



GA2: Social and Humanitarian Committee

Student Officer: Kerem Moğol

Issue: Modernizing social security systems to cover digital and informal workers

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Turkish International Model United Nations





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I. Introduction

The ever-changing 21st century state of the world with its dynamic structures makes it easier than ever to live a stimulating and satisfying life. It is a widely accepted perspective, however, that aside from these optimistic traits it also brings a heightened risk probability and a substantial amount of vulnerability to socioeconomic setbacks within itself. Periodically rising unemployment rates, workplace gender inequality, public discrimination based on ideologies, unstable nature of state-supported opportunities due to political instability, etc. There are mere examples and a select few of the many economic or social troubles an average citizen may easily face on a daily basis.

As increased as they are today, similar threats to a well-maintained socioeconomic status have always shown themselves. While these integrated problems strengthened their stances, individual governments naturally had to take some kind of action to minimize the effects of these issues. Thus, the concept of social security slowly but steadily started to evolve and expand its inclusion. Social security systems soon became integral parts of the welfare states of countries and were active with the aims of stabilizing the financial state of citizens and reducing inequality between all citizens.

Although a system -or a complex bulk of procedures and motions- most generally prevails to solve their intended problems at their time of creation, they may not always suffice without revisions. Social security systems have been a long-standing part of nearly all countries around the world for a good amount of time, however, there isn't a time in which things don't change. Due to demographic shifts or socioeconomic changes to a wide extent, some countries may face challenges regarding sustainability or inclusivity. Falling behind on providing this safety web for their citizens, they may face challenges regarding sustainability and inclusivity.

Moreover, even some recent social security systems fail to fully reach their goals because they aren't able to facilitate the rise of new markets and the sharp trend of digitalization. The relative importance of digital and informal workers for the labor markets has been growing substantially and now requires specific attention for their successful inclusion in social security systems. The omission of these digital and informal workers may result in the prevention of the yielding benefits, or in the negligence of rights for these said



workers. These are negative impacts from very different perspectives and domains, which require different approaches for a resolution.

Throughout this report, we will delve deep into the agenda item starting with a lengthy list of major actors relating to the functional category at hand. Bearing in mind that this issue distinguishes itself as one of the most extensive and widespread agenda items, tangible actors such as international organizations, regional bodies, and national governments play a critical role in embodying the concepts. For this reason, the respective section may be kept noticeably longer than its counterparts in other reports.

Furthermore, the key vocabulary section may slightly overwork its original purpose and be of assistance to the focused overview of the issue. Some of the bullet points in the key vocabulary section are more than mere terms or concepts, but rather interdisciplinary creations that possess pressing importance for the agenda as a whole. Additionally, the useful links & past documents you are able to see in this report hold grave value to the overall understanding of the separate concepts spread out throughout the report. Using and knowing the contents of some of these will surely be a milestone for the delegates in internalizing the ideas.

The effects stemming from the theme of TIMUN 2024 “*The Uncertain Future of Traditional Industries: Labor in the Digital Economy*” on this topic specifically, is very much obvious to the plain eye. As we discuss the uncertainties regarding the digitalization that has happened until today and will happen in the future, or the impact informal workers may have on the ingrained habits of conventional approaches of traditional industries; **you are heavily encouraged to look at our innovative discussion points from this perspective and with the level of open-mindedness this year's theme asks for.** Functioning as one of the pillars of the theme, this agenda includes within itself an exceptional potential for singular performance and is one of substance. Consequently, a lot is expected from the delegates in regard to preparation and innovation. I suggest that you take this opportunity to showcase your intellectual capacity and utilize it to the best of your abilities.

II. Involved Countries and Organizations

International Labour Organization (ILO)

The International Labour Organization, which will be referred to as ILO throughout the report, is an internationally inclusive agency of the United Nations that operates in the field of Social Security and Social Justice and looks at it from differing perspectives such as international human rights, labor rights, etc. The ILO has various functions regarding this broad issue, one of which is creating frameworks and standards



that directly construct globally accepted social security policies. Amongst these documents is the “*Social Protection Floors Recommendation No. 202*”. As one of the key international guidelines that outline procedures & principles that are aimed to ensure the provision of essential social protection and public services to the citizens, regardless of their employment conditions. This report will be specifically elaborated on further, because it holds critical importance and requires focused attention.

Aside from this, the ILO holds periodical meetings and publishes scientific reports that “inform global policies and promote key insights and innovative solutions for the world of work.”¹ ILO has physical offices or missions in its member countries, that actively work towards heightened cooperation and effective engagement with workers, government officials, etc. Through having a strong presence in the countries and utilizing proactive measures, ILO advances social justice and promotes a decent work agenda with the necessary principles. Additionally, The ILO official website with all the included documents holds a wealth of important information, providing a gold mine for researchers attempting to find regionally specific data. Due to its close ties with member states, ILO provides a detailed database of member countries; in which they present distinct findings, current news, recent developments and reports, etc. **I strongly advise delegates to review the ILO pages of their respective countries, for it has valuable information that's displayed clearly and concisely.**

[International Social Security Association \(ISSA\)](#)

The ISSA, as defined in their own words, “is the world’s leading international organization for social security institutions, government departments, and agencies”.² This definition reflects the reality, given that the ISSA is one of the largest institutions for the governments on the field of social security, if not the largest. Having a strong stance on the administrative aspect of the agenda, they promote excellence in social security by means of professional standardization and information exchange. This organization hosts conferences of regional and global extent, that discuss methods of improvements to the social security systems of member countries with a focus on sustainability. The ISSA also develops thorough guidelines that include policy recommendations and suggestions for innovation about the current systems.

Something that holds significance for this agenda is creative discussions or perspectives concerning digital workers and informal workers' relationship with social security systems, methods for their inclusion, and overall modernization of governmental procedures. **The ISSA has, and routinely publishes, excellent articles that go beyond the general frame to discuss digital and informal workers.** Possible transitions that could likely be seen in the near future for social security systems are commonly mentioned, and innovative modernization ideas are put forward. Aside from this, there are some articles that

¹ “Research and Publications”, *International Labour Organization*, www.ilo.org/research-and-publications

² “The ISSA at a Glance”, *International Social Security Association*, www.issa.int/about/the-issa



focus on recent situations relating to the area or the overall trends & developments regarding human rights states, legislation, and labor protection measures. Some of these articles are listed in the useful links section. **It's highly recommended that the delegates read some of these articles since they are directly concerned with our issue.**

Additionally, similar to ILO, the ISSA also has a very helpful database of country profiles that is equally useful as its counterparts. Utilizing this resource to assist you throughout your preparations could be a very wise decision.

The World Bank

Someone without prior information on international relations and its extent can naturally get rather confused at this moment. As an institution whose level of commitment to social development cannot be seen in its name, the World Bank is not just a financial body that gives out loans or operates for financial gain. World Bank has sub-departments for nearly all major sectors of development and works closely with many partner countries to act as a catalyst in their transition processes. **A factor that distinguishes this organization from others is its specialization in fiscal analysis and financial assistance.** As self-explanatory as it is, the World Bank has funds with different objectives, and they have absolute authority over the spending of such funds. The Bank has several sources for its financial reserves such as member fees, returns on investments, contributions from seemingly wealthier member states, and from funds raised in the financial markets. Additionally, the bank borrows the capital it loans to developing countries. As they explain, "It has good credit because it has large, well-managed financial reserves".³ Due to this fact, they are able to take advantage of their economic standings and acquire loans of large amounts with minimal financial liability, which are then lent to different countries as project funding, etc.

The World Bank is devoted to social protection for every citizen of the world regardless of age, gender, or race. The bank provides necessary assistance to countries in the shape and time they wish, by means such as creating safety nets and forming inclusive programs regarding economic status and labor insurance. **Parallel to these intentions, the World Bank has a social protection strategy which they share openly on their website called "Charting a Course Towards Universal Social Protection".** The full version of this document is so detailed and well-written that it may easily be interpreted as a review article on the topic of social security, specializing in the financial administrative aspects. This study should be referred to and benefited from when making claims about how countries can allocate financial resources towards a better social protection structure, or making comparisons between developed and less-developed countries and their approaches towards a selected sector of public spending to come to a

³ "Getting to Know the World Bank", *World Bank Group*,
www.worldbank.org/en/news/feature/2012/07/26/getting_to_know_theworldbank



judgmental conclusion. It's not directly advertised as a global framework, however, the report is a global financial social justice framework undercover, being the core document on which the World Bank bases its assistance to countries about their priority selection. The full report is quite lengthy, however, they additionally created the "at a glance 2-pager" summary-style infographic, which is a gold mine compressed into mere pages. **It's the best resource that a delegate can base their economic claims upon, so if you plan to read only 2 pages regarding the financial aspects of this issue it should be this.** The study can be found in the useful links section.

