



Проект фінансується
Європейським Союзом



Проект виконується
Міжнародною організацією праці

Рекомендація МОП № 204 щодо переходу від неформальної до формальної економіки 2015 року

[ILO Recommendation No. 204, concerning the transition from the informal to the formal economy, 2015](#)

Проект ЄС-МОП «Зміцнення адміністрації праці з метою покращення умов праці і подолання
незадекларованої праці»

EU-ILO Project «Enhancing the labour administration capacity to improve working conditions and tackle undeclared work

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1. To promote the **transition** of workers and economic units **from the informal to the formal economy**, **while ensuring the preservation and improvement of existing livelihoods during the transition;**
2. Because:
 - The **denial** of rights at work, the **absence** of sufficient **opportunities** for quality employment, **inadequate social protection** and the **absence of social dialogue** **are most pronounced in the informal economy;**
 - Most people **enter the informal economy** not by choice but because of the **lack of opportunities** in the formal economy and the **absence of other means of livelihood.**

Provides guidance to constituents, on the design and implementation of strategies and integrated legal and policy frameworks aimed at:

- 1. Facilitate the transition** of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring income security and entrepreneurship;
- 2. Promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy** and the coherence of macroeconomic, employment, social protection and other social policies; and
- 3. Prevent the informalization of formal economy jobs** through social *dumping*.

All economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements.

Note:

It excludes: illicit activities, specially the provision of services or the production, sale, possession or use of goods forbidden by law (e.g., production and trafficking of drugs, manufacturing of and trafficking in firearms, trafficking in persons, money laundering)

- **Lack of access to formal economy**, due to:
 - ✓ **Absence** of adequate **education** and/or **qualifications**;
 - ✓ **Discrimination** (e.g., based on sex, age, religion, ethnic group, disability);
 - ✓ **Absence** of required **licenses** or **authorizations**;
 - ✓ **Conciliation** between **family and personal life** and **professional life**;
 - ✓ **Underage**;
 - ✓ **Irregular migration** (lack of work permit).
- Excessive regulatory and administrative burdens (**high contextual costs**);
- **Nature** of some **activities**: seasonality; intermittent needs of large-scale labour; etc
- **Social dumping**;
- **Tax** and **social security** legal frameworks.

- **Fundamental principles and rights at work** (freedom of association and collective bargaining; forced and compulsory labour; child labour; and discrimination);
- **Social protection;**
- **Decent working conditions;**
- **Rule of law** and authority of the State and its institutions;
- Development of **sustainable enterprises;**
- **Public revenues** and **social security sustainability;**
- **Governments' policy effectiveness** and **scope** of action;
- **Fair competition** in national and international market.

- Constituents should:
 - ✓ **Assess and analyze the factors, characteristics, causes and circumstances of informality** (to develop and implement laws and regulations, policies and other measures to facilitate the transition to the formal economy);
 - ✓ **Adopt, review and enforce national laws and regulations to ensure appropriate coverage and protection of all categories of workers and economic units;**
 - ✓ **The integrated policy framework to facilitate the transition to the formal economy is included in national development strategies and plans as well as in poverty reduction strategies.**

- **This integrated transition policy framework should address:**

- ✓ Promotion of strategies for sustainable development, poverty eradication and inclusive growth, and the generation of decent jobs in the formal economy;
- ✓ Establishment of an appropriate legislative and regulatory framework;
- ✓ Promotion of a conducive business and investment environment;
- ✓ Respect and promotion of the fundamental principles and rights at work;
- ✓ Organization and representation of employers and workers to promote social dialogue;
- ✓ Promotion of equality and the elimination of all forms of discrimination and violence, including gender-based violence, at the workplace;

- ✓ Promotion of entrepreneurship, micro, SMEs, and other forms of economy units (e.g., cooperatives and other social and solidarity economy units);
- ✓ Access to education, lifelong learning and skills development;
- ✓ Access to financial services, including to an inclusive financial sector (e.g., microcredit, mutual guarantee schemes);
- ✓ Access to business services, markets, infrastructures and technology;
- ✓ Promotion of sectoral policies;
- ✓ Establishment of social protection floors, where they do not exist, and the extension of social security coverage;

- ✓ Promotion of rural and urban local development strategies (e.g., regulated access for use of public space and to public natural resources for subsistence livelihoods);
- ✓ Effective occupational safety and health policies;
- ✓ Efficient and effective labour inspections;
- ✓ Income security, including appropriately designed minimum wage policies;
- ✓ Effective access to justice; and
- ✓ International cooperation mechanisms.

