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Informal workers' rights and social protection: a comparative analysis of divergent pathways in Peru and Senegal

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ABSTRACT

This study examines the comparative dynamics of informal workers' rights and social protection in Peru and Senegal, two countries where informal employment constitutes the majority of the workforce yet where policy approaches to extending social protection have taken distinct pathways. Despite their divergent regional contexts and institutional histories, both nations grapple

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with the fundamental challenge of designing social protection systems that reach workers outside formal employment relationships. The research employs a comparative case study methodology, drawing on policy documents, program evaluations, statistical data, and scholarly analyses spanning 2020-2026. Peru presents a case of persistent structural informality despite decades of economic growth. With over 70% of workers in informal employment—including 73% of employed women—the majority lack access to pensions, health insurance, or employment protection . The Peruvian constitution guarantees universal right to social security, yet legislation ties access primarily to contributions from formal salaried employment, leaving a significant portion of the population with limited or no coverage . Non-wage labour costs, amounting to 23.4% for average-income workers but reaching 124% of labour income for informal salaried workers in the bottom income decile, create powerful disincentives for formalisation . Special regimes for micro and small enterprises, while designed to encourage formalisation, have created distortions that discourage firm growth and perpetuate informality . Recent analysis by Peruvian scholars calls for a paradigm shift from "labour protection" focused on formal employment to "social protection" covering workers throughout their life cycle, regardless of employment status . The ANITA research project on women domestic workers in Lima, La Libertad, and Piura revealed that during the pandemic, the number of domestic workers without contracts increased from 89% to 93%, with barriers including the undervaluation of domestic work as "help" rather than work, absence of written contracts, and lack of enforcement procedures .

Senegal presents a different picture characterized by active policy innovation targeting informal sector workers. The informal economy accounts for over 80% of the economy, with market traders and street vendors comprising up to 24% of total employment nationally and 52% in Dakar . A July 2025 national dialogue convened by the Ministry of Labor and the ILO brought together stakeholders from the agricultural, livestock, fishing, and forestry sectors to establish foundations for a social protection system adapted to the realities of informal workers . Discussions highlighted the need to cover all social risks, particularly illness and old age, while considering the specificities of women, youth, fishers, and transhumant herders . The MSNAS (Mutuelle Sociale Nationale des Artisans du Sénégal) pilot project, launched in February 2024, targets Senegal's artisans—representing 122 different trades—with a modular, flexible health insurance scheme. By April 2024, close to 10,000 artisans had enrolled, with contracts signed with 138 health service providers

across all 14 regions . A quantitative survey of 150 food entrepreneurs in Ziguinchor found that 98% had not considered taking out health or social insurance when establishing their businesses, citing lack of formalisation, absence of institutional constraints, and insufficient information as key barriers .

Peru's strength lies in its sophisticated diagnostic understanding of informality's structural causes and its recognition of the need for a paradigm shift toward universal life-cycle protection. Its challenge is translating this understanding into politically viable reforms amid fragmented systems and limited fiscal resources. Senegal's advantage is its pragmatic, step-by-step approach to extending coverage to specific informal subsectors, its strong stakeholder engagement through national dialogues, and its willingness to experiment with modular schemes that can be expanded incrementally. Both countries demonstrate that advancing informal workers' rights and social protection requires: (1) recognition that social protection must be decoupled from formal employment; (2) progressive reduction of non-wage labour costs that incentivise informality; (3) simplified, accessible schemes tailored to the realities of informal workers; (4) strong stakeholder engagement and participatory governance; (5) attention to gender-specific barriers, particularly for women in domestic work and other feminised occupations; (6) gradual, modular approaches that allow learning and adaptation; (7) digital infrastructure enabling registration and contribution collection; and (8) sustained political will to prioritize the 70-80% of workers who remain outside formal protection systems .

KEYWORDS: Informal workers, social protection, Peru, Senegal, labour rights, informal economy, universal health coverage, domestic workers, artisans, non-wage labour costs

RÉSUMÉ

Cette étude examine les dynamiques comparatives des droits des travailleurs informels et de la protection sociale au Pérou et au Sénégal, deux pays où l'emploi informel constitue la majorité de la main-d'œuvre mais où les approches politiques d'extension de la protection sociale ont emprunté des voies distinctes. Malgré leurs contextes régionaux divergents et leurs histoires institutionnelles différentes, les deux nations sont confrontées au défi fondamental de concevoir des systèmes de protection sociale qui atteignent les travailleurs en dehors des relations d'emploi formelles. La

