

BUILDING SOCIAL PROTECTION FLOORS WITH THE ILO

TOGETHER, TO CHANGE MILLIONS OF LIVES OF SELF-EMPLOYED WORKERS IN THE INFORMAL ECONOMY



International
Labour
Organization

A HETEROGENEOUS POPULATION GROUP WITH LIMITED SOCIAL PROTECTION

The majority of own-account workers and self-employed workers are in the informal economy, that is, they are not registered, do not pay taxes and are excluded from existing social security schemes.

They face many challenges in accessing social protection. In many cases, they have to bear the full burden of both employers' and workers' social insurance contributions, which may overstretch their contributory capacities. At the same time, they may be excluded from social assistance schemes focusing on the poorest.

Yet, social protection plays an important role for the self-employed. For many of them, access to social protection also helps to secure their earnings capacity and therefore their business. 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 asset.

GROWING RECOGNITION OF THE NEED TO INCLUDE 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 (e.g. Argentina, Brazil, France, Uruguay) have encouraged the extension of coverage by simplifying administrative procedures, and notably by facilitating the payment of social security contributions and taxes through a unique payment. Such mechanisms can play a key role in facilitating transitions from the informal to the formal economy.



TRANSITING FROM THE INFORMAL ECONOMY TO THE FORMAL ECONOMY

ILO's Recommendation No. 204 concerning the transition from the informal to the formal economy, adopted in 2015, complements Recommendation No. 202 in guiding the extension of social protection to the self-employed.

The Global Flagship Programme will provide technical support to constituents engaged or interested in developing innovative responses to extend social protection coverage among self-employed workers. It 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 the 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 has been 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 the government services and from the social protection system. I also keep contributing to a pension fund, that 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 expertise in supporting countries to extend social protection, based on international 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 sharing of experiences.

US\$ 100,000 per year

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

US\$ 150,000 per year

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

US\$ 400,000 per country

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

US\$ 150,000 per country

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

US\$ 150,000 per year

LISTENING TO YOUR AMBITIONS

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

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



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