Additionally, the World Bank Open Data platform has thousands of databases and reports, created for either general purposes with wide scopes or for specific information regarding one country's sectors, statistics, spending, etc. If you stumble upon a challenge in preparation or wish to find precise information about a country in a proactive manner; this is a great resource that may be the answer to your calls.

[United Nations Economic Commission for Latin America and the Caribbean \(ECLAC/CEPAL\)](#)

This international body is a direct sub-division of the United Nations created as a regional commission for Latin America and the Caribbean, which conducts its activities aiming to enhance and promote regional cooperation for social and economic development. As expected from a United Nations department, they facilitate bilateral dialogue between states in the region, support multilateral attempts of organizational cooperation regarding social protection measures and directly stay in contact with the necessary key countries to continue the UN's long-lasting efforts and to strengthen their regional standings. The ECLAC has various topic divisions created to sufficiently tackle the issue at hand. These include topics such as international trade & integration, population and development, sustainable development & human settlements etc.

For delegates representing countries in the region or wishing to gain key insights about countries in the region, the ECLAC is the core regional body for our issue. Aside from their routine efforts for vital social development, the commission releases annual flagship reports around the region. The "Social Panorama of Latin America and the Caribbean", also included in the useful links section, discusses many aspects of various drivers of the countries' problems. While doing so, the ECLAC provides credible and critical statistics as evidence for their claims. Among these statistics there one ones about economics, gender disparity in employment, government spending, etc. **These short graphs about the region are incredibly valuable for this issue and for a deeper understanding of the core reason behind the issue.** The 2023 version of this annual study is included in this report, however quite conveniently the 2024 annual report of ECLAC will be published on Tuesday, November 12th. This year's edition is projected to have an emphasis on "*The challenges of non-contributory social protection in advancing towards inclusive*



social development“ as stated on the website.⁴ It is heavily encouraged for the delegates to have a look at this flagship publication eminently related to our issue.

Organization for Economic Co-operation and Development (OECD)

The principal mission of the OECD is to make policies to improve the socioeconomic prosperity of people around the world. The OECD works with governments and creates social security procedures, with a strong inclination towards inclusive long-term transitions that are able to differentiate themselves by adjusting minimally in the face of shifting demographics. To address problems like aging populations, changes in the markets, and the inclusion of informal workers, OECD's guidelines focus on strengthening the social security system's many qualities. With a goal of helping nations maintain safety nets that lower poverty and lessen the inequality citizens face, this institution perfectly uses information on healthcare, unemployment, and other social measures taken from different studies.

In Latin America specifically, the OECD partners with countries to redefine or be of assistance to their domestic social policies. Because some issues we see in this region are noticeably more problematic than in other parts of the world such as unemployment or the number of informal workers etc, the OECD intentionally focusing its activities, in some instances, on Latin America is quite valuable for us. On this note, they release economic status reports on Latin American countries touching upon both social, administrative, and legislative functions that lead to or affect these problems. **The “Latin American Economic Outlook” is an imperative publication that should be the base of many procedures and policies developed with even the slightest relation to the Latin American region.** Due to its regional importance ignoring this document would be a big mistake. Referencing the OECD Outlook while making a claim has the potential to greatly increase credibility.

Inter-American Development Bank (IDB)

If we define the Inter-American Banks as World Bank but specifically for Latin America and the Caribbean, we would not be much mistaken. This organization is aimed at improving the life of every citizen living in the Latin America region and does this by being the main source of financial development of the LAC. As they put it, “We provide financial and technical support to national and sub-national governments and other entities in the region and conduct cutting-edge research. That is how we drive progress in health, education, infrastructure, climate action, and diversity, among other fundamental issues, to reduce poverty and improve lives in our region”.⁵ The IDB supports this claim by actively participating in development projects stemming into differing sub-sectors. They may provide income support for the vulnerable or poor populations on the economic side, but this doesn't stop them from promoting gender equality for

⁴ “ECLAC Will Release New Figures”, *ECLAC - United Nations*, www.cepal.org/en/news

⁵ “We are the IDB”, *The Inter-American Development Bank*, www.iadb.org/en/who-we-are/about-idb



Afro-descendants and indigenous people or supporting countries to advertise lifelong learning. This is what is meant by focusing on many different sectors of the issue.

Slovenia

The Slovenian social security system is created to include a broad array of social benefits such as pensions, unemployment benefits, healthcare insurance, and family assistance. Referring to OECD statistics from 2022, the social security contributions of Slovenia were the highest ranked among the OECD nations. The contribution rate was approximately 16%. This means that the Slovenian government spent 16% of their Gross Domestic Product (GDP) on the social security of their citizens. **This is something that should be studied by the delegates because the contribution percentage may be a significant factor in sustaining long-lasting success on this issue.** The second thing we should emphasize here is the social tax rate in Slovenia. The general social tax funds the pension and health insurance, so the tax for unemployment benefits is separate, and the rate is 38% as stated by the Slovenian Tax and Regulations Authority. Comparison-wise, Slovenia couldn't take the crown in this measure however it is still quite highly ranked in terms of the tax burden on labor/workers. So they take a lot and give a lot of what they take, which could be considered a very rough summary of what's happening here. **Delegates should discuss both the positive and negative effects of this since higher tax rates do have some serious repercussions on citizen life quality and satisfaction.**

Chile

Chile's social security system and the structure it has built upon have many unique qualities that have attracted important amounts of attention throughout the history of modern Chile. Originally, the system was created to benefit the competitive atmosphere & the dynamic nature of the private sector. The Chilean social security system relies mostly on privately owned pension funds, whose goal is to maximize investments from personal investment accounts controlled by private entities. However aside from these idealistic expectations, the system has some downsides as well and thus is a topic of debate and nationalization discussions at the moment. **Due to its reliance on private pension funds, the system oftentimes overlooks informal workers who are not able to provide regular payments because of their unstable employment status.**

The system is also criticized for low pension payments given to many Chilean retirees, that are below the minimum wage meaning it isn't sufficient for them to live comfortably in a prosperous manner. The occurrence of this isn't tied to only one source but rather various dependant conditions such as low payments from the workers, higher fees from the private pension fund, lack of government support in equalizing the situation, etc. **Although theoretically, the market principles of the private sector could**



lead to increased services and dynamic structures, because of the individualistic approach it may produce inequality between the citizens. This is most natural since no privately owned organization has any other goal than maximizing profits. So without necessary government involvement, the systems are eternally bound to incline towards the ignoring of informal workers who don't fit the ideal candidate profile of private funds. The delegates need to find the correct balance between privately owned social security organizations and direct national government action to maximize benefit and get the best of both.

Brazil

Brazil is one of the most important countries in taking measures changing the current system and measures transitioning the old processes similar to a reform. The system actually has a good amount of coverage from the public to the private sector and was able to utilize digital tools to improve overall quality. A system called “Cadastro Unico” -translated as unified registry to English- was proposed and introduced to the general public. To put it in simple terms, this is a database that includes the vulnerable population of Brazil and acts as their shared registry. The database is digitalized with many implications of digital data collection methods as well. This will be touched on once more, however, this in the end allowed tens of millions of citizens to get enrolled in the social security system in one single registry. Alleviating the physical barrier that standard single registrations would have shown, this system helped millions get monthly payments and relieve their economic suffering. **As one of the main digitalization ideas, methods of unified or collective registration should be discussed by the delegates, to then be integrated into the current systems.**

However, there are still some upsetting effects stemming from the system directly. From the creation, the benefits of public sector retirees and employees were at a great place, but because the private sector benefits were not as high this created an unequal balance between sectors. Raising one side of the equation, whether you draw that distinction between the worker categories or the types of social security expenditures, doesn't always equal successful applications. Even if technically or procedurally no problems arise, a bureaucratic separation of any kind may result in public unrest, and that widespread perception of falseness or unjustness has the potential to disrupt future government policies. **This should be noted by the delegates in order to be careful while creating a division of any kind because we are working with the rights of people, not mere numbers on paper.** Additionally, a reform that increases the financial gain of the people, will certainly last more and affect the government treasury more. This is similar to what happened in Brazil since the government was met with a fiscal burden that limited their spending of other kinds because they had to compensate for the generous benefits given to the public sector.

