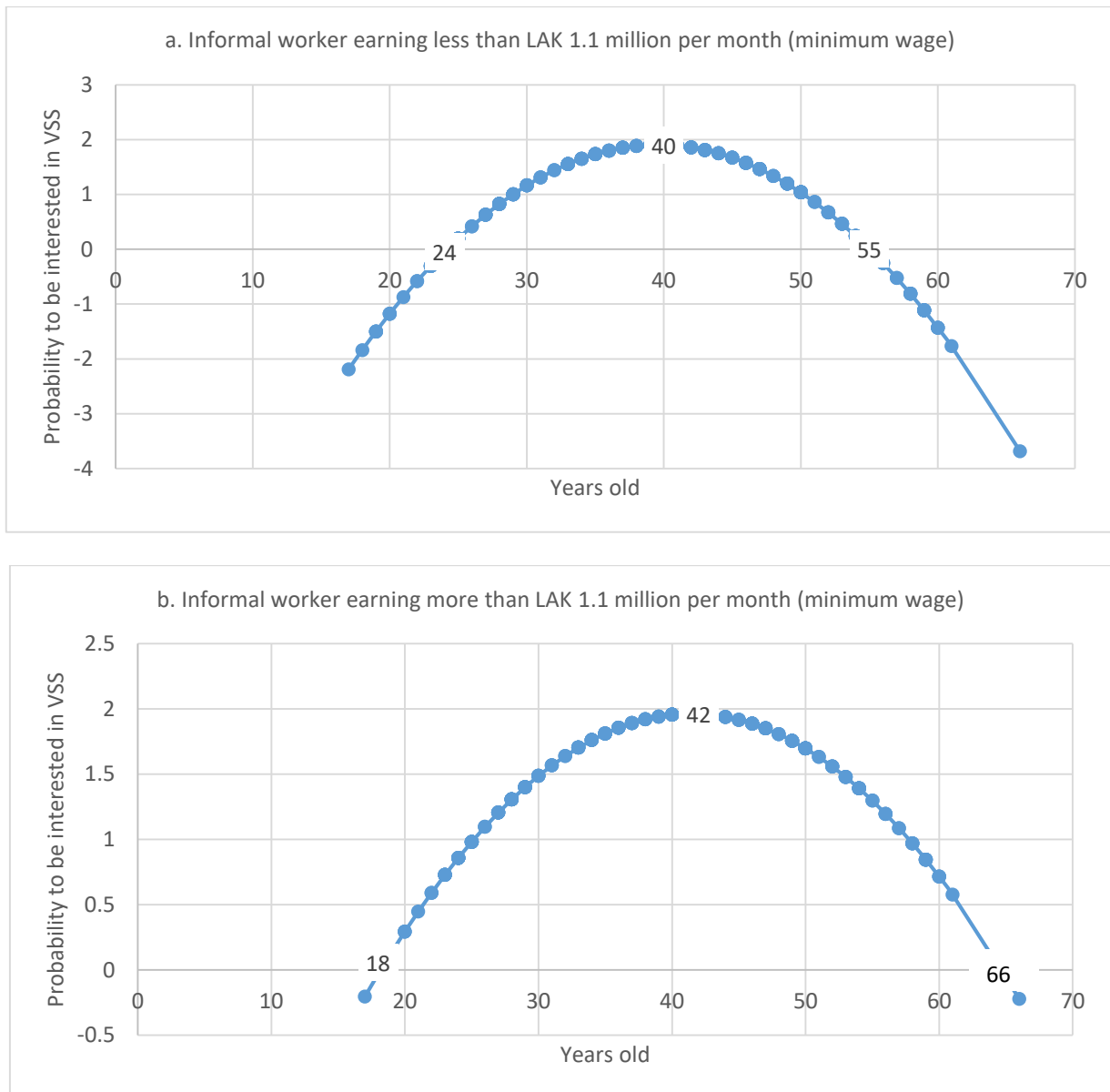
*, **, *** represent significance level of 0.10, 0.05 and 0.01 respectively. Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

¹² Dummy variable for Vientiane capital is excluded from the regression to avoid multicollinearity problem.

The estimation shows many interesting results and some statistically significant factors, as follows:

1. Sex of informal workers does not seem to be correlated with possibility of their interested in joining VSS when it estimates in pooled dataset (all 234 respondents in the sample). However, it becomes relevant in the group of low-income informal workers. It implies importance of VSS to low-income female informal workers who are more likely to be interested in joining VSS compared to male counterparts.
2. Other variables constant, the probability that the observed informal workers will be interested to join VSS scheme is significantly linked to their ages. All models and specifications confirmed that the relation is in the form of inverted U-shape. Figure 19a shows that probability of being interested in joining the VSS tend to be greater than zero for low-income informal workers at age between 24-55, the more interested are between 30-50, and the highest level of interest is at 40. For groups with higher incomes, age range of the interested people is more likely to be larger (18-66 years old), the more interested are between 25-58, and the highest interest is at 42 (Figure 19b). This finding is useful for LSSO when designing and promoting voluntary social security scheme.

Figure 19: Probability to be interested in joining VSS of informal workers by age and income level



Source: By author. Simulation based on results of estimation in Table 14 of this report.

-
3. In term of marital status, the current VSS scheme is more likely to attract married persons in the group of low-income workers. According to VSS policies, family members of insured person (spouses and children under 18) can benefit from many elements of the VSS scheme (health benefits, maternity benefits, death grant and survivor benefits). This is consistent with findings we presented in previous section.
 4. Income level does not appear to be relevant for the whole group of informal workers, however the frequency and timing of incoming income does matter for the working poor and non-poor with different directions. For the low-income group of workers who make income on yearly basis, especially rice farmers and those raising livestock, they are less likely to be interested. For high income earners, groups of people who receive income only after completion of work such as construction workers and coffee farmers, they are more likely to be interested to join the fund.
 5. Living in provincial capital is negatively associated with likelihood of being interested in joining VSS especially for informal workers who earn less than minimum wage. Despite of having no difficulties on traveling or accessing to SSO office in provincial capital, informal workers with low income are less likely to be interested in joining VSS due to other reasons, mainly affordability to pay the contribution amounts.
 6. Informal workers that are members of collective organizations or associations (such as production groups, fund of mass organizations, village fund, and associations) are more likely to be interested in joining VSS. This is correct only for group of high-income informal workers.

VI. Discussion and recommendations

6.1 From the 2019 study to the current research

The current research builds upon on experiences of a previous study conducted by LJI in 2019. The research team summarized details and findings of 2019 study in [Annex 1](#) of this report. These two studies differ in a number of areas such as specific objectives, scope of study, methodology, participating areas and selection method, tools, focal stakeholders, size of survey sample and method of validation workshop. In the 2019 survey, LJI specifically targeted LSSF members to obtain opinions on social security provided by LSSF in general. The selection of informal workers for the 2019 survey was based on specific sectors (agriculture, service sector, hospitality), and the survey team included LFTU, MoLSW/LSSO and Oxfam's partners. In this 2020 survey, the technical team intended to focused on the voluntary scheme (members, benefits and cost). Selection of informal workers for the survey was done in both provincial capital and non-provincial capital areas in each province. The scope of data collection was also expanded to include information about health care services and other risk coping strategies, therefore survey team included additional members from health care sector such as staff involved in NHI/CBHI. Two additional tools were included in 2020: FGD for VSS members and an experimental semi-structural questionnaire for the non-VSS members - where a brochure on VSS was presented and distributed at the time of interview. With increased number of tools, target groups and details, it was necessary to reduce the number of people sampled from 600 to 240 to meet with the timeframe and budget allocated.

Data collection in 2020 obtained more precise information on the voluntary scheme. With appropriate data collection and design, the current study attempted to estimate the probability that informal workers would be interested in joining VSS scheme using econometric techniques. Separation of informal workers into low-income and high-income groups was to understand the interests of vulnerable workers. Combination of qualitative and quantitative findings allowed for intentional experiences on how to increase low-income informal workers' access to social security. To make this research more participatory, a validation workshop organized on 25 February 2021 included representatives from several organizations and gave opportunity to participants to provide their comments and feedback on research findings through group work exercises.