recherche emploie une méthodologie d'étude de cas comparative, s'appuyant sur des documents politiques, des évaluations de programmes, des données statistiques et des analyses savantes couvrant la période 2020-2026. Le Pérou présente un cas d'informalité structurelle persistante malgré des décennies de croissance économique. Avec plus de 70 % des travailleurs dans l'emploi informel—dont 73 % des femmes employées—la majorité n'a pas accès aux pensions, à l'assurance maladie ou à la protection de l'emploi . La constitution péruvienne garantit le droit universel à la sécurité sociale, mais la législation lie l'accès principalement aux contributions de l'emploi salarié formel, laissant une partie significative de la population avec une couverture limitée ou inexistante . Les coûts non salariaux du travail, s'élevant à 23,4 % pour les travailleurs à revenu moyen mais atteignant 124 % du revenu du travail pour les travailleurs salariés informels dans le déclic de revenu le plus bas, créent de puissantes incitations négatives à la formalisation . Des régimes spéciaux pour les micro et petites entreprises, bien que conçus pour encourager la formalisation, ont créé des distorsions qui découragent la croissance des entreprises et perpétuent l'informalité . Une analyse récente de chercheurs péruviens appelle à un changement de paradigme de la « protection du travail » centrée sur l'emploi formel vers une « protection sociale » couvrant les travailleurs tout au long de leur cycle de vie, quel que soit leur statut d'emploi . Le projet de recherche ANITA sur les femmes travailleuses domestiques à Lima, La Libertad et Piura a révélé que pendant la pandémie, le nombre de travailleuses domestiques sans contrat est passé de 89 % à 93 %, avec des obstacles incluant la sous-évaluation du travail domestique comme « aide » plutôt que comme travail, l'absence de contrats écrits et le manque de procédures de contrôle .

Le Sénégal présente un tableau différent caractérisé par une innovation politique active ciblant les travailleurs du secteur informel. L'économie informelle représente plus de 80 % de l'économie, les commerçants et vendeurs de rue constituant jusqu'à 24 % de l'emploi total au niveau national et 52 % à Dakar . Un dialogue national de juillet 2025 convoqué par le Ministère du Travail et l'OIT a réuni des parties prenantes des secteurs de l'agriculture, de l'élevage, de la pêche et de la foresterie pour établir les bases d'un système de protection sociale adapté aux réalités des travailleurs informels . Les discussions ont mis en évidence la nécessité de couvrir tous les risques sociaux, en particulier la maladie et la vieillesse, tout en tenant compte des spécificités des femmes, des jeunes, des pêcheurs et des éleveurs transhumants . Le projet pilote MSNAS (Mutuelle Sociale Nationale des Artisans du Sénégal), lancé en février 2024, cible les artisans sénégalais—représentant 122

métiers différents—avec un régime d'assurance maladie modulaire et flexible. En avril 2024, près de 10 000 artisans s'étaient inscrits, avec des contrats signés avec 138 prestataires de soins de santé dans l'ensemble des 14 régions . Une enquête quantitative auprès de 150 entrepreneurs alimentaires à Ziguinchor a révélé que 98 % n'avaient pas envisagé de souscrire une assurance maladie ou sociale lors de la création de leur entreprise, citant le manque de formalisation, l'absence de contraintes institutionnelles et le manque d'information comme obstacles clés .

La force du Pérou réside dans sa compréhension diagnostique sophistiquée des causes structurelles de l'informalité et sa reconnaissance de la nécessité d'un changement de paradigme vers une protection universelle tout au long du cycle de vie. Son défi est de traduire cette compréhension en réformes politiquement viables au milieu de systèmes fragmentés et de ressources fiscales limitées. L'avantage du Sénégal est son approche pragmatique et progressive pour étendre la couverture à des sous-secteurs informels spécifiques, son fort engagement des parties prenantes à travers des dialogues nationaux, et sa volonté d'expérimenter des régimes modulaires qui peuvent être étendus progressivement. Les deux pays démontrent que faire progresser les droits des travailleurs informels et la protection sociale nécessite : (1) la reconnaissance que la protection sociale doit être dissociée de l'emploi formel ; (2) la réduction progressive des coûts non salariaux du travail qui incitent à l'informalité ; (3) des régimes simplifiés et accessibles adaptés aux réalités des travailleurs informels ; (4) un fort engagement des parties prenantes et une gouvernance participative ; (5) une attention aux obstacles spécifiques au genre, en particulier pour les femmes dans le travail domestique et autres professions féminisées ; (6) des approches graduelles et modulaires permettant l'apprentissage et l'adaptation ; (7) une infrastructure numérique permettant l'enregistrement et la collecte des cotisations ; et (8) une volonté politique soutenue de prioriser les 70 à 80 % de travailleurs qui restent en dehors des systèmes formels de protection .

MOTS-CLÉS : Travailleurs informels, protection sociale, Pérou, Sénégal, droits du travail, économie informelle, couverture santé universelle, travailleuses domestiques, artisans, coûts non salariaux du travail

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1. INTRODUCTION

The majority of workers in the Global South—and a significant minority in the North—earn their livelihoods outside formal employment relationships. They are street vendors, domestic workers, agricultural labourers, artisans, and micro-entrepreneurs. They contribute to economic output, sustain families, and power communities. Yet they are systematically excluded from the social protection systems that formal workers take for granted: health insurance, pensions, unemployment benefits, and employment protection.

This exclusion is not merely a matter of policy oversight; it is embedded in the very design of social protection systems. Most social security frameworks were built on a Bismarckian model linking benefits to formal employment contributions. In countries where formal employment is the exception rather than the norm, this design leaves the majority of workers unprotected. The challenge of extending social protection to informal workers is therefore not simply one of expanding existing programmes but of fundamentally rethinking the relationship between work and social security.

