

Formalization of the informal economy



PROJECT AT A GLANCE

→ Partners

Viet Nam Cooperative Alliance (VCA) and Ministry of Labour, Invalids and Social Affairs (MOLISA)

→ Target beneficiaries

VCA staff, GDVT staff and vocational training institutions under VCA and GDVT, VCCI and SIYB master trainer

→ Geographical focus

Viet Nam

→ Duration

May 2016 - April 2018

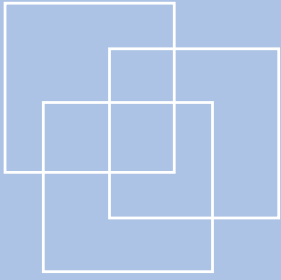


PROJECT CONTEXT

Viet Nam has achieved remarkable progresses in employment policy, including the country's ratification of the Convention 122 on Employment Policy in May 2012, the formulation and endorsement of the Employment Law in 2013. With the ILO technical support, the significant advancement of the Employment Law was the extension of coverage the unemployment insurance to all enterprises and all employees, including those in the informal sector.

However informal workers in Viet Nam face with low incomes, limited opportunities for skills development and often without contract and social protection. The precarious working conditions make them more vulnerable to external shocks, particularly in the increasing international competition led by the country's greater economic integration, including new free trade agree. Meanwhile, national constituents is still limited in capacity to deliver quality and efficient services to its subordinate agencies and their network of clients.

Therefore, this new and challenging context indicates a strong need to support national institutions in updating the policy/strategic framework and creating initiatives to promote decent employment, improve the quality of human resources and facilitate a smooth to formality through sustainable value chains.



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PROJECT OBJECTIVES

- Capacitating the relevant national constituents on promoting and facilitating the transition to formality within key value chains;
- Reducing poverty through creating decent work opportunities, increasing incomes and improving livelihoods for local people, especially vulnerable groups;
- Contributing into the policy framework revision for facilitating the transition to formality;
- Promoting gender equality.

PROJECT OUTCOMES

- Awareness raised and capacity enhanced for national constituents, particularly VCA on informality to promote and facilitate the transition to formality within key value chains;
- National constituents and vocational training institutions use the ILO training packages including master trainers and trainings of trainers in supporting the formalization of the formality;
- National constituents draw lessons learnt from the first application of the ILO toolkits supporting the transition to formality and actively initiate the policy framework revision for facilitating the transition of informal entrepreneurs to formality.

Contact information:

Ms Nguyen Thi Huyen

National Project Coordinator

ILO Country Office for Viet Nam

48-50 Nguyen Thai Hoc, Ba Dinh, Hanoi

Tel. +84 24 3734 0902 ext. 206 | Fax. +84 24 3734 0904

Email: huyen@ilo.org

Website: www.ilo.org/hanoi