6.2 Lessons learned from carrying out a participatory survey

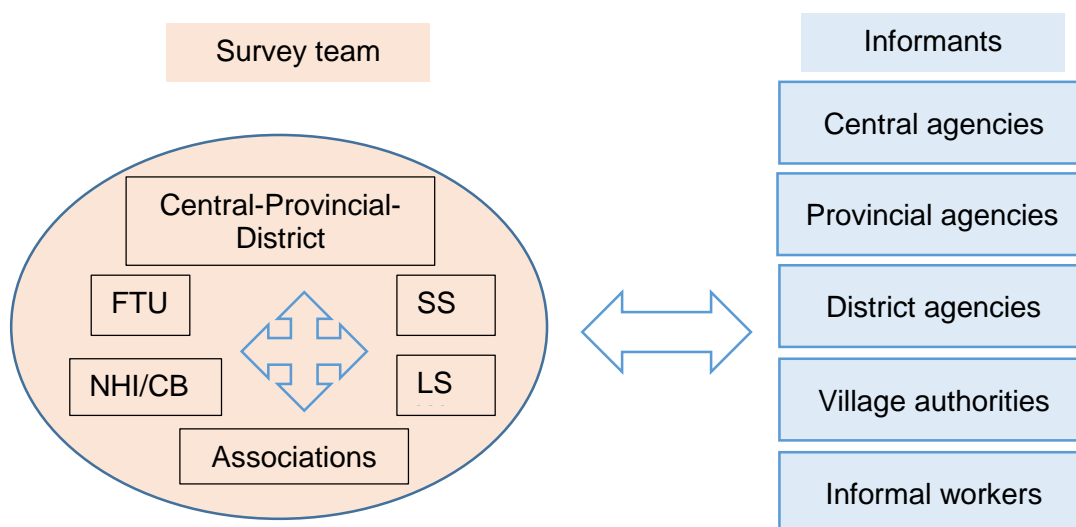
As mentioned in the introduction of this report, the survey team members are from different offices with different professional backgrounds, and most of them had limited previous experience in data collection. This created some challenges for the national team for controlling the quality of data while simultaneously building the team's capacity. The survey team struggled somewhat in the first province, but learned and improved the process in subsequent provinces. Nevertheless, the survey team was pleased to have this opportunity for on-the-job training on VSS.

FTU, as the representative of informal workers, worked closely with Oxfam's partners and associations. All had been trained on VSS and have conducted dissemination meetings in their project target sites. Having SSO and NHI/CBHI to work as part of the field team proved very useful, as whenever team members had difficulties answering questions about health care policies or social security benefits, these staff could be relied upon for explanations. It is important to note that NHI/CBHI joined VSS survey team for the first time in 2020.

A byproduct of this survey has been to increase the understanding about VSS among district and provincial officers, village authorities and informal workers in studied areas. An interesting part was the field work in Ban Pak Thaep in Sangthong district. Many survey informants were interested in VSS and wanted their daughters to understand the scheme as well. The survey team explained VSS to three additional residents in that village.

Based on this survey experience, the team conclude that one-on-one dissemination has proved to work well to fill gaps in knowledge and information. Also, it is easier to reach persons who cannot attend group meetings and presentations, as they can be contacted directly at their work site. However, this method is also time consuming and resource intensive. Maybe in some cases, such as urban centers, groups presentations can be undertaken by making appointment with informal workers in advance, advertising it, and adding some other pull factors (music, snacks, drinks etc.).

Figure 20: Composition of survey team and informants



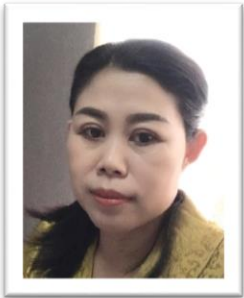
Source: By author. Survey on Informal Worker's Access to LSSF, November to December 2020.

Some comments from the survey team members about the immediate outcomes of this survey:



“By interviewing informants, I learnt about their needs for access to VSS. This is a way to deepen the promotion on VSS”

Mr. Vilavong, FTU, Vientiane capital



“I learnt about: government directions on protection of informal workers; perceptions of informal workers on social security and some issues regarding the service provision; how to interview and calculate income of informal workers”

Ms. Phaythuon, Sangthong LSW, Vientiane capital



“As a survey team member I now have a better and more detailed understanding about policies of VSS for informal workers. For informal workers themselves, I think knowledge about VSS scheme has not yet been disseminated to grassroots level and that is what we need to improve”

Dr. Souksakhone, office for CBHI, Vientiane capital



“I learnt more about benefits for VSS members which are very important for them, and think we need work to expand information sharing on VSS to people within city of Vientiane as well as in the remote areas, so they can be better protected”

Dr. Bounthan, NHI Bureau



“By working with the survey team, I could sense good cooperation among team members. Informal workers’ access to VSS is a challenging topic. From field survey, I learnt that SSO needs to firstly target the groups that can contribute regularly”

Mr. Bounsy, SSO, Luang Prabang

6.3 Current VSS users, provider and supporters

6.3.1 Satisfaction of VSS members and users

In 2019, LJI found that LSSF members can see benefits from the scheme, and are moderately to highly satisfied. However, the distinction between types of LSSF members (compulsory or voluntary) was not clear. For this 2020 survey, the provincial SSO was instructed to make appointments only with members under the voluntary scheme to join the FGD. Therefore, it was possible to obtain precise experiences on using VSS scheme from current members. Also in 2020, VSS members were asked specifically about dissatisfaction and experiences on claiming benefits under VSS, instead of only a satisfaction score.

1. Poor health care services are pressing issues, for example, some members feel they receive inferior service while holding LSSF cards at public hospitals, and shared stories about being provided with low-quality drugs. This clearly shows that Social Security and Public Health sectors are inter-related. **MoLSW and MoH may need to ensure that LSSF members receive the same level of health care service and benefits as non-members.** This issue does not only lead to dissatisfaction among VSS members, but it also discourages the non-members who could be potentially interested to join the scheme.
2. Following discussions with VSS members, we note that not all VSS members have a complete understanding about the benefits, terms and conditions of VSS, unless he or she has experience using or accessing it. It was observed that VSS members who registered at SSO by themselves have better understanding about VSS conditions if compared to those who are transferred from the compulsory scheme and guided by an intermediary. **Therefore, SSO and intermediaries need to pay attention to provide all the relevant information about VSS and make an effort to fill any information gaps before registering new members so as to ensure that the access is actually successful.** It is important to note that LSSO currently disseminates social security information using a variety of channels, for example: hotline “number 1508” (but this is not a 24-hour service), [Facebook page](#) (16,920 followers as of 19 March 2021), official website <https://lssso.gov.la/>, and an hour radio program which broadcasts online two times a week on [Vientiane Radio TV](#). An interesting question to ask and consider is: What are the most effective ways to communicate information about social security in Laos?
3. VSS members who have claimed their benefits at hospitals and SSO offices cited that the claiming procedure takes a long time and has many steps. This could be a main reason that many of them do not bother claiming if the amounts are small. This burden makes VSS less attractive to them and they may not recommend VSS to other people. **Therefore, a standardized procedure and timeframe for each claim procedure is necessary to increase members’ satisfaction. Simplifying claiming processes into a single consolidated template or form is also highly advisable. Support for illiterate individuals (who cannot read or write, or both) should also be considered, in such a way that is respectful of the concerned individual.**

6.3.2 VSS provider and supporters

2020 was a remarkable year for social security in various aspects. The COVID-19 pandemic led to economic crisis and increased levels of unemployment in Lao PDR and indeed around the world. Then, in April 2020 the Prime Minister approved the National Social Protection Strategy (NSPS). These two events highlighted the role of social security for Lao workers and the organizations responsible for actively promoting social security in Lao society.