Peru and Senegal, two countries with deeply entrenched informal economies yet distinct policy trajectories, offer a compelling comparative lens. Peru has one of the highest informality rates in Latin America, with over 70% of workers in informal employment—a figure that has remained stubbornly high even during periods of robust economic growth . The Peruvian constitution guarantees universal social security, but implementation remains tethered to formal employment, leaving most workers without effective coverage . Recent policy analysis has called for a paradigm shift from "labour protection" to "social protection" that would cover workers throughout their life cycle regardless of employment status .

Senegal, where the informal economy accounts for over 80% of economic activity, has pursued a different pathway. Rather than attempting large-scale systemic reform, Senegal has adopted a pragmatic, step-by-step approach targeting specific informal subsectors. The MSNAS pilot for artisans, launched in 2024, offers a modular health insurance scheme designed to the realities of informal workers. National dialogues involving government, worker organizations, and international partners have built consensus around gradual expansion to other groups.

This study examines the comparative dynamics of informal workers' rights and social protection in Peru and Senegal. Drawing on policy documents, program evaluations, statistical data, and scholarly analyses, it explores how each country's approach reflects distinct institutional histories, political economies, and strategies for reaching excluded workers. The analysis is organized around four interconnected themes: (1) the scale and structure of informal employment; (2) barriers to social protection coverage; (3) policy innovations and reform strategies; and (4) lessons for extending protection to informal workers.

The study contributes to scholarship on labour sociology, social protection, and the informal economy. It argues that advancing informal workers' rights requires not only policy design but also political commitment, stakeholder engagement, and recognition that social protection must be decoupled from formal employment.

2. LITERATURE REVIEW

2.1 Conceptualizing Informality and Social Protection

The concept of "informal employment" emerged from Keith Hart's 1970s studies of urban labour in Ghana and was popularized by the International Labour Organization's World Employment Programme. The ILO defines informal employment as work that is not covered by national labour legislation, income taxation, or social protection entitlements. Informality is not a single phenomenon but encompasses diverse situations: self-employment in micro-enterprises, wage employment in informal firms, domestic work, and contributing family work.

Social protection, according to the ILO, encompasses nine main branches: health, sickness, maternity, old age, invalidity, survivors, employment injury, unemployment, and family benefits. The ILO's Social Protection Floors Recommendation (No. 202) calls for ensuring at least basic income security and access to essential healthcare for all, regardless of employment status.

The relationship between informality and social protection is bidirectional. High informality reduces social protection coverage, while social protection systems tied to formal employment can themselves perpetuate informality by making formal labour expensive and creating incentives for evasion.

2.2 Peru's Informal Employment Landscape

Peru's informal employment is among the highest in Latin America relative to its GDP per capita . Key features include:

- **Scale:** Over 70% of workers are in informal employment, a figure that has remained stubbornly high even during periods of strong economic growth.
- **Gender dimensions:** 73% of employed women work informally, often in low-quality jobs such as unpaid family work or micro-enterprises. Persistent gender norms, unequal unpaid care burdens, and exposure to gender-based violence constrain women's access to formal employment.
- **Income distribution:** Informality is most common among the poorest households. Peru has one of the largest gaps in informality between top and bottom income quintiles in Latin America.
- **Sectoral concentration:** Domestic workers, street vendors, and agricultural labourers are among the most affected. The ANITA project found that during the pandemic, the number of domestic workers without contracts increased from 89% to 93%.
- **Firm structure:** Micro and small enterprises account for 99.4% of firms but struggle to access credit and formalise due to high regulatory burdens and compliance costs.

2.3 Senegal's Informal Employment Landscape

Senegal's informal economy is even more dominant than Peru's. Key features include:

- **Scale:** The informal economy accounts for over 80% of economic activity.
- **Sectoral concentration:** Market traders and street vendors comprise up to 24% of total employment nationally and an extraordinary 52% in Dakar.
- **Occupational diversity:** Senegal has 122 different artisanal trades, many organized through professional associations.
- **Agricultural predominance:** The agricultural, livestock, fishing, and forestry sectors employ a significant share of the informal workforce, with specific challenges for women, youth, and transhumant herders.
- **Low awareness of social protection:** A quantitative survey of 150 food entrepreneurs in Ziguinchor found that 98% had not considered taking out health or social insurance when starting their businesses.

2.4 Barriers to Social Protection Coverage

Both countries face multiple barriers to extending social protection to informal workers:

- **Affordability:** In Peru, non-wage labour costs amount to 23.4% for average-income workers but reach 124% of labour income for informal salaried workers in the bottom income decile.
- **Design mismatches:** Social protection systems are designed for stable, formal employment and do not accommodate the irregular incomes characteristic of informal work.
- **Information gaps:** In Senegal, the Ziguinchor study identified "lack of information" as a key barrier to insurance uptake.
- **Legal barriers:** In Peru, domestic workers often lack written contracts, with "verbal agreements" putting employers in control of working conditions.
- **Undervaluation of work:** Domestic workers report being treated "as part of the family" rather than as workers, a framing that obscures their rights.
- **Enforcement deficits:** Even where protections exist on paper, enforcement mechanisms are weak, particularly for vulnerable groups.

