THE ADOPTION OF A NEW RECOMMENDATION FOR THE INFORMAL ECONOMY

In Asia and the Pacific, while percentages vary across countries depending on a wide range of socio-economic, demographic, and institutional factors, the informal economy constitutes on average more than 60 per cent of the total share of non-agriculture employment. For instance, informal employment comprises 43 per cent of total employment in Thailand and more than 83 per cent in India (ILO, 2012). The recognition of decent work deficits, including lack of social protection, has prompted the 185 ILO member States to adopt Recommendation No. 204 concerning the Transition from the Informal to the Formal Economy at the 104th International Labour Conference in June 2015.

SOCIAL PROTECTION DEFICITS AMONG INFORMAL ECONOMY WORKERS IN ASIA

The majority of social protection schemes and programmes in the region are extended only to workers and economic units in the formal economy, with participation often mandated in large and medium-sized firms only. The extension of voluntary contributory schemes to informal workers has proven to be largely ineffective. Tax-funded social assistance programmes mostly target the very poor, leaving the vast majority of informal workers and their families with no social protection.

Since informal workers are deprived of access to health care and income security throughout their lifecycles, these individuals and households are exposed to poverty, vulnerability, and social exclusion. Policy solutions to tackle the lack of or inadequate coverage of social protection in the informal economy are crucial to the promotion of decent work and inclusive development, not only because social protection is inherently a human right, but also because social protection contributes to economic development and social stability.

The Project strategy is to provide technical support to constituents engaged in national and regional dialogues to identify innovative responses to extend social protection coverage among informal economy workers. These responses are part of nationally defined social protection floors and are aligned with the ILO’s set of basic social protection principles, as determined by its Constitution and its Conventions and Recommendations.

The Project will facilitate dialogue and exchange of experiences within and between countries, as well as provide technical guidance on scheme design, legal expertise, and advice on the governance and administrative aspects of social protection measures for informal economy workers and their families. The Project will also ensure wider dissemination of findings to other Asian countries, promoting a South-South learning approach.

The ILO has developed significant knowledge and tools for the design of comprehensive social protection systems in many countries worldwide.
EXTENDING SOCIAL PROTECTION TO CONSTRUCTION WORKERS: THE EXPERIENCE OF INDIA

In India, the Worker Welfare Fund was established to cover construction workers. It is financed out of a levy imposed on contractors (1 per cent of the total value of individual construction projects) and it provides a range of benefits to informal construction workers who are perceived as some of the most vulnerable workers in India.


FROM RIGHT TO REALITY WITH YOUR SUPPORT

The ILO is recognized by partners in the region for its capacity and unique expertise at the macro level in the areas of social protection financing and the establishment of rights-based legal and institutional frameworks, inspired by international social security standards. With your support, we can accelerate making social protection floors a reality for millions of people, while simultaneously fulfilling Sustainable Development Goals.

You can support us to:

☐ Support advocacy for the extension of social insurance to informal economy workers based on evidence.
  US$ 300,000 per year

☐ Organize awareness raising campaigns among workers and employers.
  $ 100,000 per year

☐ Support legal and institutional reforms and the development of regulations for improving enforcement mechanisms, including social security inspection.
  $ 150,000 per year

☐ Provide technical services for the simplification of procedures and the introduction of management information systems.
  $ 100,000 per year

☐ Build capacity and organize tailor-made trainings on the extension of social protection coverage to informal economy workers.
  $ 150,000 per year

☐ Facilitate South-South cooperation and exchanges between countries on the extension of social protection to the informal economy and produce regional and global knowledge.
  $ 200,000 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 support Asian stakeholders and improve the lives of millions of people, you can contact:

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