As one of the social welfare programs that has made a name for itself, the “Programa Bolsa Familia” grant was started in Brazil in 2003, by former president Luiz Inacio Lula da Silva, it is one of the biggest



conditional cash transfer programs provided around the globe. The mission was to get ahead of extreme poverty which was prominently seen in the rural areas of the country, and thus get into a state of rural development. The system gives out monthly cash payments for families in need, that were selected and officially documented by the “Cadastro Unico” registry. In the year 2023 total amount paid by cash transfers only was expected to be 1,5% of the Gross Domestic Product (GDP), which accounts to roughly 30 billion dollars in public spending. **As a program that has reached more than 21 million families and gives them roughly 650 Brazilian Reals per month (2023), Bolsa Familia is a great precedent for future attempts to decrease poverty.**

Mexico

Among the countries that have made attempts to widen the coverage of their social security structure, we can find Mexico. In 2003 Mexico introduced a new government program called “Seguro Popular” -translated as popular insurance- as a part of the government reform on healthcare policies. This new implementation aimed to extend the inclusion of the security system already in place, by making general healthcare services accessible to citizens not covered by the system. This, as one can expect, was a try to include the informal workers of Mexico in their social welfare structure, since the unpredictable nature of their work prevented them from standard enrolment in the healthcare order. This way, the gap of visibility between the general public and the ignored parts of general society such as informal workers, low-income families, or the self-employed, was addressed.

The government funded this project with a hybrid method consisting of state resources and fees from families. However low-income families were generally exempt from the payments, thus they accessed public healthcare services they would normally not be able to afford. **This type of combinational funding that may be shared between the state, private actors, and the public itself is an integral part of social welfare innovations sustainability, thus it should be taken into account while developing a fiscal policy for a solution.**

III. Focused Overview of the Issue

What is Social Security?

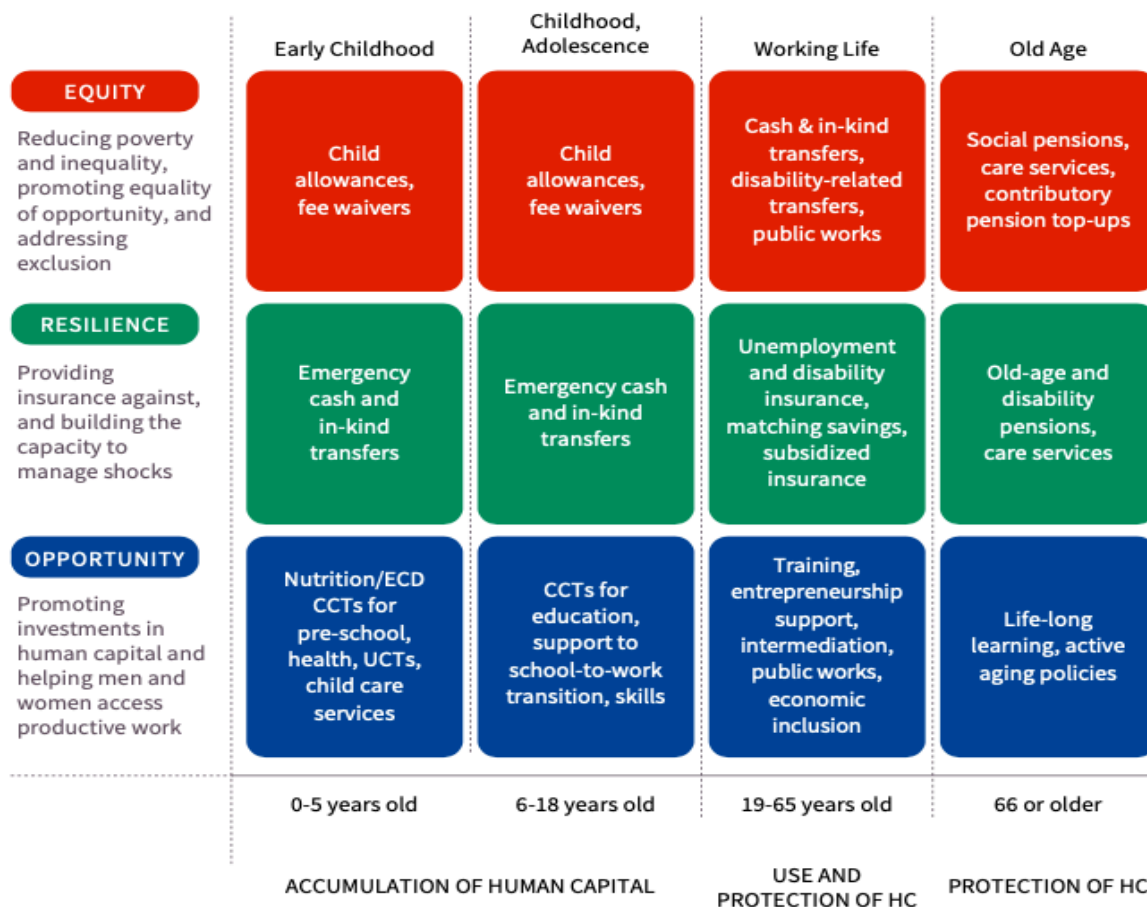
Social Security -although it has many different definitions dependent on the applied context- is the protection a government provides to individuals or households in that society. This protection takes many shapes and forms and has various methods of implications, as many as the amount of countries existing.



This analogy was meant to give the idea that although the principles and the main intentions of social security are the same; many specifics such as how it is dealt with, to what extent it applies, what it actually covers, how it is accessed, the criteria to be eligible, etc. differ from one country to another. These may even include unique approaches that a country has introduced, and are only seen in that state around the world.

There are many internationally accepted documents and definitions of Social Security & protection, however in the end when it comes to reality these government policies are no different than foreign policies or legal codes of one country. They should be passed by the national legislative authority of a said country and applied to the context via the executive branch of their government. There are and may be some methodical agreements that hold binding qualities, or guidelines that stay active for a period, etc. However, the core understanding here is that there isn't a set of absolute and firmly established specific requirements a government has to possess or provide to its citizens. So to put it roughly, there are no undoubted do's and don'ts in social security systems that allow a country to demand justification from another country in an international setting. Since they are domestic policies covered by national sovereignty to an extent, pushing things too far in the debate may result in a sharp counter-resistance based on the right of national authority.

In a wide context, we can summarize the goals of a social protection order in 3 categories: the development of the potential workforce, the use of human capital, and the protection of the elderly. Implemented through various focus points both socially and economically, this summarization successfully explains the core reasoning behind a social security system. As a part of the society it controls, the governments have a natural duty and tendency to protect their population, however as rational entities they have other indirect aims that in the end benefit the nation as a whole but need sources to be implemented. The one most important source in this context is the "Human Capital" meaning the part of the population that can be benefited from as a workforce member. **So to internalize the concept, we are trying to develop, use, and then protect our most valuable resource, which is the people.**



“Picture 1: The 3 Main Goals of Social Security”

Pensions

As stated before, Social Security is often an umbrella term that may include different social services under it. The core service that social security systems are expected to include is pensions. A pension is a term used to describe the monthly payments given to a person who is not actively working due to old age by the government. Further down the issue, you will understand that many payments given to citizens in social security systems are directed to citizens who aren't participating in the national workforce. However, there are very necessary categorizations here, that are mainly concerned with why these individuals are unable to work. The elements of the substantial group of people who are not working due to aging are very simply called retirees. This explanation might have felt unnecessary, but it has an intention behind it. Retired people have to get money from the government to continue their lives if they do not have other sources of income, that is a fact. From the perspective of the government, however, these people are under the category of “unemployed” but with a solid reason behind it, which is even accepted as a human right by many international organizations.