1. **LSSO and branches:** That there is a limited number of staff and branch offices of LSSO was also a finding of LJI’s study. This is a key constraint for LSSO in expanding their outreach to non-provincial capital areas. In 2018, LSSO employed 356 staff nationally. 33% of them worked at headquarters, 63% worked at provincial branches and only 3.6% worked at district branches in some provinces (LSSO, 2019). **The recommendation is to scale up staffing and resource allocation at the district level, particularly in those districts with a higher**

presence of informal economic activity. There are two possibilities for LSSO to consider: (i) to recruit more staff into promotion teams and provide working space at district LSW offices, and/or (ii) to delegate VSS responsibility to district LSW officers. The former is possible because LSSO staff are not government officers so are not restricted by public servant quotas. If financial resources are available, the latter could also be achieved if district LSW has some idle officers and LSSO could provide additional budget to those workers for supporting the works.

2. **District LSW office:** According to the KIIs, district LSW offices across the country are mandated to work on registration and claiming of social security benefits for government officers working at district level (the compulsory scheme). For that, the office receives an operational budget of 200,000 LAK per month. **In terms of proximity and credibility the district LSW is in the most appropriate position to work on promotion of VSS scheme to informal workers within their districts if LSSO is not able to establish service counters at district level.** However, LSSO may need to consider increasing the operational budget. All four district LSW offices participating in KIIs suggested the 200,000 LAK per month budget allocation is not sufficient if they are to cover VSS work and equip them with sufficient capacity for promoting VSS.
3. **Other intermediaries:** Alternatively, LSSO could explore working with other credible organizations or private sector organizations that can operate as an advice counter and/or service point for VSS members. **An example can be made in case of IWAA which is an association that implements activities connecting information workers to VSS;** the organization that facilitated members of Sewing Group they support to join the VSS scheme. According to informants from the Sewing Group, IWAA provided free transportation for them to register at LSSO office and also supports them to make their monthly payments.

Box 1: Informal Worker Advancement Association (IWAA)

The association was founded in 2008 under name of HomeNet Lao and was officially registered as IWAA in 2020. As of February 2021, IWAA has worked in Vientiane capital to support eight groups of informal workers (524 workers, 85% are female). Economic activities of workers in these groups include sewing, hand weaving, basketry and traveling vendors. To promote informal workers' access to VSS, IWAA have conducted various activities to raise awareness and disseminate information on VSS among target communities and concerned organizations since 2019. The association continues to monitor and provide necessary support for informal workers who want to join VSS (information and transportation support). As of February 2021, members in 3 out of 8 groups have already registered at LSSO. According to the president of IWAA, facilitating informal workers to join VSS takes time (at least one year) and requires additional methods such as model VSS members.

Source: Interview of IWAA's president, February 2021.

More information, please visit their page: <https://www.facebook.com/IWAA.la>

4. **Roles and responsibilities of DoLSW and district LSW offices:** Article 107 and 108 of Social Security Law (NA, 2018) clearly outlines roles and responsibilities of DoLSW and district LSW offices for implementing Social Security Law, including social security for informal workers. However, many LSW offices contributing information for this survey are still at the beginning stages of working on both informal workers and the VSS scheme. Nevertheless, there is an outstanding case that is worth mentioning here. **Social Security for Informal Workers in the Five-Year Plan of Sangthong LSW office.** The Head of Sangthong LSW reported that her office has already included activities to promote social security among informal workers into their five-year plan (2021-2025) and has requested budget from the

government to action this. The activities will start with groups of informal workers that have been established with the support of the district FTU.

5. **Roles of decision makers at provincial and district level:** According to Champasak SSO's KII: recognizing the importance of social security for workers during COVID-19 crisis, the Provincial Governor of Champasak gave instruction that priority budget be allocated for SSO in the year 2021 to implement activities for disseminating information about social security, with an aim to increase social security coverage in Champasak province. This is a remarkable as it shows that SSO can overcome budget constraint issues when there is political will from decision makers.
6. Based on Trade Union Law, LFTU is working actively on expanding membership among informal workers (NA, 2017). **It was observed that FTU's project on strengthening and formulating groups of informal workers can be an entry point to bridge informal workers with VSS in four participating areas.** Findings of this report and the view of Sangthong LSW are consistent that the initiative of FTU seems to be a good foundation to formalize informal workers and bridge their access to social security.

6.4 What issues need to be addressed to increase informal workers' access to VSS?

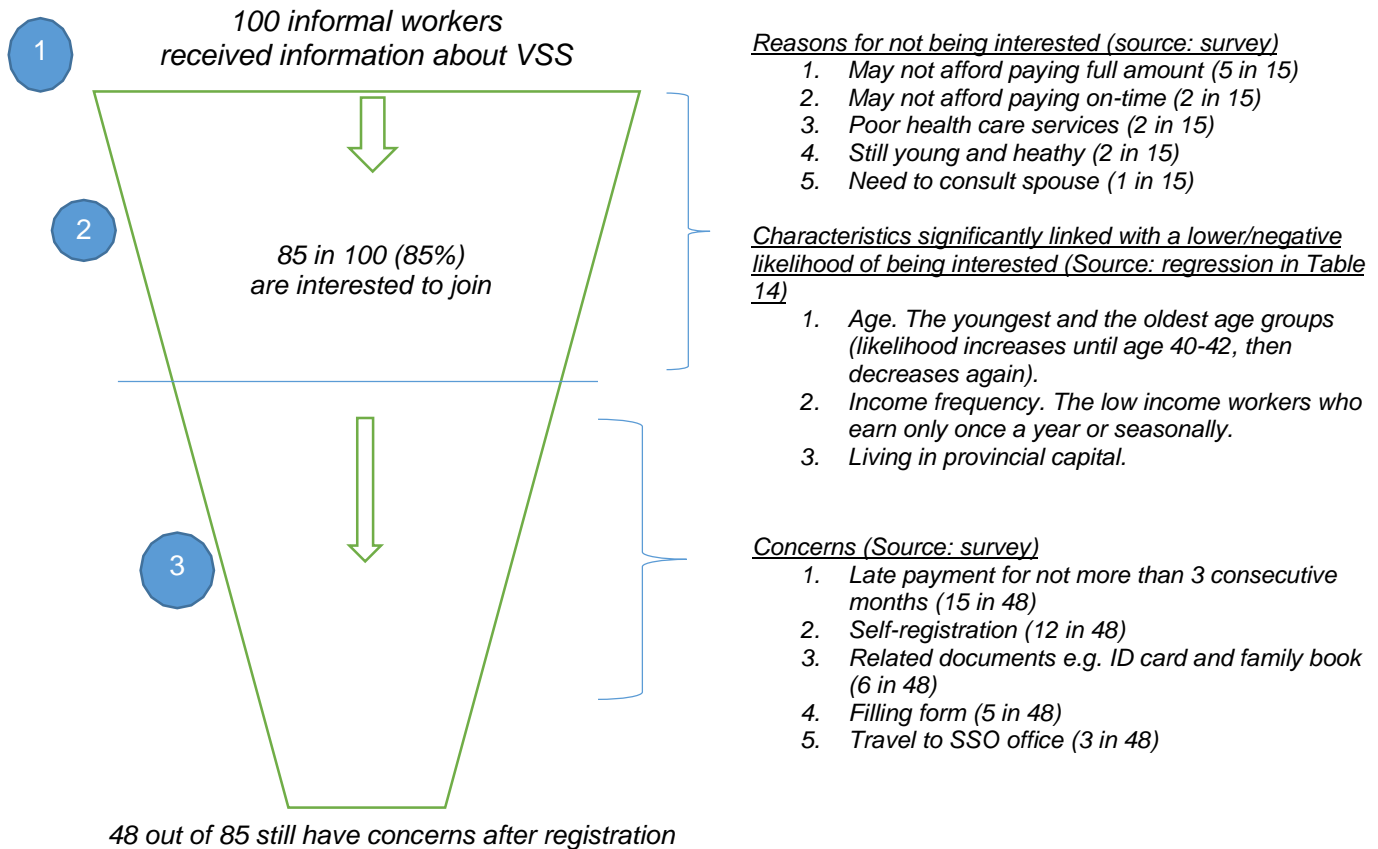
6.4.1 Three sets of constraints for informal workers to access to VSS scheme

The 2019 study found that informal workers have a very low awareness of the VSS and this 2020 study confirmed the findings. At this time survey, information gaps were filled. We collected and collated concerns of informal workers after obtaining VSS information, and came up with some logical conclusions.

