

inputs, videos, animations, debates, peer reviews and case studies. This distance learning period will last three weeks before the face-to-face workshop and one week after it. It will take place online through an e-platform made available by the International Training Center of the ILO.

Face- to- face course on policy intervention and practices - September 2016- South Africa

The one-week residential workshop in South Africa will take place within 15 days after the end of the distance learning phase. It focuses on assessing practical solutions to MSME development and formalization of enterprises. The face-to-face course is solution-driven and provides diversified examples and practices of enterprise formalization in other countries, as well as reflection on measures at all levels, including policy interventions and incentives for enterprises to formalize in South Africa. The residential workshop will open space for innovative

ideas from participants and also focus on project design to possibly be supported by the KS4SME and ITC-ILO in a third phase, that would enclose facilitating access to additional knowledge; access to experts inputs and review of project ideas and formulation, through the online platform.

Throughout the duration of the blended learning course, participants will have access to the e-platform designed for the course and are encouraged to extensively use the forum space to meet other practitioners, share challenges, good examples/practices, as well as explore through creative thinking how such challenges could be addressed in an innovative way.



Online course presentation

<https://www.powtoon.com/m/bMA66xAGsa/1?mode=movie>



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Enterprise formalisation and SME development



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Blended learning course on policies and practices for enterprise formalisation and SME development - South Africa

August – September 2016



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Background

What is the right policy mix and which intervention models/practices for **enterprise formalisation and SMEs development** can work in South Africa?

Micro, Small and Medium-sized Enterprises (MSMEs), including enterprises in the informal economy, play a vital role in South Africa's economy in terms of employment creation. The National Development Plan highlights the significant role of MSMEs for employment creation and increased productivity. The informal economy in particular is providing relief to millions of households as an alternative source of employment and livelihood. Over the last decades, it has become clear that the formal economy in many countries is not able to create sufficient employment opportunities. The informal economy is a significant contributor to job and income generation.

Whereas the informal economy provides alternative economic opportunities and livelihoods it is also characterised by high levels of decent work deficits arising from the informality of operations and working arrangements. The informality and precariousness of work and operations on which millions of South Africans depend for survival trap them in a state of poverty and economic marginalization. Global evidence shows that in order to change these dire prospects, enterprises must formalise.

The transition of informal enterprises to formality has been prioritized by the government of South Africa along with organised business and organised labour, i.e. the tripartite partners of the ILO. The creation of the national Department for Small Business Development (dsbd) in 2014 stresses the important role that the government ascribes to the MSME sector. Likewise, the formulation of the National Informal Business Upliftment Strategy (NIBUS) reflects the importance of enterprise formalisation

in the national development agenda. Facilitating the transition of informal to formal enterprises is also a way to extend social protection and rights to workers in the informal economy.

The question is what are the best policies, programmes and practices that can enable more informal enterprises to become formal and thereby contribute to more and better jobs?

The ILO – with the financial support of the Government of Flanders - recently carried out an assessment of the Enabling Environment for Sustainable Enterprises (ESEE) in South Africa. The report (February 2016) assesses the 17 pillars for an enabling environment as agreed by ILO member states in the 2007 International Labour Conference. In addition, the research had a particular focus on facilitating the transition of informal enterprises to formality. In particular, the report stressed the following key priority areas for policy attention:

- Improve easy access to Information for business start-up and business support services
- Reduce and simplify burdensome regulations
- Find ways to strengthen the voice of SMEs in policy and social dialogue processes
- Simplify hiring and employment Practices
- Develop new ways to increase access to finance and market opportunities
- Mainstream enterprise/entrepreneurial training and skills development
- Advocating for a better environment to support sustainable SME development and transition to formality.

Under the framework of the 2015-2017 Knowledge Sharing for SME development (KS4SME) project, funded by the Government of Flanders, the ILO is organising a capacity development and learning course to provide examples of promising practices on SMEs development and enterprise formalisation as well as space for tripartite actors and practitioners to reflect and design interventions models that work for South Africa.



Objectives of the course

Participants will discuss the constraints and challenges faced by SMEs and micro enterprises in the informal economy and will share and exchange on policies and strategies that have been adopted in some countries to overcome such constraints with a view to facilitating the transition of enterprises to the formal sector. Measures such as taxation, administrative obligations, social security, legislation (commercial, labour property), enforcement, enterprise upgrading (access to markets, access to technology, credit and inputs, access to skills) and legal protection will be presented and their effectiveness reviewed. At the end of the blended course participants will have:

- Acquired a better understanding of the barriers to enterprise formalization and SME development in general, and in the case of South Africa;
- Explored policies and strategies undertaken successfully in a number of countries to facilitate the formalization of micro and small enterprises and their employees; and discussed their adaptation to the South African context;
- Assessed practical interventions to promote SMEs development and business formalization in South Africa



Who should participate?

The blended course targets decision takers, policy makers and practitioners who are tasked to *implement measures to support initiatives geared toward the formalisation of enterprises and SMEs development* in South Africa. This extends to government, organised labour and organised businesses as well as business development services providers.

Participation to this course is financially supported by the project KS4SME. Candidates will be selected

through a rigorous process that requires:

- APPLICATION through the following link: <http://intranetp.itcilo.org/STF/A1710151/en>
- SPONSORSHIP LETTER from your institution stating why you have been nominated and how your participation will benefit your institution
- MOTIVATION LETTER (One pager). You should cover the following points in your motivation letter:
 - How your work is related to the subject of the course
 - Why your candidature should be considered
 - How the knowledge acquired during the course will be used in practice.

Applicants are kindly asked to attach the sponsorship and motivation letters to their application form or send them by email to informaleconomy@itcilo.org

Please note that only applications accompanied by these documents (motivation and official sponsorship letters) will be taken into consideration.

Deadline for application: 15 July 2016.



Programme for the blended learning course

The course starts from describing and discussing the boundaries of informal sector activities and in particular the micro and small enterprises segment to assessing practical measures to upgrade SMEs and promote formalisation of the informal sector in general and in South Africa.

E-campus distance learning: August 2016

The pre-course phase prepares participants to get acquainted with the conceptual framework around MSME development and the informal sector: causes, drivers, magnitude. There will also be a focus on ILO Recommendation 204 concerning the transition from the informal to the formal economy adopted by the 2015 International Labor Conference. Sessions will be interactive with the use of assignments, experts'