The retired people in a country are privileged in the sense that they have worked all their lives as much as deemed necessary by the government, and they have earned the right to gain this government fee by paying taxes to the treasury all their working life. **This is an important quality that should be taken into account while on this subtopic, the service provided to retirees should not be considered a government being generous, it is a government fulfilling its duties.** Since these people gave a part of their monthly earnings as social tax, they are entitled to this benefit. In the simplest terms, the government is giving back the capital it got from these individuals. However, there are some important details, one of which is the retirement age. As it has been stated, the specifics of social protection services differ around the globe and the retirement age is one of these measures left to the government's decision. A middle-aged person may start to get monthly pensions from the age of 60, however, someone from a different country may very as well have to endure 10 more years of work. This is significant because lowering the retirement age means a compound rise in the amount retired added to an exponential decrease in total taxes earned for this aim. **Based on these; modifying the retirement age is a tool for countries to lessen the monetary burden on the governments, however, it generally comes with quite substantial public responses and an easily formed state of unrest.**

Healthcare

Access to healthcare and essential medical services is considered and emphasized as a human right by all credible international entities. As defined by the World Health Organization “The right to health and other health-related human rights are legally binding commitments enshrined in international human rights instruments”.⁶ **Healthcare services and health insurance are an integral part of many countries social protectiin programs, however in some instances, they are left out.** An example of this is the USA, since in the US Federal constitution, healthcare is not defined as an unconditional right of all citizens. On the other hand, nearly all countries with acceptable social security systems include healthcare benefits inside their systems. The citizens pay social security taxes to their governments, but determining what will be included as a benefit of those payments is up to the government, an example being the US for healthcare.

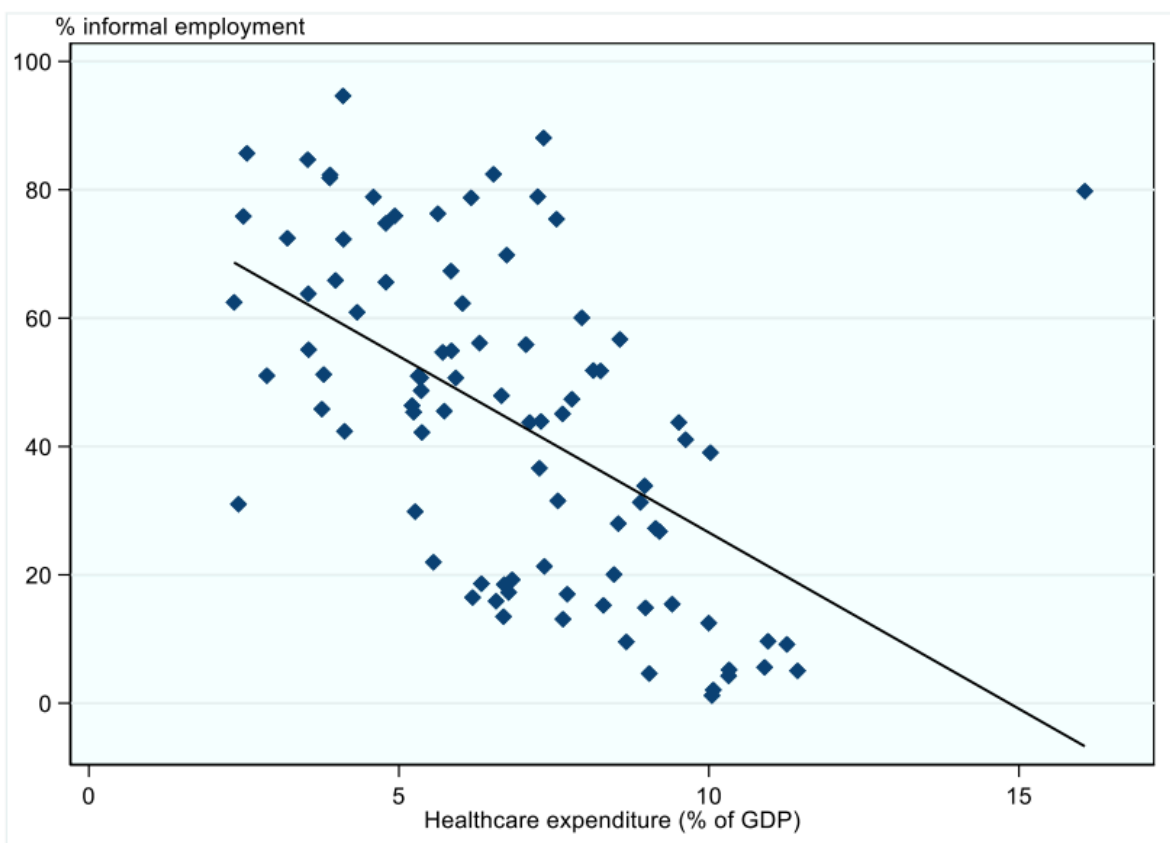
The governments may choose many different practical measures while providing medical services. Creating economic separation lines and setting different percentages of economic coverage to these said categories is one method. Employing all types of healthcare professionals in government hospitals that operate fully -or partially- free of charge is another policy that we are able to see in many countries. Providing partial monetary assistance in the purchase of prescribed medicines and alternating the covered

⁶ “Human Rights”, *World Health Organization*, www.who.int/news-room/fact-sheets/detail/human-rights-and-health



amount might be another method. These are very roughly put examples that are seen throughout the world, some partially or fully utilized by national governments with additions or edits.

Something with radical importance for our issue specifically is the relation between social protection variables and informal work rates. In many ways, it has been put that if the social services of a country are better, the informal work rates are lower. Healthcare is one of the core variables in this context since preserving human life is incomparably one of the most important factors in a worker's life. The graph below systematically proves this hypothesis, comparing the informal work rates with different percentages of healthcare expenditures, which basically show how many dollars are given to healthcare services per 100 dollars earned by the government.



"Graph 2: Negative Correlation Between Healthcare Spendings and Informal Employment"

Unemployment & Disability & Family Benefits

Aside from these core contents of social protection systems, there are often other components. Among these major services are unemployment insurance and family protection grants. Unemployment benefits work in the same idea as retirement, however here the citizen cannot tie their unemployment status to age. Thus, the compensation for the time that an individual is not employed is generally less than the



retirement pension amounts, and for many cases, is capped to a maximum duration of unemployment and not provided after that period. However, there are some special conditions such as disabilities. If an individual is unable to provide for themselves due to their natural disability, governments generally provide them with monthly cash transfers or physical necessities fully dependent on the condition itself.

Similarly, governments that make attempts to alleviate extreme poverty or wish to improve the overall conditions of their vulnerable populations by prioritizing rural improvements have social welfare structures that provide individuals or families in extreme poverty with cash transfers. As these systems vary a lot from country to country and even periodically inside one country due to increased cabinet dependence, drawing a frame wouldn't be appropriate. **Since many informal workers originate from economically underdeveloped settings and households, attempting to develop measures including rural development and poverty alleviation may be beneficial for this issue. Coming up with innovative solutions by digitalizing social welfare structures to include these populations should be one of the main focuses of the modernization debate.**

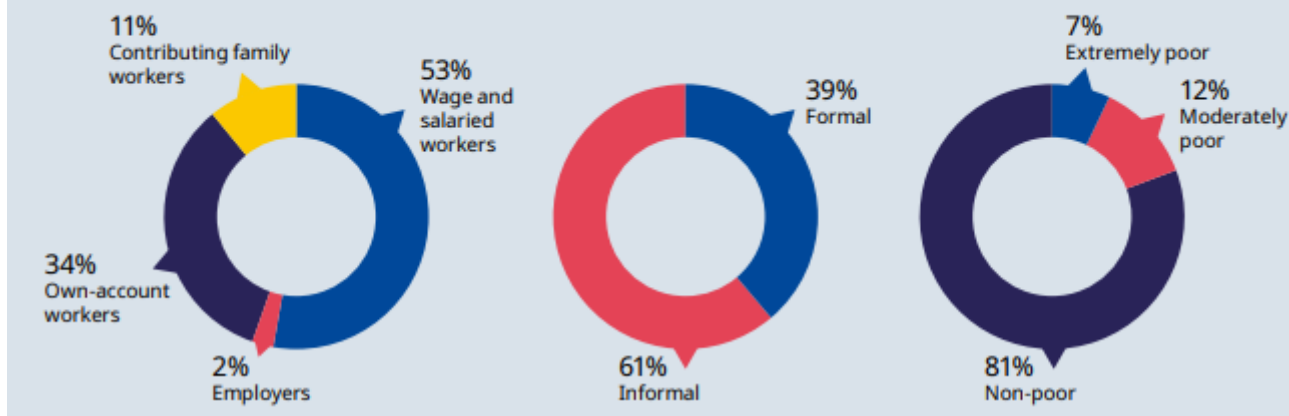
[Informal Workers & Current Issues Regarding Inclusion](#)