The survey team found there are three main barriers for informal workers to access to VSS scheme (Figure 21):

- 1) Lack of access to information;
- 2) Personal challenges; and
- 3) Design-related constraints.

Figure 21: Summary of findings on informal workers' interests in joining VSS scheme



Source: Findings from section 4 in this report

The first barrier is lacking detailed information about VSS, not only awareness of its existence, but also detail of the benefits, rules on claiming benefits or terms and conditions for contribution. The best method to ensure informal workers receive all the information and information gaps are addressed is to enable one-on-one discussion.

It is noted that not all informal workers who understood about VSS were interested to join, 15% in the sample did not.

The second set of barriers are informal workers' personal reasons; top-five reasons include perception that he/she may not be able to afford to pay monthly contributions in full amount and on-time due to their low earnings or fluctuations in earnings; news about inferior services offered to LSSF card holders at public health facilities also pushes them away from joining VSS; personal perceptions of being young and healthy mean that people don't see necessity of having social security; and lastly social norms that a married person does not make decision on this type of expenditure alone, they need to consult their spouse.

Even for people interested to join VSS without any problems mentioned in the first two sets of barriers, 56% of them still had outstanding concerns.

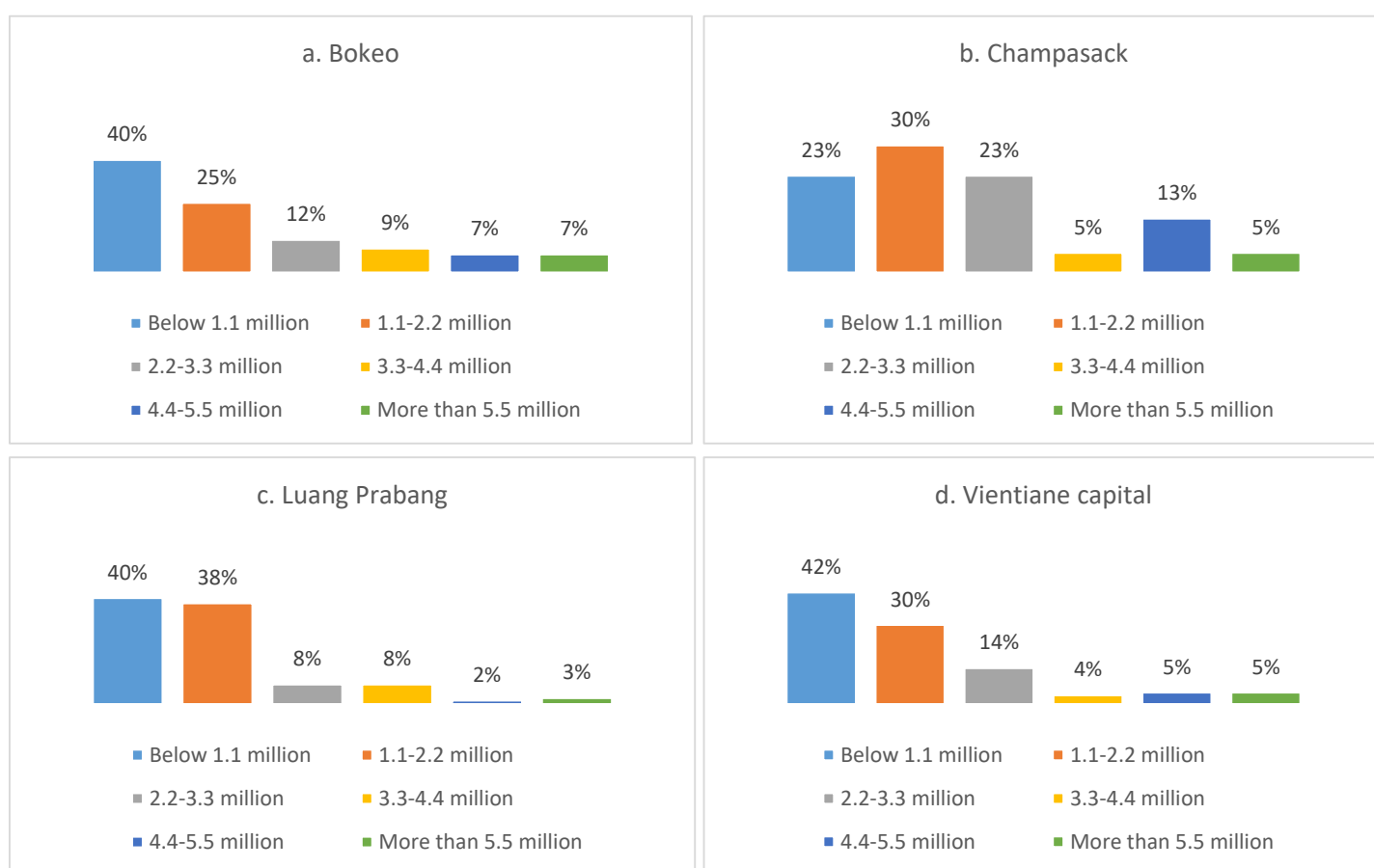
The third set of barriers comprises manageable technical difficulties. Five reported concerns are regarding the conditions set in the VSS scheme design i.e. self-registration, completion of forms, travel to SSO office, having ID card and family book, and conditions that late payment should not be more than three consecutive months.

6.4.2 Is income of informal workers a key constraint for accessing the VSS?

The qualitative analysis undertaken for the 2019 LJI suggested that low income is a key factor leading informal workers to have low access to LSSF. However, quantitative results of this 2020 survey do not indicate that LSSF membership is influenced by income. With a higher proportion of people living below minimum wage (21.5% in 2019 survey, 37% in 2020 survey), the survey team found similar qualitative information from 2020 KIIs plus some new evidence generated through quantitative analysis, with a conclusion as follows:

1. Income of informal workers can be varied but is not necessary low. Figure 22 shows distribution of monthly income of surveyed informal workers in four geographical areas. It is important to note that although participating provinces and districts were not randomly selected, but individual informal workers were met randomly.
2. Figure 21 (above) shows that after filling information gaps, level of income or wealth would limit only 15% of informal workers from accessing social security as they cannot afford to pay monthly contributions (minimum of 99,000 LAK per month) and frequency or seasonality of income could also make a further 15% of informal workers worry about whether they could continue to pay the contribution within the timeframe of 3 consecutive months.
3. The estimated results in Table 14 (Factor's determining informal workers' interest in joining the VSS scheme) confirmed that not all informal workers with seasonal income are discouraged from accessing social security, but, the seasonal income earners with low-income levels are. In provincial capital areas, the degree of discouragement is higher for low-income informal workers compared to higher income groups living in the same area.

Figure 22: Distribution of monthly income of surveyed informal workers by participating provinces



Source: Survey on Informal Worker's Access to LSSF, November to December 2020.

6.4.3 Social security for vulnerable workers in Lao PDR and other countries

With concerns about the increasing number of vulnerable and low-income informal workers recently made unemployed as an impact of the COVID-19 crisis, participants in the validation workshop held on 25 February 2021, mainly representatives from LFTU, suggested that the government/LSSO should consider having a social security scheme specifically for poor informal workers. A participant raised that there several organizations working to assist poor people, for example: Poverty Reduction Fund (www.prflaos.org) for investing in facilities/infrastructure in poor districts; Nayobay Bank (www.nbb.com.la) for policy aligned poverty eradication focused lending and NHI for universal health care. However, social security aside from health insurance for all poor workers is not yet available. On this issue, LSSO responded in the workshop that the current VSS scheme design has been included in the latest Law on Social Security (NA, 2018) and approved by the National Assembly. Therefore, any new scheme particularly for the poor income earners will need to follow similar official procedures and approval processes.