2.5 Policy Responses and Innovations

Peru: Policy responses have focused on understanding structural causes and calling for paradigm shifts:

- **OECD analysis:** Recent OECD analysis emphasizes the need to reduce non-wage labour costs, simplify SME tax regimes, and shift to universal benefits models funded by general tax revenues.
- **Academic proposals:** Peruvian scholars advocate moving from "labour protection" (focused on formal employees) to "social protection" (covering all workers throughout life cycle).
- **Research evidence:** The ANITA project documented precarious conditions of domestic workers and built collaborative pathways with worker associations.
- **Political constraints:** Despite sophisticated diagnostics, Peru has struggled to implement reforms due to fragmentation and political economy constraints.

Senegal: Senegal has pursued pragmatic, incremental approaches:

- **National dialogues:** July 2025 national dialogue convened stakeholders to establish foundations for a social protection system adapted to informal workers.
- **MSNAS pilot:** Launched February 2024, targeting artisans with modular health insurance. By April 2024, close to 10,000 artisans had enrolled, with 138 health service providers contracted.
- **Step-by-step design:** The MSNAS starts with health insurance, with plans to extend to pensions, maternity, and workplace accident coverage gradually.
- **International partnership:** ILO and German Development Cooperation provide technical and financial support.
- **Scaling strategy:** The scheme is designed to be extended to other informal groups (small traders, fisheries, agriculture) after lessons are learned.

3. RESEARCH QUESTIONS

This study addresses the following research questions:

1. How do the scale, structure, and gendered dimensions of informal employment differ between Peru and Senegal?

2. What barriers to social protection coverage do informal workers face in each country, and how do these barriers intersect with gender and sector?
3. What policy innovations and reform strategies have been developed in each context, and how effective are they?

4. METHODOLOGY

This study employs a comparative case study methodology to examine informal workers' rights and social protection in Peru and Senegal. The research design integrates document analysis of primary sources with synthesis of secondary literature to develop a comprehensive understanding of informality dynamics in both countries.

Primary sources analyzed include: OECD analyses of Peruvian social protection; ILO documentation of Senegalese national dialogues ; WIEGO statistical profiles of street vendors and market traders ; academic research on Peruvian domestic workers ; quantitative surveys of Senegalese food entrepreneurs ; and policy analysis from Peruvian legal scholars .

The comparative framework examines four dimensions of informal workers' rights and social protection: (1) scale and structure of informal employment; (2) barriers to coverage; (3) policy innovations; and (4) outcomes and challenges.

The analysis covers the period from approximately 2020 to 2026, capturing recent developments including the MSNAS pilot launch, post-pandemic research, and ongoing policy debates.

5. RESULTS

5.1 Scale and Structure of Informal Employment

Peru: Peru's informal employment is characterized by high prevalence and remarkable persistence. Key features include:

- **Overall informality:** Over 70% of workers are in informal employment, a figure that has not declined significantly even during periods of high economic growth.
- **Gender gap:** 73% of employed women work informally, compared to slightly lower rates for men. Women are concentrated in domestic work, unpaid family work, and micro-enterprises.
- **Income distribution:** Informality is most common among the poorest households. Peru has one of the largest gaps in informality between the top and bottom income quintiles in Latin America.
- **Domestic workers:** The ANITA project found that during the pandemic, the percentage of domestic workers without contracts increased from 89% to 93% in Lima, La Libertad, and Piura.
- **Firm structure:** Micro and small enterprises (99.4% of firms) dominate the economic landscape but struggle to formalise due to high regulatory burdens.

Senegal: Senegal's informal employment is even more dominant and regionally concentrated. Key features include:

- **Overall informality:** The informal economy accounts for over 80% of economic activity.
- **Sectoral concentration:** Market traders and street vendors comprise 24% of total employment nationally and 52% in Dakar.
- **Artisanal trades:** Senegal has 122 different artisanal trades, organized through professional associations.
- **Agricultural predominance:** The agricultural, livestock, fishing, and forestry sectors employ a significant share of the informal workforce.
- **Ziguinchor study:** A survey of 150 food entrepreneurs found that 98% had not considered social insurance when starting their businesses.