Informal employment is the type of participation in the workforce and the working arrangements that are de-facto or by the rule of law not subject to the national labor legislation, thus not included in the social security programs. This type of employment has many forms, some of which are periodical or seasonal workers who lack the full benefits of social protection because of their inability to full recognition. This is the main focus of this agenda item, transitioning from traditional methods that disclude informal and digital workers via the use of digital technologies and modernization. Informal employment has a more deep-rooted place in our current society than some delegates may expect. **In 2019, it was found that globally approximately 61% of all workers were deemed the “informal” status, while only 39% were able to benefit from social protection privileges.** The below graph that the data was taken from is currently 5 years old and the demographic changes during this time shouldn't be ignored, however, this striking data still holds nearly all its credibility due to its contents. Let the informal rate be 51% rather than 61%, but the data will still be incredibly concerning in regard to our issue.



Figure 1.2

Characteristics of global employment, 2019 (percentages)



"Graph 3: Global Employment Statistics"

There are mainly two issues regarding the inclusion of informal workers in the national welfare systems: the inability to reach the informal sector or the inability to provide for the informal sector due to the eligibility criteria. As self-explanatory as these measures are, the issue still remains a critical obstacle on the road to an all-inclusive social protection system. **The ineffectiveness of physical reach to the citizens is an issue that can be dealt with through urban mobilization and the inclusion of digital aspects to our issues, such as online enrollment or a united registry,** such as the Cadastro Unico in Brazil that has been touched upon in the involved actors part.

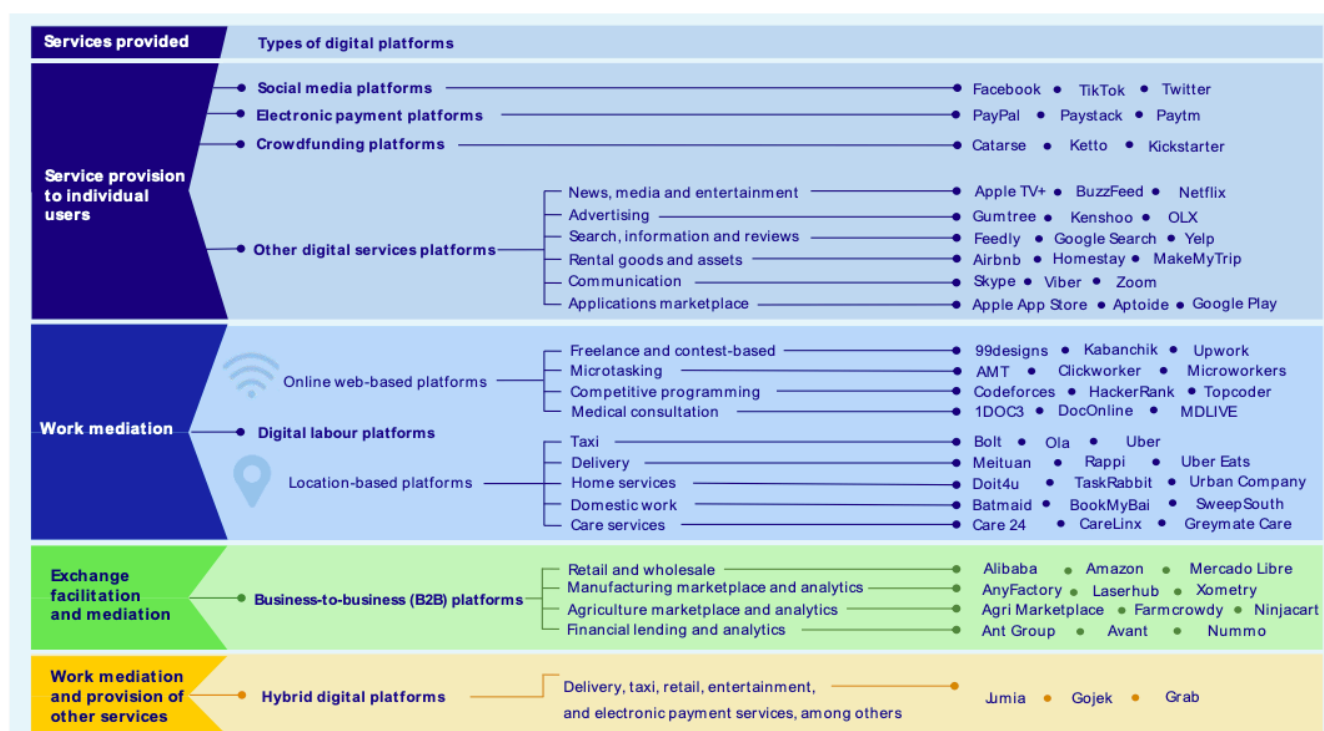
The problem of the criterion of eligibility is, in my opinion, trickier to handle keeping in mind the differing situations and economic states of national governments. This issue is one that specifically requires economic attention as well because merely proposing to let everyone in isn't sufficient. **The budgets of governments are limited and other expenditures aren't going anywhere.** Thus an attempt of modernization in this context has to possess the socioeconomic qualities the proposal requires. **Delegates may use the documents in the useful links section to form a deeper understanding of the monetary aspects of the issue.**

Digital Workers & Employment

Digital employment can be defined as a term that encapsulates all means of working arrangements that do not include a stationary employer or a physical workspace that has the recognition of a nation's governmental organ that deals with domestic labor matters. All freelance professionals, people who work on a client admission basis, digital service providers without legal recognition as an official workplace, etc. can



all be put under this category. The reasons why digital workers are unable to utilize the benefits of social security systems are similar to those of informal employees.



“Picture 4: Types of Digital Employment Platforms”

To get into the specifics of ineligibility due to not meeting the necessary criteria, the system failing to include and denying to include workers are two different situations that require different approaches intentionally designed for their own needs. The system's failure to accommodate these digital and informal workers is generally an issue of timeliness. These systems explained in this research report have histories going back many decades, and for the ones that haven't undergone substantial changes, the original principles still apply. The principles are always combined with procedures, and thus the unchanged social security systems have procedures designed for the needs of the period it was created in. Some methods that date back many decades can be seen as active and credible today. When this is seen as the reasoning behind the inclusivity issue, we should understand that the problem is caused by old bureaucratic methods, procedures, and thus criteria. **A social system created at a time where even the word “digital” meant very little, cannot be expected to comfortably enroll and accommodate digital employees. This is simply because the rules aren't fit for them.** As an example, a social protection system that mandatorily asks for a formal employer as a governmentally recognizable entity, etc, cannot properly address the issue of a digital worker. Since the system mandatorily asks for a stable employer and the decentralized nature of a digital worker doesn't allow for that, this is a simple example of a social protection system failing to include digital workers. This issue is



a comparatively easier one to resolve. **Utilizing digital methods and making attempts of modernization is the key factor in solving this.** The system is unable to enroll digital or informal employees because its old and was not created for today's needs. Methodical reforms whether that be legislative or executive are needed to improve this problem to diversify the procedures of ingrained bureaucracy and social protection systems.