How do other countries promote social security to their vulnerable or poor citizens and what can be learned for the case of Lao PDR?

In case of Vietnam where the health insurance scheme¹³ is separated from social security scheme, voluntary health insurance for the poor and near poor is subsidized by government (100% and 50% respectively). To identify the poor and near poor, Government of Vietnam set income ceilings for people in urban and rural area. For example, in 2011-2015, rural people are considered to be poor if they earn less than 19.44 US\$ (194,400 LAK) per month and near poor if their income is between 19,49 US\$ - 25,27 US\$ per month (194,900 – 252,700 LAK) (Laura Donovan, 2012). Although health insurance in Lao PDR is already subsidized by government so as to reach Universal Health Coverage (see section 3.2), this experience from Vietnam on identifying poor and near poor people can be learned by LSSO to identify and provide support to the vulnerable workers.

In Japan, the government set up Social Security and Tax Number System in 2015. The 12-digit Individual Number (also referred to as "My Number") is required for administrative procedures related to social security, taxation, and disaster response. With this unique identifier, poor and near poor people can be easily identified to provide support or subsidies. The Social Security and Tax Number card can be used at hospitals to obtain health care benefits based on card holder's income level. Considering that the Ministry of Finance of Laos is now introducing new system for issuing individual identification numbers for of income tax payer for individual Laotian (MoF, 2021), it could be a good timing for concerned authorities in Lao PDR to think about making use of tax system in connection with provision of social security. Based on the new system, vulnerable workers can be identified using income indicators. They may be more willing to declare their income if it resulted in gaining access to social security supported and/or government subsidizes if policy allows.

In China where social insurance premiums are the highest in the world the contribution rate for compulsory social security was 43% of monthly salary in 2016 (32% contributed by employer and 11% from employee). Pension and health insurance schemes have been designed specifically for the self-employed worker, rural people and non-salaried urban residents. For the self-employed, contribution rates are 12% of the local average wage for pension scheme and 10% of gross earning for health care insurance. Government of China provided subsidies for the rural workers and non-salaried urban residents who wanted to join pension scheme and access basic medical insurance. There are 12 levels of pension insurance for these vulnerable people ranging from 100 yuan to 2,000 yuan per year (140,000 to 2,890,000 LAK), and flat-rate contribution of 120 yuan per year (173,000 LAK) to access basic medical insurance.¹⁴ Similar to the cases of Japan and Vietnam, sets of criteria are required for identifying "rural and non-salaried urban residents"

¹³ Contribution into voluntary health insurance in Vietnam is 4.5% of minimum wage. For example: Minimum wage in Urban Hanoi & Ho Chi Minh City was 4,200,000 VND (190 US\$) per month in 2020 (Vietnam-Government, 2019), the contribution into voluntary health insurance is 8.55 US\$ (LAK 85,500 per month).

¹⁴ Information was taken from United States' social security administration's website: <https://www.ssa.gov/policy/docs/progdesc/ssptw/2016-2017/asia/china.html>

6.4.4 Social security for migrant workers

The afternoon session at the validation workshop also discussed social security for workers who have migrated domestically and internationally. For domestic migrant workers, LSSO provides that insured persons can claim their benefits from any provincial SSO office because all of their databases are linked. Only recently have LSSF members been allowed to change their selected health facility once a year. Previously permission to change was granted every two years. However, if necessary, members can now request an immediate change. For Lao people who work abroad, they must follow regulations on social security in those countries. For example, in Thailand, only Lao workers who are registered legally can apply for Thai social security by presenting their work-permit and passport. The similar procedure is applied in Lao PDR for foreign workers who legally migrated to work in Laos.

As discussed in 6.3.3 above, the provision of social security or support specifically for low-income workers or other types of vulnerable workers is not yet available in Laos. Domestic migrant workers could also be considered vulnerable and require support for both social security and employment. An Oxfam in Laos backed assessment on COVID-19 Socio-Economic Impacts for Returnee Migrant Workers in Lao PDR found that negative impacts on their employment opportunities are likely to be longer lasting among female workers compared to male workers. The assessment also found that access to and provision of social security schemes for workers to cope with the pandemic were very limited. The study recommended an extension of social security coverage for migrant workers through providing support for registration, but there was concern that some employers would not back the registrations because of the voluntary basis (Oxfam, 2021).

6.5 Increasing Informal Workers' Access to VSS: a way to sustain LSSF and NHI funds

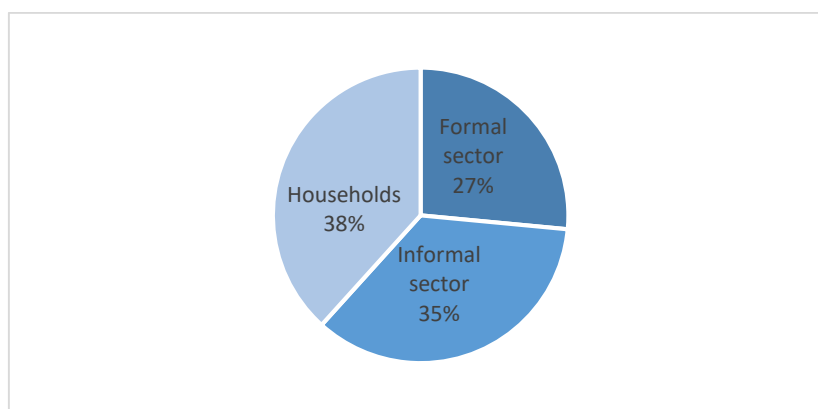
One of the reasons that the 2019 LJI study did not include discussion about the connection between LSSF and NHI funds is because the study was completed prior to MoLSW/LSSO officially transferring responsibilities for management of the health benefits sub-fund to MoH/NHI Bureau, which occurred from July 2019. Therefore, the current study is able to capture changes after the transfer and consider the relationship between the two funds with a broader perspective.

6.5.1 Potential of informal workers as contributors to LSSF

According to LSSO, the total number of members in 2018 was 300,409 persons, of which only 3% or 8,007 persons were VSS members. The latest Labour Force Survey (MPI, 2018) reported that approximately 73% of employed persons in 2017 were engaged in the informal sector and household businesses, a share which is equivalent to approximately 1,283,146 workers. This means less than 1% of informal and household workers were reached by LSSF in 2017-2018. We therefore consider large number of informal workers as unreached potential for the LSSF.

Regarding this potential, representatives from LFTU suggested in the validation workshop that LSSO should plan to reach more numbers of informal workers by 2025, and their current target of 15,000 new VSS members is too low.

Figure 23: Percentage distribution by employment by institutional sector



Source: This chart was copied from Survey Findings Report on Lao PDR Labour Force Survey 2017 (Page 52)

6.5.2 Sustaining LSSF and NHI through increasing the number of VSS members

This section is informed by the situational analysis in the document of National Social Protection Strategy (NSPS) (MoLSW, 2020), “...the social security fund’s reserve remains at risk, and the financial sustainability of the LSSF is a concern...” “...Expanding the coverage to private sector workers and the self-employed will help to ensure the financial sustainability, accountability and the management transparency of the LSSF...”.

Most of the agencies we interviewed in KIIs shared similar concerns on the sustainability of LSSF, liquidity constraints in public health facilities and the state budget which is currently in deficit presenting risks on the full financing of the NHI. Unfortunately, this study was not able to capture financial situation of both LSSF and NHI due to limited information access. However, these issues were mentioned by provincial NHI/CBHI officers visited during the course of the 2020 survey.

