

Social Security and the Informal Economy in the Eastern Caribbean Currency Union

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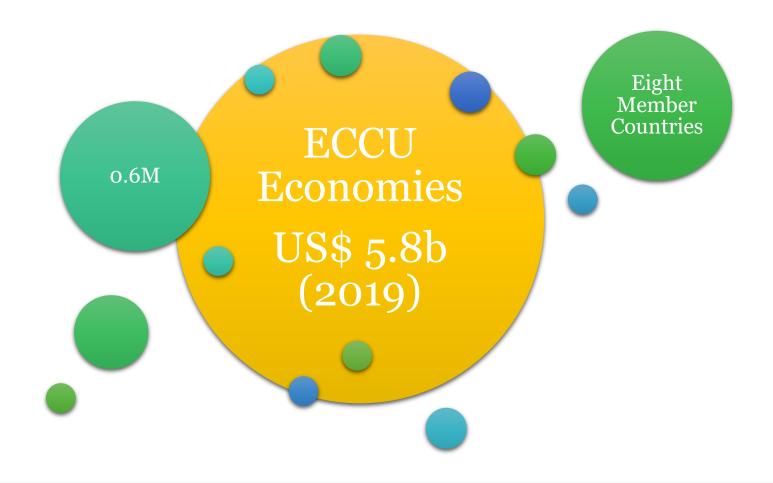
Outline

- The Economies of the ECCU
- Informal Economy
- Social Security Systems
- Challenges to Social Security
- Resolving Challenges
- Conclusion





The Economies of the ECCU







The Informal Economy in the ECCU

- Definition used in the ECCU follows the ILO definition of the informal employment.
- Social Security Systems adopt this definition as well.
- Informal economy may be separated into legal and illegal activities.





The Informal Economy in the ECCU

The Informal Economy

Large but stable percentage of GDP

Estimates are similar to other CARICOM Member states

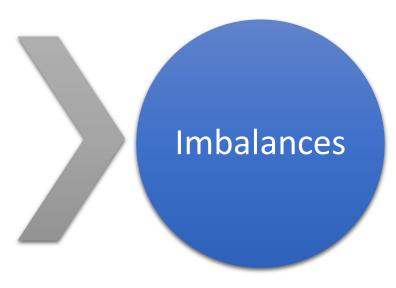




The Informal Economy in the ECCU



Some employed workers may not receive sufficient Social Protection





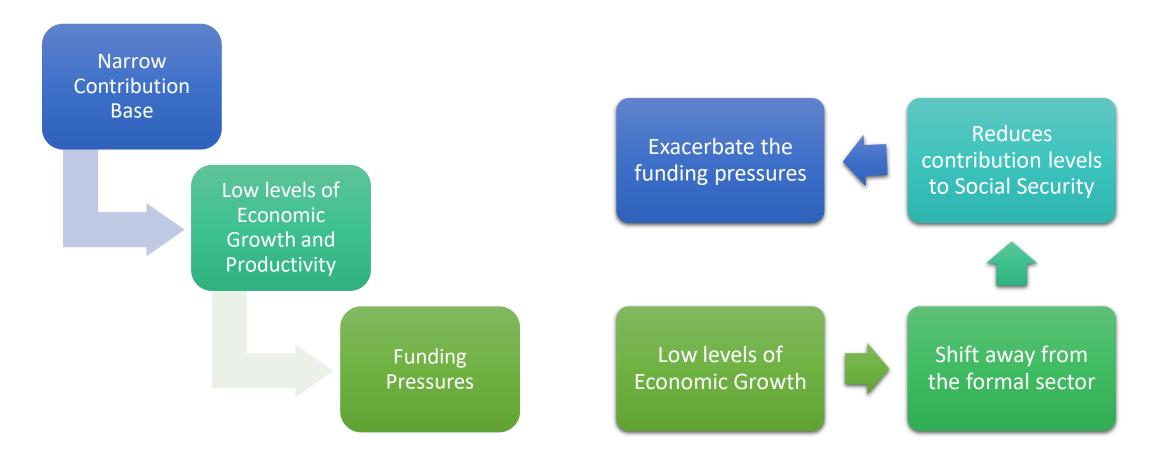
Social Security Systems in the ECCU

- Asset base of US\$2.5b (2019).
- •33.0 per cent of GDP.
- Deposits of Social Security Systems were approximately 8.0 per cent of commercial bank deposits in 2019.





Social Security Systems in the ECCU





Challenges to Social Security Systems and the Informal Economy

Capturing the informal economy remains a major challenge.

Estimates of contributions by the informal economy to SSSs are based on a combination of approaches.

Low coverage of the informal sector and self-employed.

Fraudulent activity.

Resolving challenges for Social Security Systems and the Informal Economy

Promoting gender equality and women's empowerment.

Identifying the most vulnerable segments of the informal economy.

Continued expansion of the self-employment contribution mechanism through Social Security.

Resolving challenges for Social Security Systems and the Informal Economy

Reducing or removing the barriers to business formation.

Reducing tax system complexity

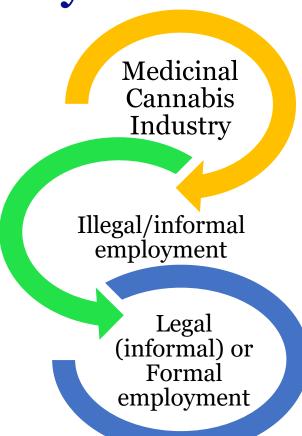
Strengthening and continued enforcement of compliance laws.

Resolving challenges for Social Security Systems and the Informal Economy

Increasing coverage especially in New Industries

Marijuana production (illegal drug production)

Medicinal Cannabis Industry







The End