Another reason behind an inclusivity issue can be the system denying to accept these workers. If we imagine the social security system as a human; the prior problem would be unintentional, however, this reason would be generally intentional as the system would be aware. **Denial from the system occurs from government criteria that the informal workers cannot actually meet because they are unreasonable or unaffordable for them.** National social security systems generally ask for a percentage of the worker's salary and for another fee from the employer. Even if an informal worker is able to deposit fees independently, if this individual is expected to pay both the employer and the employee fees, this would make it practically infeasible for that citizen to properly enroll. Even if this isn't the case, monthly system fees are proper for workers who get stable monthly payments. An informal or a digital worker might not earn the same every month, they might not even earn every month. Types of employees like seasonal workers have very specific periods of high earnings and low earnings, and for these situations expecting a set monthly fee becomes very unreasonable. **In the end, let it be unreasonable or something else, these types of problems cause the informal sector to not be able to join the system because they actually cannot meet the asked standards.** The main difference between the above paragraph is that if a social welfare form had a "seasonal worker" option to select at the beginning the worker would be able to fill the remainder of the form, however, this problem is the same worker being actually unable to fill the remainder because of high expectations and economic hardship, or being unable to follow up or continue the payments after enrolling.

Informality & Social Contract

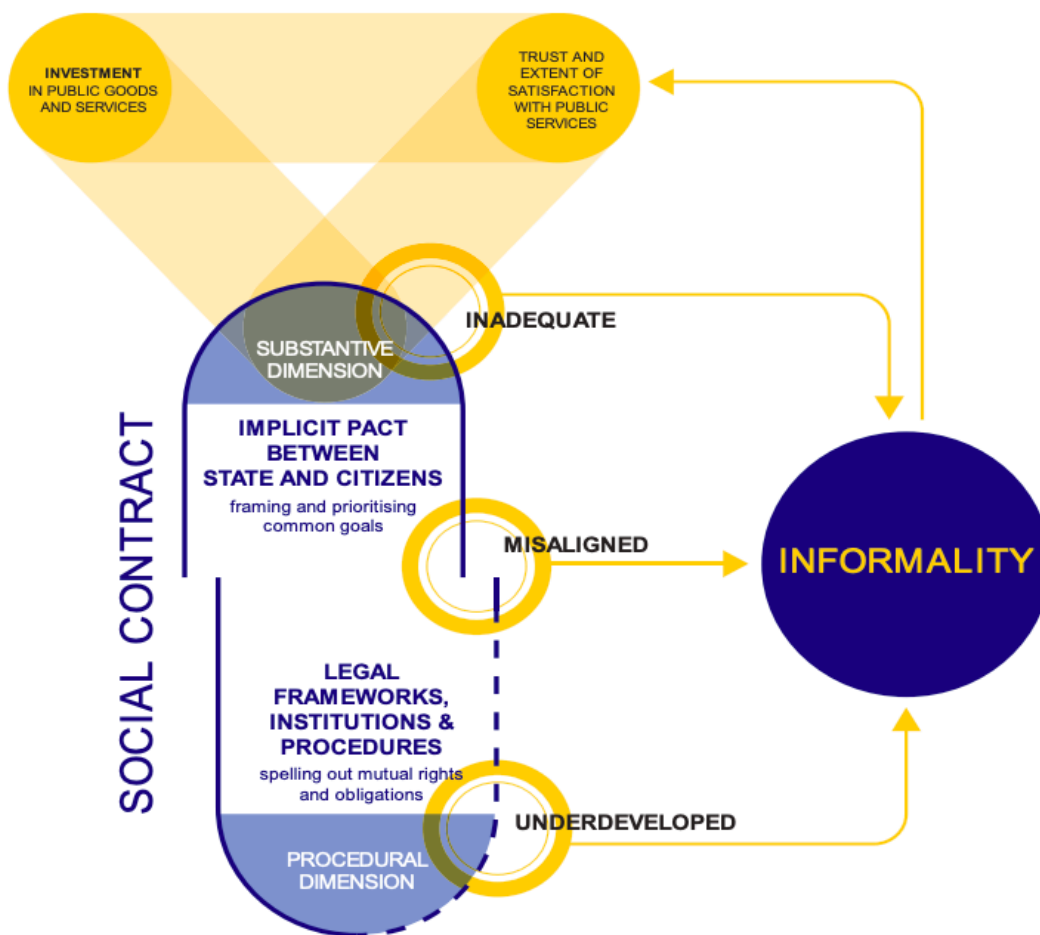
The equation of which informality (informal employment rates) are determined isn't a simple two-variable linear function. What determines informality is a complex set of multivariable functions some of which may not even be suitable for quantitative analysis. **However, looking at the widely accepted conjectures around the topic, informality has strong ties with the social contract a government provides and the qualities of the contract itself.** In this context, we can divide the social contract into two parts: the substantive and the procedural. "Social contracts represent an implicit agreement between various actors – citizens, state, workers, enterprises – on how to distribute power and resources in order to achieve common goals such as equity, fairness, freedom, security, and eventually social justice".⁷

⁷ OECD Development Center, "Informality and Globalization", (Paris, OECD Publishing, 2023), 27



The substantive part refers to the unwritten ideals of a society: the common goals, how they are framed and prioritized as well as the mutual interests. The procedural dimension consists of the legislation, legal guidelines, institutions which aim to make the priorly stated implicit pact explicit. This category also includes the practical implementations of achieving this goal inside it. From this perspective, we are able to see that informality arises from either procedural insufficiency, weak substantive dimension, or a misalignment between these two parts.

Misalignment here can mean a difference in intention/implementation or a difference in development level when one section is substantially more developed than the other. As a topic, comparably more dependant on understanding of the subject and thus intuition, not a lot of explanation is needed. The below graph perfectly illustrates these aspects and how they interact.



"Picture 5: Informality and the Social Contract"



IV. Key Vocabulary

Social Welfare: Understood as a subcategory of social security systems, **social welfare is the umbrella definition of all the services provided by the governments to aid the underprivileged parts of society such as the poor, ill, or old populations.** Not particularly separate from the general concept, social welfare focuses specifically on public assistance to individuals or families in need, to ensure social equality and that all members of a society are able to meet their essential needs for food, shelter, education, etc. At its core, social welfare programs focus on bringing quality education to the underprivileged, reducing poverty, and fixing the issue of chronic unemployment; for which the most common execution method is cash transfers or direct monetary family grants.

Gig Economy: **Gig economies are labor markets distinguished by their nature of short-term, low commitment method of business.** These flexible jobs are often facilitated through digital platforms used for varying purposes such as open markets for the freelancers to meet clients, software to actually assist the worker on its service as a catalyst, or the core methods of doing business as intermediary institutions that the service itself stems from. Temporary positions are the main method of business agreements in this economy and employers tend to hire independent workers. **“Gig” here refers to the short-term jobs with specified start and end dates.** In a gig economy, many positions can be seen as tied to a single goal. As an example, an international firm is opening a liaison office and needs a technician to establish a local server for their building. If given to a freelance worker, this job is tied to one specific goal which is creating the local server. So the business contract ends with the server’s completion, and no further commitment is required. **Gig economy workers often get left out of national social security systems due to the lack of long-term employment agreements,** and depending on the country this can even lead to their employment status showing up as unemployed for most of the time.

Contributory Systems: **In contributory social protection systems, the benefits are dependent on the contributions made by the employer and/or the worker.** These contributions are generally made through social taxes, pay cuts, or premiums. Whether this dependency is justified by the existence of the contributions or is based on the actual amount, frequency, and quantity of the monetary inputs coming from the worker; one thing remains constant and that is these government benefits having “earned” qualities for the workers. When the said expenditures are tied to citizen contributions, the government starts to lose freedom and mobility regarding the choices of these benefits, because the people contributed to it themselves. This additionally creates a chance of causing public unrest if and when these standards are attempted to be amended.



Non-Contributory Systems: As it may have been understood from the name, near the antonym of contributory systems, these services are not tied to fiscal contributions. **These are received services even without any monetary contribution often funded through general taxation or funding.** These systems are generally seen to target the economically challenged or vulnerable populations in a nation that are unable to put in any input for the services they need. These systems may be considered more significant in terms of achieving widespread equality and all-around public welfare.

Portability of Social Security: To summarize, **this principle refers to the ability of individuals to transfer social security contributions, coverage, and/or benefits from one country to another.** This is especially important for informal workers situated around borders and digital workers who are not tied to a specific country's social security institution or may work in various countries. When this service is provided, a worker who has contributed an "X" percent of the necessary amount during their work in one country, does not have to start from scratch when they change settings. This is many times the core issue standing between sustainable and stable social protection privileges and informal workers who weren't situated in one particular country.