Employment policies should include the following elements:

- ✓ Pro-employment macroeconomic policies that support aggregate demand, productive investment and structural transformation, promote sustainable enterprises, support business confidence, and address inequalities;
- ✓ Trade, industrial, tax, sectoral and infrastructure policies that promote employment, enhance productivity and facilitate structural transformation processes (e.g., simplified regimens, inception exceptions, temporary accumulation of unemployment benefit with earned income, within certain limits);
- ✓ Policies that promote a more favorable environment for enterprises development, through the reduction of contextual costs, to facilitate formalization and fair competition (e.g., simplification and dematerialization of licensing procedures, “Simplex Program”);

- ✓ Labour market policies and institutions to help low-income households to escape poverty and access freely chosen employment, e.g.: wage policies (including minimum wages); social protection schemes (including cash transfers); public employment programmes and guarantees (including enlarging delivery of employment services to informal workers); service voucher schemes (Chèque-service);
- ✓ Labour migration policies that take into account labour market needs and promote decent work for migrant workers (e.g., inclusive strategies, language, recognition of qualifications);
- ✓ Education and skills development policies that support lifelong learning, respond to the evolving needs of the labour market and to new technologies, and recognize prior learning (e.g., apprenticeship systems, systems of Recognition, Validation and Certification of competences; New Opportunities Program);

- ✓ Comprehensive activation measures to facilitate the school-to-work transition of young people, in particular those who are disadvantaged (e.g., youth guarantee schemes to provide access to training and continuing productive employment; social security exemptions for first employment);
- ✓ Measures to promote the transition from unemployment or inactivity to work, in particular for long-term unemployed persons, women and other disadvantaged groups (e.g., social security exemptions or lower contributions for employers; possibility of anticipation of unemployment benefits to invest in a own-account business);
- ✓ Activation measures such as a lower social security contribution or its temporary exemption for businesses creating a specific number of formal jobs, and depending on its duration;
- ✓ Relevant, accessible and up-to-date labour market information systems.

Regarding rights and social protection, constituents should :

- ✓ Take immediate measures to address the unsafe and unhealthy working conditions that often characterize work in the informal economy;
- ✓ Promote and extend occupational safety and health protection to employers and workers in the informal economy;
- ✓ Progressively extend to workers in the informal economy social security, maternity protection, decent working conditions and an adequate minimum wage;
- ✓ Facilitate the access to affordable quality childcare and other care services in order to promote gender equality in entrepreneurship and employment opportunities and to enable the transition to the formal economy.

In order to ensure the transition to formal economy, constituents should:

- ✓ Combine preventive measures, law enforcement and effective sanctions, to address tax evasion and avoidance of social contributions, labour laws and regulations;
- ✓ Reducing registration costs and the length of the procedure, and by improving access to services (e.g., dematerialization and simplifications of obligations, declarations and compliance, “Enterprise in a Hour”, “Brand On-line”, “Enterprise On-line”, “Simplified Company Information”, “Single Report”);
- ✓ Reduce compliance costs by introducing simplified tax and contributions assessment and payment regimes;

- ✓ Promote access to public procurement by adapting procurement procedures and volumes, providing training and advice on participating in public tenders, and reserving quotas for these economic units;
- ✓ Improve access to inclusive financial services (e.g., credit, equity, payment, insurance services, savings, and guarantee schemes), tailored to the needs of these economic units;
- ✓ Improve access to entrepreneurship training, skills development and tailored business development services;
- ✓ Improve access to social security coverage;
- ✓ Ensure appropriate mechanisms for the recognition and enforcement of employment relationships (in line with the [ILO Recommendation No. 198](https://www.ilo.org/ukraineEUProject), of 2006), so as to facilitate the transition to the formal economy;

- ✓ Have an adequate and appropriate system of labour inspection, in order to improve the working conditions of the workers of the informal economy (Problem: in Ukraine, Labour Inspection can only control and monitor the registered employers);
- ✓ Provide information and assistance in complying with the relevant laws and regulations, and capacity building for relevant actors;
- ✓ Provide efficient and accessible complaint and appeal procedures;
- ✓ Implement preventive and corrective measures to facilitate the transition to the formal economy, and ensure that the administrative, civil or penal sanctions provided for by national laws for non-compliance are adequate and strictly enforced.

Freedom of association, social dialogue and role of employers' and workers' organizations

ILO R204

In these regard, Constituents should:

- Ensure that those in the informal economy enjoy freedom of association and the right to collective bargaining;
- Create an enabling environment for employers and workers to organize and to bargain collectively and to participate in social dialogue in the transition to the formal economy;
- Ensure that employers' and workers' organizations, where appropriate, extend membership and services to workers and economic units in the informal economy;
- Consult with and promote active participation of the most representative employers' and workers' organizations, which should include representatives of of workers and economic units in the informal economy.

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In these regard, Constituents should:

- Collect, analyze and disseminate statistics (disaggregated by sex, age, workplace, and other specific socio-economic characteristics) on the size and composition of the informal economy (including the number of informal economic units, the number of workers employed and their sectors);
- Monitor and evaluate the progress towards formalization.

Constituents are expected to give effect to the provisions of this Recommendation by one or a combination of the following means:

- National laws and regulations;
- Collective agreements;
- Policies and programmes;
- Effective coordination among government bodies and other stakeholders;
- Institutional capacity building and resource mobilization; and
- Other measures consistent with national law and practice.



Дякую за увагу!
Thank you for your attention!
Gracias por su atención!
Obrigado pela vossa atenção!

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