



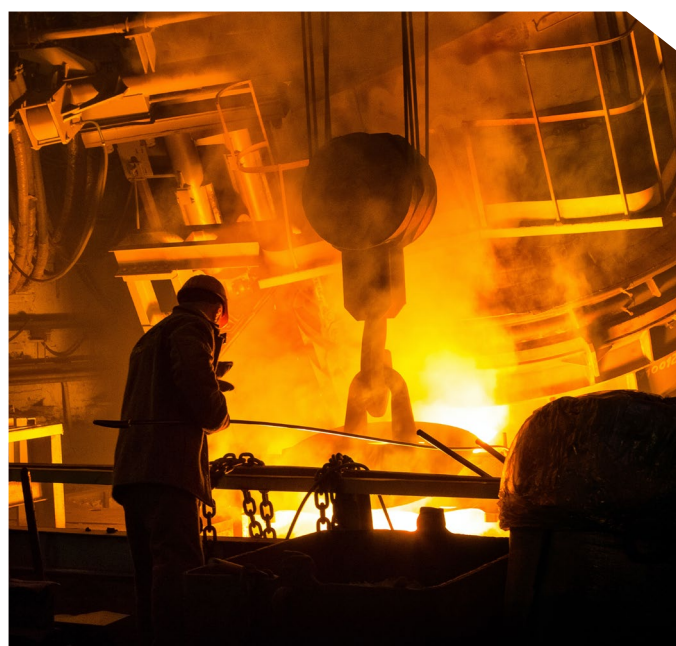
► Incentivising and enforcing compliance

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Labour and social security inspection approaches should be adapted to the specific circumstances and needs of employers and workers, particularly where there is high level of informal employment. In order to meet those needs, it may be necessary to adapt the applicable legal framework in order to enhance the human and financial resources available for inspection, as well as to adapt the way inspections are conducted. The government can also opt to lower compliance costs through simplified tax and contribution assessment. At the same time, it is important to increase awareness among workers and employers about their rights and obligations so they can play their part in ensuring compliance. IT solutions and good coordination among different organisations can help.

►► Costa Rica's social insurance institution has implemented a range of measures to improve the collection of social insurance contributions by self-employed workers and employers. The institution employs a group of specialised inspectors to oversee the registration of self-employed workers. The inspectors work in several economic sectors and according to different schedules so as to enable both day-time and night-time supervision. In addition, more administrative staff and inspectors have been hired to enhance the administrative capacity to follow up cases of evasion. The responsible institution has also allocated more resources to acquire the physical, material, and technological capacities needed to successfully implement this strategy, which has allowed the extension of contributory coverage to all parts of the country, including to self-employed workers in rural areas.

►► In Brazil, a simplified tax regulation for micro and small enterprises was introduced by the Simples Federal Law 9317 in 1996, and further reformed by the introduction of the Simples Nacional Law in 2007. This mechanism allows eligible companies to file a single simplified annual tax declaration, instead of monthly tax declarations for eight different taxes.



■ In Malaysia, the introduction of a mobile application to verify enterprise registration, plus a mobile application that locates unregistered enterprises with GPS via Google, have significantly reduced the time required to detect and verify unregistered enterprises. Between 2015 and 2016, the total number of enterprises visited increased by 14%, while the number of unregistered enterprises visited increased by 23%.



■ In Saudi Arabia, the General Organisation for Social Insurance implemented a new system to consolidate all inspection data (paper-based and electronic) and reduce the duration of inspection processes by organising field inspections based on the inspector's geographical location and expertise. That full business intelligence system uses real-time field inspection data and is thus able to calculate information in seconds, allowing for a significant increase in the number of field visits.



■ Workers' organisations can play a key role in disseminating information and facilitating registration. In the Philippines, a domestic workers organisation arranges trips to social security registration booths, counselling centres, and other government agencies.



This ILO Brief is part of a quantitative research of the labour force and enterprise landscape in Lao People's Democratic Republic to better understand the nature of informality and design tailored social security policies. The research received financial support from the ILO/Korea Partnership Programme and was conducted by Oxford Policy Management.

In partnership with



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