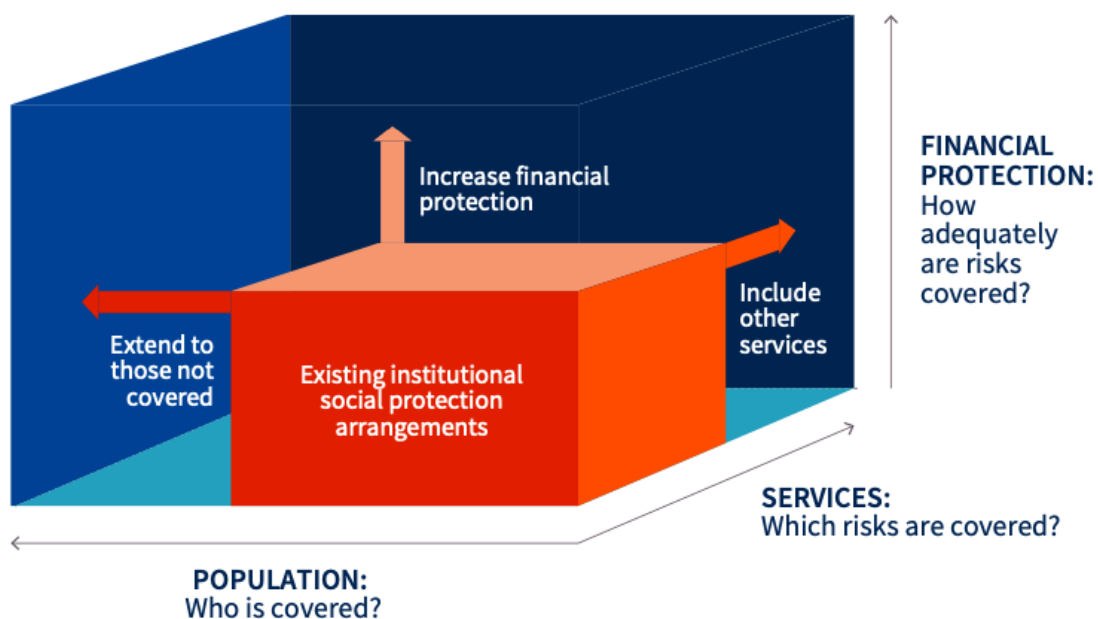
Universal Social Protection (USP): The USP is defined by the International Labour Organization as "a nationally defined system of policies and programs that provide equitable access to all people and protect them throughout their lives against poverty and risks to their livelihoods and well-being".⁸ **The important part of USP that the delegates should understand is that it shouldn't be recognized as something above nations and a measure to unite all without giving concern to the borders.** The USP can very well be a national policy, it is even explained as a nationally defined system, however, it holds the principle that every citizen of the society shall be provided with equal opportunities of education, healthcare, employment, and social services. This is a principle upheld as an attempted standard, that prioritizes human rights and equitable access to public assistance. Delegates may experiment with various approaches to ensure a global understanding of USP or practical and implementable measures to bring USP to reality.

Social Security Coverage: This refers to the level of service provision when a variable is set as the independent. Principally, this may be the extent to which a country's social security system includes different populations or employment groups. Coverage may also be understood as the total quantity of different services provided, similar to a portfolio. Additionally, the financial range of a provided service can also be accepted as a coverage variable, so how much and how long a country is to provide a service is a topic of coverage for that service. The table below visually explains the concept immaculately. **The main purpose of the delegates should be to increase the coverage of social security systems. Do not**

⁸ "Universal Social Protection", *International Labour Organization*, usp2030.org/#why



hesitate to refer to these three dimensions of coverage, take them into account and strategically utilize them in your resolutions.



“Picture 6: Achieving Effective Social Protection Coverage”

V. Important Events & Chronology

Date (Day/Month/Year)	Event
1889	Germany becomes the first nation to adopt a social insurance program
14 August 1935	The US Social Security Act was signed into law by the President of the United States of America
June 2012	The International Labour Organization’s “Social Protection Floors Recommendation No. 202” is published
July 2018	The United Nations High-Level Panel on Digital Cooperation was held and proposals of digital advancement took place



VI. Past Resolutions and Treaties

[A/RES/70/1 - Transforming our world: the 2030 Agenda for Sustainable Development](#)

Debatably, the most important initiative taken by the United Nations in the last decade may very well be this resolution. **The General Assembly resolution 70/1 of 25 September 2015 named “The 2030 Agenda for Sustainable Development” is the main resolution that has created, outlined, and defined the United Nations Sustainable Development Goals, or as you might have come across them, the “SDGs”.** As the one all-inclusive framework that encapsulates all of the UN’s schemes for sustainability at various levels, this resolution defines 17 critical goals for a healthy and prosperous world. Because of its detail-oriented approach which quite systematically sets clear-cut objectives for each of the goals and includes universal explanations; the UN 2030 Agenda for Sustainable Development has managed to permeate into nearly all institutions and the programs of policymakers around the globe. Many of these goals are directly related to the social security issue and can be accomplished through inclusive and unconditional aid programs. **Referring to the 17 SDGs and aiming to achieve these said principles by tying your resolution proposals to them would make them stronger and more credible, increasing the chance of success.**

[A/HRC/RES/42/13 - The Right to Social Security](#)

This resolution passed from the Human Rights Council of the UN, defines and elaborates on the right to social security for all the citizens of the earth in a clear, concise, and assertive manner. As a relatively short document of only 2 pages, the resolution talks about the right to social security from various frames of reference such as gender, race, religion, disabilities, etc. Due to the Human Rights Council mainly utilizing preambulatory clauses for the expression of the priorly stated principles, the resolution has charter-like qualities that don't discuss but rather firmly state the international principles decided on by the delegates. It also recalls prior documents such as the Sustainable Development Goals and the Vienna Declaration to create a unitary piece of justified principles. **Due to these, delegates should take this resolution as a guide on what a security system “should” or “shouldn’t” do; and a reference frame to understand what government policies are expected or unjustifiable under the international doctrine.**

[United Nations Development Programme: Digital Inclusion Playbook 2.0](#)

As a global handbook on digital inclusion, **the Digital Inclusion Playbook looks at the concept of dynamic world order and the rapidly increasing digitalization from a birds-eye view.** This document was not created as an answer to the social security issue, rather it is a general guide that has all the necessary dimensions of digitalization and digital inclusion for the modern world. Using the information



inside this approachable guide which has been divided into categories in a practical way, could be very beneficial for the delegates to internalize the digital innovation aspect of our issue.

[International Labour Organization: Social Protection Floors Recommendation No. 202](#)

As one of the leading internationally accepted documents about the issue, this list of thorough recommendations with specified methods and conditions drives the international arena forward in terms of universal social protection standards. **At its core, the primary objective of this documentation is for the member states to establish and maintain applicable social protection floors as fundamental elements of their national security systems.** After this historically significant statement of expectation, the document goes on to describe and outline principles for standards, minimum conditions, and government policies that concern social security. To the extent of what considerations should be given while determining various domestic decisions, the document is literally the pillar of social protection standards and a solid basis for a Universal Social Protection goal. **Delegates are strongly encouraged to apply these principles in their clauses and establish sustainable measures to uphold and enforce them nationally, when necessary.**

VII. Failed Solution Attempts

The general context of this issue allows it to have many and very few possibly failed solution attempts at the same time. Because this issue is quite uniquely approachable by different countries listing all national policy changes that couldn't pass from their national judiciary organs would be quite literally impossible. On the other hand, if you look at the issue from a wider perspective you may not be able to find any attempts that grew bigger than their domestic intentions. However, for the sake of understanding possible reasons behind an unsuccessful attempt, one such example is suitable

In 2005 US President George Bush proposed an initiative to the US Social Security System, allowing for younger workers to have more freedom on their social security contributions, and giving them the chance to privately invest a part of their social security taxes. This attempted reform however couldn't be translated into reality, and it failed. The first reason for failure was a lack of public consensus and noticeable opposition. The details of why this disagreement for this example specifically are not significant. **The lesson to learn here is that because this topic directly affects the life quality of the public, public agreement and widespread consensus are imperative for legislative reform.** A transition not backed by an overpowering majority of the public will have an increased concern for sustainability, and as seen may not even be implemented.