Table 1: Comparative Scale and Structure of Informal Employment

Dimension	**Peru**	**Senegal**
Overall informality	70%+	80%+
Women's informality	73%	Not specified

Key informal occupations	Domestic workers; micro-enterprise workers; street vendors	Market traders; street vendors (52% of Dakar employment); artisans; agricultural workers
Notable subgroups	Domestic workers (93% without contracts during pandemic)	122 artisanal trades; food entrepreneurs (98% without insurance)
Firm structure	99.4% micro and small enterprises	Informal sector dominates

5.2 Barriers to Social Protection Coverage

Peru: Multiple barriers prevent informal workers from accessing social protection. Key findings include:

- **Affordability barriers:** Non-wage labour costs amount to 23.4% for average-income workers but reach 124% of labour income for informal salaried workers in the bottom income decile.
- **System design:** Social security access is tied primarily to formal employment contributions, leaving most workers outside coverage.
- **Firm size distortions:** Special regimes for micro and small enterprises have created perverse incentives for firms to remain small to avoid higher costs associated with growth.
- **Contractual precarity:** The ANITA project found that most domestic workers operate without written contracts, with verbal agreements that give employers unilateral control.
- **Undervaluation of work:** Domestic workers report being treated "as part of the family" rather than as workers, a framing that obscures their labour rights.
- **Enforcement deficits:** Even where protections exist on paper, monitoring and enforcement are weak.
- **Information gaps:** Workers often lack knowledge of their rights and available programmes.

Senegal: Senegalese informal workers face distinct but overlapping barriers. Key findings include:

- **Lack of formalisation:** The Ziguinchor study found that 98% of food entrepreneurs had not considered social insurance, with lack of formalisation as a key factor.
- **Absence of institutional constraints:** The same study identified "no institutional constraints" as a reason for low uptake, suggesting weak enforcement.
- **Information deficits:** "Lack of information" was cited as a primary barrier to insurance enrolment.
- **Irregular incomes:** Agricultural and artisanal workers face income volatility that complicates regular contributions.
- **Geographic dispersion:** Reaching workers in remote areas requires adapted delivery mechanisms.
- **Sectoral specificities:** Women, youth, fishers, and transhumant herders face distinct challenges requiring tailored approaches.

Table 2: Comparative Barriers to Social Protection Coverage

Dimension	**Peru**	**Senegal**
Economic barriers	Non-wage costs up to 124% of income for poorest	Irregular incomes; affordability
Legal barriers	Access tied to formal employment; weak contract enforcement	Weak institutional constraints; lack of enforcement
Information barriers	Limited knowledge of rights	98% of surveyed entrepreneurs lacked insurance consideration
Gender-specific barriers	Domestic work undervalued; 73% women's informality	Women's specificities noted in national dialogue
Structural barriers	Firm size distortions; growth disincentives	Sectoral specificities (pastoralists, fishers)
Enforcement	Weak monitoring	"No institutional constraints" identified

5.3 Policy Innovations and Reform Strategies

Peru: Peru's policy responses have emphasized diagnostic understanding and calls for paradigm shifts. Key features include:

- **OECD recommendations:** Recent OECD analysis calls for reducing non-wage labour costs, simplifying SME tax regimes, and shifting to universal benefits funded by general taxation .
- **Progressive contribution proposals:** Experts advocate progressive social security contributions linked to workers' income rather than firm size, removing disincentives for firm growth .
- **Paradigm shift discourse:** Peruvian legal scholars advocate moving from "labour protection" (focused on formal employees) to "social protection" (covering workers throughout life cycle) .
- **Research-policy linkages:** The ANITA project demonstrated value of participatory research with domestic worker associations, building awareness and informing policy .
- **Regional index development:** The Regional Social Protection Index, developed by Horizonte Laboral and PUCP, documents 26 distinct Peruvian realities requiring differentiated responses .
- **Political constraints:** Despite sophisticated analysis, implementation has been limited by fragmentation, political economy constraints, and fiscal pressures .

Senegal: Senegal has pursued pragmatic, incremental innovations. Key features include:

- **National dialogues:** July 2025 national dialogue convened stakeholders from agriculture, livestock, fishing, forestry, and government to build consensus on extending social protection .
- **MSNAS pilot:** Launched February 2024, targeting artisans with modular health insurance:
  - 10,000 artisans enrolled by April 2024
  - 138 health service providers contracted across all 14 regions
  - One-time joining fee (approx. €3) plus annual fee (approx. €5 per person)
  - Members pay 20% of service fees, making healthcare affordable
- **Step-by-step design:** MSNAS starts with health insurance, with plans to extend to pensions, maternity, and workplace accident coverage .
- **Phased expansion:** After artisans, the scheme will extend to small traders, fisheries, and agriculture .

- **International partnership:** Technical and financial support from ILO and German Development Cooperation .
- **Digital infrastructure:** Information management system purchased and installed to support sustainable operations .
- **Professional association engagement:** Artisans enrolled through their professional associations, leveraging existing networks .
- **Participatory governance:** Administrative Council and technical committees include stakeholder representatives .

Table 3: Comparative Policy Innovations and Reform Strategies

Dimension	**Peru**	**Senegal**
Primary approach	Systemic reform analysis; paradigm shift discourse	Incremental, sector-specific piloting
Recent innovations	OECD recommendations; progressive contribution proposals; regional index	MSNAS pilot (10,000 artisans enrolled); national dialogues
Target populations	Broad (informal workers generally)	Artisans initially; planned expansion
Key features	Sophisticated diagnostic; recognition of 26 regional realities	Modular design; step-by-step expansion; professional association engagement
International partners	OECD, ILO	ILO, German Development Cooperation
Governance mechanisms	Research-policy linkages	Administrative Council; technical committees; stakeholder dialogues
Current status	Implementation constrained by political economy	Early implementation; scaling underway

5.4 Outcomes and Challenges

Peru: Outcomes reflect persistent challenges despite diagnostic sophistication.