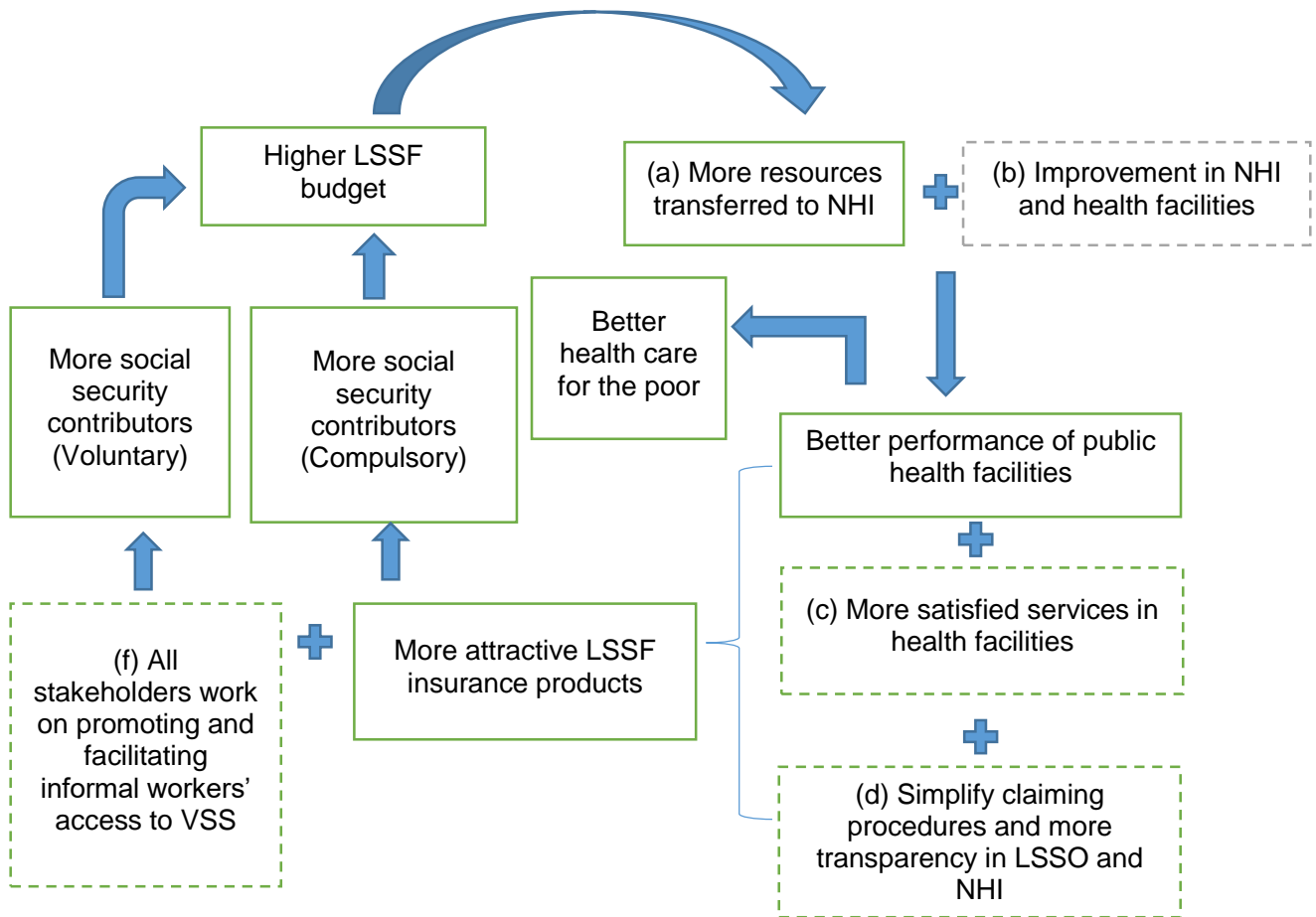
A representative from NHI also raised in the validation workshop that the cost structure of co-payments in NHI scheme will need to be revisited because the current contribution from patients (maximum 30,000 LAK per visit) when combined with transfer from LSSF’s sub-fund and government subsidy does not fully cover the cost of services.

Findings of this research suggested there is a way to increase amount of the pooled fund, that is, to increase number of VSS members in combination with some pre-conditions. Suggested conditions are improvement within NHI and health facilities, continued efforts to improve the satisfaction of all patients in public health facilities, simplify benefits claiming procedures and allow for more transparency within LSSO and NHI, and all stakeholders work on promoting and facilitating informal workers’ access to VSS.

Figure 24 shows a virtuous cycle of improvement for LSSF and NHI: if the number of VSS members can be increased, amount transferred from LSSF to NHI will grow. However, performance of public health facilities won’t be improved without improvement within NHI and health facilities themselves. If conditions (a) and (b) are met, all Lao people (non-LSSF and LSSF members) can use improved health care services provided in public health facilities. However, improved health care services alone may not be sufficient to satisfy current LSSF members and attract more VSS members.

LSSO/MoLSW need to work to simplify the claims process for all benefits, and be more transparent towards the public which will build trust among LSSF contributors (condition (d)). More attractive LSSF insurance products may lead to increased number of compulsory contributors (workers in formal economic units). The most important condition is the need to increase the number of voluntary contributors, that is: all stakeholders should work on promoting and facilitating informal workers’ access to VSS (condition (f)). We will discuss condition (f) in the next section as recommendations from this research work.

Figure 24: Sustaining LSSF and NHI through increasing number of VSS members



Source: Survey on Informal Worker's Access to LSSF, November to December 2020. By: Author

6.6 Recommendations

6.6.1 Promotion of the VSS scheme

Enforcing the Law on Social Security could be an effective way to increase coverage of compulsory social security among employees of the enterprises, but it may not work well for the voluntary scheme. This study shares similar recommendation of LJI's study on increasing awareness about social security by using variety of advertisement mechanisms and channels. According to this research, effective communication and promotion could attract the interest of 85% of informal workers to join LSSF. Some detailed recommendations are following:

1. Under the NSPS, LSSO and LFTU are the key implementing agencies for this work. This research recommends to also include officers from LSW, NHI, and a local authority or person that is trusted by the local community (such as village head or leader of particular group of workers) in each Promotion Team. This 'trusted person' should be informed/involved in the whole promotion process, especially at the meetings with workers/villagers. By having these four agencies in the field, promotion of VSS scheme will be more efficient. To gain more support from other stakeholders, the group work in the validation workshop suggested that LSSO should issue a clear instruction or notice on promotion of Lao Social Security for the private sector, social organizations, and development partners (INGOs and donors) and define how these organizations can contribute into the work of LSSO.