As previously mentioned under “Informality and Social Contract”, a weak substantive dimension is as crucial as other aspects of a system. **This is the direct definition of a weak substantive dimension because, in contrast to other parts, the strength of the substantive dimension cannot be calculated by looking at only the government initiatives. It is the adequacy of government ideals relative to the public, and it is the public trust in the system.** This directly correlates to the setbacks explained by systematic principles and should be accounted for as such.

Additionally, President Bush faced substantial political resistance as well. The above principle is applicable to this version of disagreement as well. **Some domains of governmental policies may be different, however this issue specifically does not allow for substantial individually driven decisions.** Even if the person in power has other opinions, decisions regarding social security if not backed publicly and politically cannot be properly implemented. Additionally, the US attempt had created many financial concerns for the citizens and government officials. **For an innovative change to the current system to be smoothly accepted, total financial cost or possible long-term burden should be minimal.** While you devote your effort to the justification of a principle change, you shouldn't have to face economic arguments as well. This is a significant factor of opposition and can easily lead to widespread resistance to social change.

VIII. Possible Solutions

In principle, delegates should be able to include different measures developed for the various aspects of the issue. **A successful resolution for this topic has to be a whole resolution. Rather than focusing on one effecting aspect such as digital development, and building the entire structure of a resolution around that; delegates are encouraged to reflect the multidimensional nature of our issue in their resolutions by including clauses fitted for each of the components of our issue.** While preparing, check yourself and the work you have created from a “to-do list” perspective. After you read this research report, create a list of different aspects of this issue for yourself. Make sure to include components that have been mentioned in the report since they hold importance for this issue, but do not hesitate to go beyond and add spheres of influence created by your own interpretation. If you write draft clauses, hold yourself accountable for that list and ask yourself questions like “Have I included this component” or “Is this part of the issue sufficiently resolved” etc.

Firstly, a factor that shouldn't be ignored is the government's decision-making processes and the significance ranking of different goals or sought-out accomplishments. **In this context creating an**



inclusive clause that discusses the governments' absolute responsibilities, the preconceptions that are expected from them and the international guidelines as credible and even enforceable judgments under international conjecture may be fundamental. The fact that there has been official documentation that defines the frame under which procedures should be developed shouldn't hold you back from this. **Don't hesitate to refer to the international documents and resolutions mentioned in this report, and use their contents as pieces of evidence to support your claim.** Directly making references to the articles from these can also be an option if you believe that the definition provided will be more valuable from your own words, with the extra credibility boost.

The economic aspects of the issue are considerably technical and have to be mentioned in the resolution. **One of the key skills a government should possess for a social security system to continue sustainably and withstand periodic downfalls is the ability to mobilize domestic revenue and government tax earnings.** Delegates should experiment with methods of creating long-lasting and natural funds for social security programs, or outlining clear principles of better allocating the revenue already coming in. An effective factor in social security success around the world today, is the percentage of the GDP contributed to social protection efforts. While not claiming that widespread success is only tied to the contribution rate; we can make this simple assumption that if we give significance to an area of government expenditure, we can raise the part of our budget tied to that effort. However, the total percentile allocation has to always equal 100. This is a rough analogy to say that raising one section requires decreasing another and merely asking the "increase in the GDP contribution percentage" isn't sufficient. **The delegates may attempt to create minimum boundaries for states to adhere to, or situational recommendations that take into account the regional aspects; however, framing a method of prioritization or specific suggestions for resource allocation is imperative.**

Another factor of monetary income is public social taxes and the rate at which they are cut from employee payrolls. As stated before, implications that touch the citizens directly are risky and should be suggested attentively. **Raising the tax rate may be beneficial in raising the total input, however, it may raise the fiscal burden on citizens and cause public unrest. Since the aim of social security is for individuals to enjoy government services, if they are unable to enjoy the benefits you provide that means the system has failed on its mission.** This is an effective tool however similar to economic investment methods the loss risk increases with the win rate. The delegates may attempt to find a healthy balance between the two unwanted extremes or lay out guidelines that shall act as a rulebook for the states on this decision.

For the effectiveness of the social security system, the core aim is simple: "increase coverage". However, this only applies if the system is able to properly transfer the provided benefits to the people so they are able to enjoy the advantages. If this isn't the case and the people



are already having trouble accessing the provided services, then measures should be established to alleviate the issue. Physical, practical, and realistic solutions will be the ones most appreciated for this subtopic. This is one of the best ways to propose digitalization for the system. This may be the problem of reaching the citizens, sustaining the information exchange, protecting the relationship created, or an issue of actually not being able to reach the citizens due to physical or cultural barriers. **The delegates are encouraged to come up with creative and effective solutions to integrate digital innovations into ingrained social welfare systems to fix a selection of the mentioned problems.**

When it comes to coverage, routinely refer to “Picture 6”, provided under the coverage definition. As delegates, you are expected to develop various mechanisms to expand the coverage of the systems. **The extent to which a provided service is funded may be influenced by suggestions to the states about updating domestic legislation to include judgments regarding monetary coverage.** Standards might be set for different categories of social services, a recommended average might be the way delegates wish to proceed with.

On the other hand, increasing the amount and selection of the services provided by the national systems is valuable as well. **Developing a selection of governmental services endorsed by the UN, each service including the necessary explanations and relative importance may prove to be quite effective.** Additionally, for the member states that do not provide a wide range of social benefits, setting an international guideline of thresholds a national security system has to fall above for it to be recognized by the UN, can be an approach. Creating new definitions and expectations may occasionally face counterarguments of not being enforceable due to the domestic nature of some procedures. However, you are a lot more free when it comes to transitioning the UN procedures as you represent the United Nations entirely. **These types of international recognition criteria, expanded with international incentives may be surprisingly efficient in motivating the countries to operate under the guidelines.**

Our issue is heavily focused on the inclusion of informal and digital workers, and that should be felt from the resolution as well. The reasons for informality and methods for prevention & decrease of informality rates have been discussed in this report. By expanding these with their own research, **delegates are expected to propose structural, social, or cultural methods for the inclusion of informal workers into the social security systems. This may include countries changing their eligibility status for informal and digital employees.** I see this as the most important element in achieving all-inclusivity. **Delegates may establish frameworks that are well supported by international economic principles, which set widely applicable standards for the eligibility criteria expansions concerning informal workers, digital workers, and the gig economy.** These clauses should provide clear and certain judgments with numerical conclusions about the extent to which the admissions are asked to change. Creating functional groups of influence, and stating requirements that are



most fit for each could be a wise choice. This way, the delegates could get the best of the issue regarding systems “denying to accept”. **Digital integration may also be quite easily transitioned to in cases of systems “failing to provide”. Simple legislative amendments, concerning aged bureaucratic procedures, that include digital systems such as online registration or routine mobile information checks can be very affordable solutions.**

Another perspective is that for the informality rates to decrease, and if the right conditions are provided, the individuals from the unemployed workforce should be motivated to return to work. **This only occurs if an incentive to return back to work is present.** However what is sometimes perceived is that for an individual worker, it may be prohibitively costly to challenge their employment status, and may cost them the very work opportunity they need. **In the simplest way, if not working is easier than working again, the individuals always choose not to work.** So, the delegates should keep this in mind while discussing the benefits of unemployment insurance or grants, etc. **Providing a little too much may work against the intention and motivate that individual to stay unemployed.**

Workers may also not be aware of their rights and usually do not have the time or money to file court complaints in case of a violation of their rights by not being stated as employed by their patrons. When workers are in a similar situation, this once again incentivizes them to stay in that unpleasant situation. **The employees may be of collective advantage here if they are able to report to their governments, because these businesses that operate outside the legal code by not officially stating their workers as employed, can now be detected and penalized.**

IX. Useful Links

[OECD - Global and Regional Development Trends](#)

[ECLAC - Social Panorama of Latin America and the Caribbean](#)

[World Bank: Universal Social Protection - 2 Pager](#)

[ILO - Strengthening Social Protection for the Future of Work](#)

[ISSA - Platform Workers and Social Protection](#)

[ISSA - The power of social media in social security organizations](#)

[Gender-Responsive and Inclusive Social Protection Research: Whats Next?](#)

[Basic income and related forms of unconditional support: A role in promoting a green & fair transition?](#)



[The Dialogue: Would Boric's Plan Change Chile's Pension System](#)

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