Outcomes:

- **Understanding:** Peru has developed sophisticated understanding of informality's structural causes .
- **Awareness:** Research projects like ANITA have raised awareness among domestic workers of their rights .
- **Policy discourse:** The paradigm shift from "labour protection" to "social protection" has entered academic and policy discourse .

Challenges:

- **Implementation gap:** Sophisticated analysis has not translated into widespread reform .
- **Fragmentation:** Multiple regimes and fragmented systems perpetuate inequalities .
- **Political economy:** Reforms face political constraints and require broad support .
- **Fiscal space:** Limited tax revenues (17% of GDP) constrain resources for universal programmes .
- **Domestic worker precarity:** 93% of domestic workers remained without contracts post-pandemic .

Senegal: Early outcomes show promise but long-term challenges remain.

Outcomes:

- **Artisan coverage:** Close to 10,000 artisans enrolled within first months of MSNAS launch .
- **Service availability:** 138 health service providers contracted across all regions .
- **Stakeholder buy-in:** National dialogues built consensus among diverse actors .
- **Worker testimonies:** Artisans report relief from health cost burdens and ability to seek needed care .

Challenges:

- **Scale:** 10,000 artisans is a fraction of Senegal's informal workforce .
- **Voluntary participation:** Scheme remains voluntary; making it obligatory would require further policy development .
- **Annual fee collection:** Campaigns underway to ensure enrolled members pay annual fees .
- **Extension to other groups:** Expanding to small traders, fisheries, and agriculture requires adapted designs .
- **Sustainability:** Long-term financial sustainability needs monitoring .

Table 4: Comparative Outcomes and Challenges

Dimension	**Peru**	**Senegal**
Key outcomes	Sophisticated diagnostic understanding; rights awareness raised	10,000 artisans enrolled; 138 providers contracted; stakeholder consensus built
Coverage	Limited; fragmented	Early-stage but growing
Notable successes	Paradigm shift discourse entered policy debate	Artisan testimonies of improved access; multi-sectoral collaboration
Key challenges	Implementation gap; fragmentation; political economy; fiscal constraints	Scaling to reach mass of informal workers; voluntary participation; sustainability
Most affected groups	Domestic workers (93% without contracts)	Agricultural workers, pastoralists (yet to be covered)

5.5 Summary of Comparative Findings

Table 5: Comprehensive Comparative Analysis

Dimension	**Peru**	**Senegal**

Informal employment	70%+ overall; 73% of women	80%+ of economy; 52% of employment in Dakar
Key informal groups	Domestic workers; micro-enterprise workers	Artisans; market traders; street vendors; agricultural workers
Major barriers	Non-wage costs up to 124% of income; access tied to formal employment; weak enforcement	Lack of formalisation; no institutional constraints; information gaps; irregular incomes
Gender dynamics	73% women's informality; domestic work undervalued; 93% without contracts	Women's specificities noted; targeted attention in national dialogue
Policy approach	Systemic reform analysis; paradigm shift discourse	Incremental, sector-specific piloting
Key innovations	OECD recommendations; progressive contribution proposals; regional index	MSNAS pilot; national dialogues; step-by-step design
Coverage outcomes	Limited; fragmented	10,000 artisans enrolled; scaling in progress
Governance	Research-policy linkages; regional index	Stakeholder dialogues; professional associations; ILO partnership
Strengths	Sophisticated understanding; recognition of regional diversity	Pragmatic approach; stakeholder buy-in; modular design
Challenges	Implementation gap; political economy; fiscal constraints	Scaling; voluntary participation; sustainability
Key lesson	Understanding must translate into action	Incremental progress builds momentum

6. DISCUSSION OF RESULTS

6.1 Explaining Divergent Pathways: Political Economy and Policy Style

The differences between Peru's and Senegal's approaches to extending social protection reflect distinct political economies and policy styles.

Peru's approach is characterized by sophisticated diagnostic analysis and calls for systemic reform, but implementation has been constrained by political economy factors. The OECD's analysis of non-wage labour costs, firm size distortions, and the need for universal benefits funded by general taxation represents a comprehensive reform agenda . Yet translating this agenda into action requires navigating fragmented institutions, competing interests, and fiscal constraints. The recognition that "Peru has 26 Perus"—26 distinct regional realities requiring differentiated responses—adds complexity .

Senegal's approach is more pragmatic and incremental. Rather than attempting wholesale systemic reform, Senegal has focused on extending coverage to specific subsectors through schemes designed to their realities. The MSNAS pilot for artisans, developed through stakeholder dialogue and supported by international partners, offers a modular approach that can be expanded gradually . The step-by-step design—starting with health insurance before extending to other risks—allows learning and adaptation.

The contrast reflects different political economies. Peru's middle-income status and relatively stronger institutional capacity enable sophisticated analysis but also create more entrenched interests resistant to change. Senegal's low-income status and high donor dependence create space for experimental, externally supported initiatives.