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2. Targeting groups likely to result in short-term gains for the LSSO should be undertaken at the first stages. To achieve this, it is recommended that the Promotion Team focus on:
 - *Female and married low-income informal workers*, these people have more interest on VSS compared to single persons;
 - *Informal workers at age 25 to 58* (29-50 for the low-income and 25-58 for the better off) who have more possibility to be interested in joining VSS;
 - *Production groups, workers' association, mass organizations' fund and village fund* in both provincial capital and rural districts where concentration of informal workers is high.
 3. Promotion Teams should also consider conducting activities through different channels, for example through current VSS members. Current members can share good experiences of VSS to non-members. Other channels might be mass organization such as LFTU, Lao Women's Union, Lao Youth Union, and National Front for Construction, these organizations have networks nationwide, right down to village level.
 4. Alternatively, participants in validation workshop suggested development of a network for promoting social security from central to village level which defines clearly roles and responsibilities of each level, and organize national conference/forum on social security. According to protocol system in Laos, this promotion network and conference/forum can be effective if the steering committee is chaired or led by high-ranking person such as the Deputy Prime Minister.
 5. Disseminating VSS information through one-on-one communication was proven to be effective during the course of the research survey. However this method is also resource intensive. The research team suggests to at least do information dissemination face-to-face. The introduction to the VSS can be done in a larger group and all informal workers can be informed at once. Questions can be asked at the end of the session. Technical staff and the trusted person (somebody from the community) should do the presentation jointly. It could be followed by sharing of experiences from people who are benefiting from the VSS scheme. Later on, individual meetings can be arranged upon request, if needed.
 6. The research team recommends that 'real stories of satisfied members' be integrated into mass media campaigns (government TV and radio, social media) that LSSO is utilizing to explain basics of the VSS and where interested informal workers can access further information. Content of these real experiences in the advertisement could be, for example, when they were in dire need of one of the benefits and they were able to access it thanks to their contribution to the VSS, etc.
 7. Information shared by VSS-members is credible, therefore, maintaining satisfaction of current VSS-members is necessary. Suggested methods include: ensuring equitable level of treatment and health care benefits in public facilities; filling information gap before registering new members; standardizing procedures and time frame for each claiming process; simplifying the claims process into a consolidated template; and supporting illiterate individuals with filling out the forms and required documentation.
 8. Increasing informal workers' access to VSS is for the betterment of the whole society. LSSO needs to communicate this message to all agencies in government and non-government organizations at both national and sub-national level. Keeping that in mind, disseminating information about VSS scheme to government officers will be useful for their work at the level of policy formulation and implementation. With policy level organizations, meeting agendas may contain introduction about the concepts of social protection as well as how VSS is related to the National Social Protection Strategy.
 9. Social security is an important system for all working age people who are currently working in and/or will enter into labour market. In the long-run, it is recommended that LSSO work closely

with the Ministry of Education and Sports (MoES) to integrate knowledge about social security in Laos into the curriculum at secondary and tertiary level. Similarly, LSSO should work with the Department of Skills Development and Employment (MoLSW) to include a chapter on Lao social security into the curriculum of existing programs for skills development, job creation and service.

6.6.2 Continue improving services in health care sector

10. In the validation workshop, the group work of a central government team including NHI agreed that LSSO and NHI should have more cooperation. That cooperation should include working jointly to provide improved health care benefits and continuous improvement of the working systems. At the same time, NHI must strive to improve the quality of service at hospitals and other health facilities by solving issues related to financial constraints and speeding up implementation of policy on “5 Goods and 1 Satisfaction” to standardize the services of provincial hospital as planned.

6.6.3 Developing particular social security scheme for vulnerable workers

11. Facilitating high-income or non-poor informal workers to VSS scheme may be possible by filling information gaps (through promotion activities) and offering more attractive benefits in VSS scheme. With the increasing number of low-income informal workers due to the COVID-19 economic impact, including those who have returned from abroad, it is suggested that LSSO consider developing a specific social security scheme for low-income vulnerable workers. The development process may start with identifying vulnerable informal workers to be supported, using income information or location of residence. Like in Japan and China, people who are categorized as vulnerable workers will be fully or partially subsidized. However, social insurance in subsidized schemes need not to be a full social security package. In China, government subsidizes rural people and non-salaried urban residents to join pension and basic medical insurance schemes, with payment of contributions made on an annual basis.
12. For contribution amounts and terms of payment, the insurance fee per month should be lower than 9% of the minimum wage (99,000 LAK) so that workers who might be earning under the 1.1 million LAK can afford to pay. Additionally, a more flexible payment schedule or payments made on an annual basis, should be considered in order to meet the needs of poor workers who have seasonal income.
13. Development of this scheme should involve stakeholders from multi-sectoral agencies from the beginning especially for tripartite institutions (MoLSW, LFTU and LNCCI). Other specialized authorities with a remit for rural development and poverty reduction could also be involved such as: the Department of Rural Development and Cooperatives under the Ministry of Agriculture and Forestry; key development partners (UN agencies and INGOs); potential donors; representatives from communities and civil society organizations who work closely with informal and vulnerable workers.

6.6.4 Facilitating access to VSS scheme through district office and intermediaries

14. According to LSSO, they are piloting a project for delegating some of the work relating to the VSS scheme to district LSW offices since having their own service counter at district level is prohibitively costly. The research team fully supports the idea as district LSW is strategically located to reach people in outside provincial capitals. District LSW offices in the four surveyed districts also recognized this as a good initiative to extend their work on social security, however it needs to be discussed in more detail, especially regarding budget allocation and human resource availability. Decentralization has both advantages and disadvantages. Having an adequate balance between the three administrative levels should be taken into consideration at all times, with very well defined responsibilities for each.
15. Considering the case of IWAA identified during the course of the survey work, intermediary organizations can be considered as appropriate facilitators for the VSS scheme. IWAA

disseminated information on the VSS scheme to members of a Sewing Group in Ban Nongthatai, then provided transportation and accompanied members who were interested in joining to register at the LSSO office. IWAA supported these members only for the first year (2019) and let them take care of themselves for the second year (2020). The research team suggests more follow up on the progress of IWAA's work in the next 2-3 years as a case study.

16. Another possibility is to facilitate new memberships through "Groups of Informal Workers". This idea is developed from results of Probit analysis that high-income informal workers that are members of any collective group tend to be interested to join the VSS scheme. It is also suggested to follow up on the project of the LFTU on formulation of informal workers' groups to see if it such action can effectively bring informal workers into to VSS scheme. On the other hand, LSSO can also try to work with existing and well-organized occupation groups such as Motorcycle Associations, Minibus and Taxi associations in Vientiane.
17. Informal workers who are interested in joining VSS raise concerns about the documentation required for registration such as ID card and family book. As not to make this a constraint to access VSS, LSSO may need to find a way to simplify this procedure by working with Ministry of Home Affairs. The phenomena of internal migration occurs in every part of the country so it is highly possible, and common, that informal workers would not have ID card and family book with them.

6.6.5 Knowledge sharing and information management

One of the constraints of this research was the limited data and information about both informal workers and VSS members. The survey team relied on the LFS 2017 as a single source for information about informal workers to develop the concept note and study tools. In the validation workshop, MoLSW announced that the Department of Labour Administration is now preparing regulations for informal workers that will help to improve identification and data collection in the future. But for now, access to current information on informal workers, and also studies on LSSF and NHI are still limited. It is recommended that LSSO and LFTU and partners:

18. Conduct more studies about informal workers and LSSF members. For example: accurately quantifying the number of vulnerable informal workers in Laos; interests in and access to the VSS scheme of vulnerable workers; satisfaction levels of LSSF members including compulsory and voluntary members using LSSO's administrative data; utilization of social security benefits among various group of members (by age and by sex) and so on. Though current research touched upon some of above topics, the sample size was small and not representative. Therefore, future studies should be done with a larger sample size, an idea that participants at the validation workshop agreed with.
19. Disseminate findings of the studies to relevant stakeholder organizations who should be encouraged to make use of the findings in their mandated work. Target audiences include policy makers and implementers at national and sub-national level. Dissemination channels could be various, both offline and online.
20. Encourage research activities within LSSO and LFTU using the available internal and administrative data. By doing so, officials will come to understand what kind of data they should record to what purpose. Research work is important for developing social protection schemes including social security. LSSO may consider setting up a research unit within their organization. In Vietnam, the Institute of Labor Science and Social Affairs was set up by government to support the national agencies through research. One of departments undertakes studies specific to social protection policies (see more from the website: <http://ilssa.org.vn/en>).
21. By working with provincial SSO and based on LSSO's press released on LSSO's Facebook Fan Page and other channels, it appears that number of VSS members are reported together with members from enterprise sector. We recommend LSSO to clearly disaggregate the three groups

of LSSF members (government, enterprise and VSS) in their records and reports. It is important to track and report data on VSS members separately because they are not the same.

22. In addition to collection of data for calculating new indicators, it is recommended that LFTU and LSSO improve their existing management information systems on informal workers and VSS members. With this information system improved, LFTU and LSSO can also use and analyze the data to monitor and evaluate the performance in this field, an exercise that would be useful for planning and formulation of their strategic policies.

