

BUILDING SOCIAL PROTECTION FLOORS WITH THE ILO TOGETHER, TO CHANGE THE LIVES OF MILLIONS OF SELF-EMPLOYED WORKERS IN THE INFORMAL ECONOMY



International
Labour
Organization

A HETEROGENEOUS POPULATION WITH LIMITED ACCESS TO SOCIAL PROTECTION

Many of those currently excluded from social security coverage are own-account workers or other categories of the self-employed, many of whom are in the informal economy.

In some cases, self-employed workers are part of the formal economy: they declare their income and are covered under employment and social security laws. The bulk of self-employed workers, however, belongs to the informal economy: they are not registered, do not pay taxes, and are excluded from existing social security schemes.

Both groups of self-employed workers face challenges in accessing social protection. For instance, they have to bear the full burden of both employers' and workers' social insurance contributions, which may overstretch their contributory capacities. In addition, these populations may be excluded from social assistance schemes focusing on the poorest segments of society.

Yet, social protection plays an important role for the self-employed. For many, access to social protection also helps to secure their earnings capacity and therefore their businesses. For example, health protection ensures that people enjoy effective access to health care and are able to take care of their health, which in many cases constitutes their principal productive asset.

A GROWING RECOGNITION OF THE IMPORTANCE OF INCLUDING THE SELF-EMPLOYED IN THE SOCIAL PROTECTION SYSTEM

According to ILO statistics, the self-employed represent more than 50 per cent of the labour force in many developing countries. Therefore, many governments work towards the extension of social protection to the self-employed, either through their inclusion in pre-existing social security schemes or through the development of new schemes.

Several countries (Brazil, France, and Uruguay, among others) have encouraged the extension of coverage by simplifying administrative procedures and, notably, by facilitating the payment of social security contributions and



taxes through a single payment. Such mechanisms can play a key role in facilitating the transition from the informal to the formal economy.

The recently adopted Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), complements the Social Protection Floors Recommendation, 2012 (No. 202), in guiding the extension of social protection to the self-employed.

The Global Flagship Programme provides technical support to constituents engaged or interested in developing innovative responses to extend social protection coverage among the self-employed.

The Programme will facilitate dialogue and exchange of experiences within and between countries, provide technical guidance based on ILO standards, and develop a knowledge base to support further extension of social protection.

LISTENING TO PHILIPPE, ENROLLED IN THE SIMPLIFIED SOCIAL PROTECTION SCHEME FOR MICRO-ENTERPRISES IN FRANCE

“ I am 50 years old, and I am self-employed in the information technology sector. At my age it would not be easy to find a job opportunity in that sector. Thanks to the scheme that was implemented in 2009 in France, I have been able to develop a professional activity and not depend upon the social assistance system. I pay taxes and social contributions based on my income. In return I can benefit from government services and from the social protection system. I also keep contributing to a pension fund—this is why it was so important for me not to fall into informality.



FROM RIGHT TO REALITY WITH YOUR SUPPORT

The ILO is recognized for its capacity and unique expertise in supporting countries to extend social protection coverage based on international social security standards.

With your support, we can accelerate making social protection floors a reality for millions of people, while simultaneously fulfilling the Sustainable Development Goals.

You can support us to:

- Facilitate South-South cooperation and the sharing of experiences.

US\$ 100,000 per year

- Support the development and sharing of knowledge (e.g. country briefs and good practices guides) related to the extension of social protection to the self-employed.

\$ 150,000 per year

- Support the extension of social security coverage to the self-employed through technical advice for the adaptation of existing social security schemes or the creation of new schemes.

\$ 400,000 per country

- Provide technical advice for the simplification of procedures and other measures.

\$ 150,000 per country

- Develop training materials and organize tailor-made trainings on the extension of social protection coverage to the self-employed.

\$ 150,000 per year

LISTENING TO YOUR AMBITIONS

As a donor, you receive regular reports detailing the progress made and have access to ongoing project activities and performance indicators.

To further discuss your needs and the ways you can improve the lives of millions, you can contact:



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