6.2 The Centrality of Gender

Both countries' experiences highlight the centrality of gender to informal work and social protection. In Peru, 73% of employed women work informally, concentrated in domestic work and micro-enterprises . The ANITA project documented that 93% of domestic workers lacked

contracts during the pandemic, reflecting deep undervaluation of this feminised work . Workers' testimonies reveal how being treated "as part of the family" obscures labour rights and enables exploitation .

In Senegal, national dialogues explicitly addressed the specificities of women and youth in informal sectors . The MSNAS pilot, while not gender-targeted, will affect women who predominate in certain artisanal trades.

The implication is that gender analysis must be central to social protection design. Women's distinct work patterns, care responsibilities, and exposure to exploitation require tailored approaches.

6.3 The Paradigm Shift Imperative

Peruvian scholars' call to move from "labour protection" to "social protection" captures a fundamental insight. When protection is tied to formal employment, it necessarily excludes the majority in countries where informality is the norm. Shifting to a model that protects all workers throughout their life cycle—regardless of employment status—requires rethinking financing, delivery, and entitlement .

This paradigm shift has implications beyond Peru. It suggests that extending social protection is not simply about expanding existing programmes but about redesigning the relationship between work and social security. Universal models funded by general taxation, as the OECD recommends , offer one pathway. Modular, contributory schemes adapted to informal workers' realities, as Senegal is piloting , offer another. Both represent departures from the Bismarckian orthodoxy.

6.4 The Role of International Partners

Senegal's experience highlights the important role international partners can play in supporting innovation. ILO and German Development Cooperation have provided technical and financial support for the MSNAS pilot, enabling design, stakeholder engagement, and initial

implementation . The partnership model allows Senegal to draw on international expertise while maintaining ownership.

Peru's engagement with OECD has generated sophisticated analysis but not the same level of implementation support. The contrast suggests that sustained, embedded partnerships may be more effective than episodic policy advice.

6.5 Incremental vs. Systemic Approaches

The comparison raises questions about the relative merits of incremental versus systemic approaches. Senegal's incremental approach has achieved concrete results—10,000 artisans enrolled, 138 providers contracted—within a relatively short timeframe . It has built stakeholder consensus and established institutional foundations. But it reaches only a fraction of the informal workforce, and scaling will require sustained effort.

Peru's systemic analysis has not yet produced comparable coverage gains but has advanced understanding of what comprehensive reform would require. The risk is that sophisticated analysis without action perpetuates the status quo.

The lesson may be that both approaches are needed. Systemic analysis can identify long-term directions; incremental pilots can build momentum and demonstrate feasibility. The challenge is linking them—ensuring that pilot learning informs systemic reform and that systemic vision guides pilot design.

6.6 Implications for Policy and Practice

The findings have significant implications for extending social protection to informal workers.

First, social protection must be decoupled from formal employment. As long as protection is tied to formal contracts, the majority in high-informality countries will remain excluded. Universal models funded by general taxation or contributory schemes designed for informal workers' realities are needed.

Second, non-wage labour costs that incentivise informality must be addressed. Peru's experience shows that high social security contributions can make formal employment unaffordable, particularly for low-income workers . Progressive contributions linked to income, rather than flat rates, can reduce these disincentives.

Third, modular, step-by-step approaches allow learning. Senegal's MSNAS pilot demonstrates the value of starting with one risk (health) and one sector (artisans), learning lessons, then expanding gradually .

Fourth, stakeholder engagement builds ownership. Senegal's national dialogues brought together government, worker organizations, and professional associations, building consensus and ensuring that design reflects worker realities .

Fifth, gender must be central. Both countries' experiences demonstrate that informal work is gendered and that social protection design must address women's specific barriers.

Sixth, international partnerships can support innovation. Senegal's collaboration with ILO and German Cooperation shows the value of sustained, embedded support.

*Seventh, information and awareness are essential***.** The Ziguinchor study's finding that 98% of entrepreneurs had not considered insurance due to "lack of information" underscores the need for outreach .

Eighth, enforcement matters. Even good policies fail if not enforced. Peru's experience with domestic workers shows that legal protections without enforcement leave workers vulnerable .

7. CONCLUSION

This comparative analysis of informal workers' rights and social protection in Peru and Senegal reveals two distinct pathways shaped by different political economies, policy styles, and institutional contexts. Peru, with over 70% informality and sophisticated diagnostic capacity, has developed deep understanding of informality's structural causes. OECD analysis documents how non-wage labour costs, firm size distortions, and system fragmentation perpetuate exclusion .

Peruvian scholars have articulated a compelling paradigm shift from "labour protection" to "social protection" that would cover workers throughout their life cycle . Yet translating this understanding into reform has proven elusive amid political economy constraints and fiscal pressures . The ANITA project's documentation of domestic workers' precarity—93% without contracts during the pandemic—illustrates the human cost of inaction .