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Annex 01: Summary of 2019 study and current research

	LJI's study	Current research
Year	2019	2020
Title	Access to National Social Security Fund (NSSF) for Informal Workers in Lao PDR	Promoting Informal Workers' Access to Lao Social Security Fund
Specific objectives of study	<ol style="list-style-type: none"> 1. Analyze social security schemes in Lao PDR 2. Make statistical analysis of perspectives and practices of stakeholders and informal workers to access to NSSF 3. Produce some case studies on good practices on access to NSSF 4. Identify recommendations for better access to NSSF for informal workers 	<ol style="list-style-type: none"> 1. Build capacity of Oxfam's partners on data collection regarding informal workers' access to LSSO 2. Conduct participatory research to answer following questions: <ul style="list-style-type: none"> - What can be done to improve VSS scheme for informal workers - Introduce informal workers about VSS scheme and invite them to join - Capture reasons for not being interest and concerns of informal workers for joining VSS - What can be alternative sources of funding to support the poor informal workers
Methodology	<ol style="list-style-type: none"> 1. Desk review (Lao and international documents) 2. Key informant review (national, provincial, district and village) 3. Questionnaire survey 4. Basic statistical analysis (Mean, frequency and percentile) 5. Validation workshop (NSSF, LFTU, Oxfam) 	<ol style="list-style-type: none"> 1. Desk review (Lao and international documents) 2. Key informant review (national, provincial, district and village) 3. Focus Group Discussion (VSS members in provincial capital) 4. Experimentally semi-structural questionnaire survey 5. Statistical analysis (basic statistics, Probit regression and simulation) 6. Validation workshop (MoLSW, LSSO, LFTU, Oxfam, NHI, LNCCI, MoES, NUoL, CSOs, EU, SDC, UN, ILO)
Participating areas	<ol style="list-style-type: none"> 1. Bokeo 2. Luang Prabang 3. Saravan 4. Vientiane capital 	<ol style="list-style-type: none"> 1. Bokeo 2. Luang Prabang 3. Champasak 4. Vientiane capital
Sample selection approach	<ol style="list-style-type: none"> 1. Agriculture sector for Bokeo 2. Hospitality sector for Luang Prabang 3. Agriculture sector for Saravan 4. Service sector (street vendor, TukTuk driver) for Vientiane capital 	Each participating area: <ol style="list-style-type: none"> 1. Provincial capital (random selection) 2. Non-provincial capital (informal workers in a village of Oxfam's partners available for interview)
Tools	<ol style="list-style-type: none"> 1. Questionnaire 2. Interview guide 	<ol style="list-style-type: none"> 1. Questionnaire for VSS members 2. FGD guide for VSS members (male and female separation) 3. Questionnaire for non-VSS members 4. VSS brochure 5. Training materials (PowerPoint presentation and sample tools)
Focal stakeholders	NSSF, LFTU	LSSO, LFTU, MoLSW and NHI/CBHI
Focal target of the study	NSSF members in general (by studying LJI's questionnaire)	VSS for informal workers in particular
Survey sample size	Bokeo: 120 (NSSF member 5%) Luang Prabang: 120 (NSSF members 27%) Savarvan: 120 (NSSF members 2.5%) Vientiane capital: 240 (NSSF members 27%) Total: 600 (NSSF members 16%)	<u>VSS members in provincial capital</u> Bokeo: 5 (10% of VSS members managed by SSO) Luang Prabang: 8 (1.5% of VSS members managed by SSO) Champasak: 9 (2.4% of VSS members managed by SSO) Vientiane capital: 4 (8% of VSS members managed by SSO/non-head quarter)

	LJI's study	Current research
		Total: 26 persons Non-VSS members Bokeo: 59 (provincial capital 49%) Luang Prabang: 58 (provincial capital 48%) Champasak: 57 (provincial capital 51%) Vientiane capital: 60 (urban districts 50%) Total: 234 (provincial capital 50%)
VSS members	not identified (NSSF members: 96)	26 VSS members
Focal insurance providers	NSSF	LSSO, NHI/CBHI, insurance firms and other traditional risk coping methods
Share of informants live below minimum wage of LAK 1.1 million	Bokeo: 22.5% Luang Prabang: 8.3% Saravan: 28.3% Vientiane capital: 24.2%	Bokeo: 40% Luang Prabang: 42% Champasak: 23% Vientiane capital: 40%
Findings		3 types of VSS members: - Voluntarily VSS members - Transferred from compulsory scheme - Facilitated by intermediary organizations/persons
	Informal workers are generally less well-off groups of people in term of gender, education and household mutual support	VSS members and non-VSS members are not different in term of income
	Among informal workers, small shop owners have highest income, second is SME employee and lowest are daily wage employee and street vendors	Among informal workers, the majority are self-employed, second are employees and family workers and third are employers. More than 55% of informal workers receive income daily, 20% earn monthly, 26% earn seasonally
	Proportion of the informal workers who are NSSF members are low: 5% of sample in Bokeo 27% of sample in Luang Prabang 2.5% of sample in Savarvan 27% of sample in Vientiane capital	Coverage of VSS among informal workers are very low: 0.3% of total informal workers in Bokeo 0.6% of total informal workers in Luang Prabang 0.4% of total informal workers in Champasak, and 2.4% of total informal workers in Vientiane capital
	NSSF members see benefits from the scheme and are moderately to highly satisfied	Qualitative information on dissatisfaction was asked. Satisfaction was not rated, but importance score of each benefits. Top 3 benefits in VSS that members frequently use are health care, maternity and sick leave benefits. Members who are aware and have ever claimed certain benefits tend to provide higher importance score. Average importance score from people ever benefited from VSS are very high 4.9 for health benefits, 4.4 for maternity benefits and 4.5 for sick leave benefits on scale 1 to 5.
	Informal workers and local authorities have very low awareness of NSSF voluntary scheme	<u>Before introducing VSS</u> - 47% heard only name - 34% heard but understand not well - 19% heard and understand well <u>After introducing VSS</u> - 85% are interested to join - 15% are not interested

	LJI's study	Current research
		<p><u>Among informal workers who are interested</u></p> <ul style="list-style-type: none"> - 56% concern about somethings - 44% have no concern
	<p>Qualitative analysis suggest low income is one of factor leading informal workers to have low access to NSSF</p>	<p>Qualitative analysis suggest low income is one of factor leading informal workers to have low access to LSSF</p>
	<p>Quantitative results do not show any indication that NSSF membership is influenced by income</p>	<p>Quantitative results show:</p> <ol style="list-style-type: none"> 1. No indication on influence of income among overall group of informal workers 2. Among the low income group, group of female workers and group of married persons are more likely to be interested to join. However, group of low income workers that rely on agricultural activities such as farmers and animal raisers are less likely to be interested. 3. Among the higher income group, group of informal workers that join collective group such as cooperative or association and group of sub-contractor such as construction workers are more likely to be interested. 4. Probability to be interested in joining VSS is correlated with age of informal workers in form of inverted U-shape. Highest probability is at 40 for lower income and 42 for higher income 5. Living in provincial capital is negatively correlated with likelihood to be interested in joining LSSF for both income groups, magnitude is higher for informal workers in provincial capital who has low-income.
	<p>Viet Nam experience on social protection for informal workers:</p> <ul style="list-style-type: none"> - Combine social protection, job creation, capacity development and job search - Government focuses on transformation to formal employment, works hand-in-hand with commercial sector and social organizations to assist informal workers - Local government authorities are directly involved in protection of informal workers 	<p>Experiences on social protection for low-income informal workers:</p> <ul style="list-style-type: none"> - Voluntary health care insurance in Viet Nam: government subsidy 100% for the poor and 50% for near poor. - Japan links social security with tax payer system, this help government to identify low-income worker and provide support on social security - China designs pension and health care insurance particularly for self-employed, rural people and no-salaried urban residents. Government provides subsidy for two latter groups, so they can access to pension and health insurance schemes with low cost and pay annually.