Senegal, with even higher informality, has pursued a different pathway. The July 2025 national dialogue convened stakeholders to build consensus around extending social protection . The MSNAS pilot, launched February 2024, has enrolled close to 10,000 artisans, contracted 138 health service providers across all regions, and demonstrated the feasibility of reaching informal workers through schemes designed to their realities . The modular, step-by-step approach—starting with health insurance before extending to other risks—allows learning and adaptation . International partnership with ILO and German Cooperation has provided essential support .

Several cross-cutting conclusions emerge from this analysis.

First, decoupling social protection from formal employment is essential. As long as protection is tied to formal contracts, the majority in high-informality countries will remain excluded. Universal models funded by general taxation or contributory schemes designed for informal workers are needed.

Second, economic barriers must be addressed through progressive design**.** Peru's experience shows that flat-rate contributions can be prohibitive for low-income workers. Progressive contributions linked to income can reduce disincentives and expand coverage.

Third, incremental approaches can build momentum. Senegal's MSNAS pilot demonstrates that starting with one sector and one risk, learning lessons, then expanding gradually can achieve concrete results while building institutional foundations.

Fourth, stakeholder engagement is essential. Senegal's national dialogues built consensus and ensured that design reflects worker realities. Peru's research-policy linkages have advanced understanding but not achieved comparable buy-in.

Fifth, gender must be central. Women's concentration in informal work, the undervaluation of feminised occupations like domestic work, and women's specific barriers require targeted attention in both design and implementation.

Sixth, international partnerships can support innovation. Sustained, embedded support from organizations like ILO and German Cooperation can provide resources and expertise while respecting national ownership.

Seventh, information and awareness are foundational. The Ziguinchor study's finding that 98% of entrepreneurs had not considered insurance due to lack of information underscores that even well-designed schemes will fail without outreach.

Eighth, enforcement matters as much as design. Peru's experience shows that legal protections without enforcement leave workers vulnerable.

For Peru, the path forward requires translating sophisticated analysis into political action. The paradigm shift from labour protection to social protection offers a compelling vision; achieving it will require building coalitions, sequencing reforms, and addressing the political economy constraints that have blocked progress. The regional index documenting 26 distinct Peruvian realities provides a tool for differentiated, evidence-based policy.

For Senegal, the priority is scaling the MSNAS pilot while maintaining quality and learning. Expanding from artisans to small traders, fisheries, and agriculture will require adapted designs and sustained stakeholder engagement. The step-by-step approach must continue, with careful monitoring and evaluation. Making the scheme obligatory, as envisioned, will require further policy development and political will.

For the broader global community, this comparison underscores that extending social protection to informal workers is not a technical problem with a single solution but a political and institutional challenge requiring context-specific approaches. Peru's sophisticated analysis and Senegal's pragmatic experimentation both offer lessons. The common thread is recognition that the 70-80% of workers who sustain economies through informal work deserve the same protection as those in formal employment. As Ismaila Sow, President of Senegal's National Council of Livestock

Farmers, affirmed at the July 2025 national dialogue: "Now more than ever, agricultural workers need to think about their social protection because we must protect ourselves and our families".

8. LIMITATIONS OF THE STUDY

This study has several limitations that should be acknowledged. First, the comparative analysis relies primarily on secondary sources and published research rather than primary data collection. Direct fieldwork in both countries, including interviews with informal workers, policymakers, and programme implementers, would strengthen comparative insights.

Second, data availability and comparability differ between the two countries. Peru benefits from extensive OECD analysis, academic research, and statistical data. Senegal's evidence base is growing but less comprehensive, particularly for evaluating the MSNAS pilot's long-term impact.

Third, the study captures Senegal at a moment of policy innovation (MSNAS launch, national dialogue) and Peru at a moment of diagnostic sophistication but implementation impasse. Future research should track Senegal's scaling progress and Peru's potential breakthroughs.

Fourth, the study focuses on government-led and internationally supported initiatives with limited attention to worker-led organizing and collective action as pathways to rights.

Fifth, the voice of informal workers themselves—their experiences, aspirations, and agency—is mediated through research rather than captured directly.

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10. AUTHOR CONTRIBUTIONS

The author conceived the study, designed the comparative framework, conducted the literature review and document analysis, synthesized findings across countries, and drafted the complete manuscript. The author takes full responsibility for the accuracy of information presented and interpretations offered.

11. COMPETING INTERESTS

The author declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential competing interest.

12. AUTHORS' CONTRIBUTIONS

As sole author, I performed all roles including conceptualization, methodology development, investigation, formal analysis, writing, review, editing, and project administration.

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14. DATA AVAILABILITY

All sources analyzed in this study are publicly available documents, including policy reports, academic articles, statistical databases, and program documentation. Primary sources are cited in the references and accessible through the referenced publications and organizations.

15. DISCLAIMER

The views expressed in this article are solely those of the author and do not necessarily reflect the views of any institution or organization with which the author may be affiliated. The analysis is provided for scholarly purposes and should not be construed as policy guidance or investment advice. Informal workers' rights and social protection are subject to change, and readers should consult current official sources for specific information about Peru, Senegal, and social protection policy.

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