



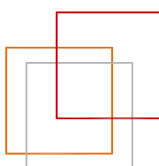
Regional Knowledge Sharing Forum

Regional Tripartite Workshop on Transitions to Formality and Decent Work

6 – 8 October 2015, Kathmandu, Nepal



International Labour Organization



Employment
Policy
Department



International Training Centre

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WORKSHOP REPORT

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1. Introduction:

Informal economy not only remains a major challenge in attaining development goal but also a key for decent work deficit. A number of countries in Asia and the Pacific are making major efforts to tackle the challenge of informality, and to improve overall employment quality. Informal employment accounts for over 60 per cent of non-agricultural employment for all Asia-Pacific countries for which data are available, except Thailand. It reaches 73 per cent in Indonesia, 78 per cent in Pakistan and 84 per cent in India. Informality in the region has received most attention in terms of the challenges it poses to tackling poverty and inequality, unfair competition it represents to formal businesses, and perpetuation of poor quality employment. Informality often entails the denial of fundamental principles and rights at work and the lack of social security. It is also associated with a lesser representation of workers and economic units, and hence workers and employers cannot freely exercise their right to freedom of association and collective bargaining.

There are similar percentages of men and women engaged in informal employment in Asia and the Pacific. However, the picture is mixed. While men concentrate in the informal sector, women often engage in informal work outside of the informal sector, such as domestic work. Private households in Asia-Pacific employ approximately 21.5 million workers, representing over 3 per cent of the region's paid employees, 80 per cent of whom are women. Many international labour standards allow for the

exclusion of domestic workers, which remain largely unprotected in terms of working time, minimum wage and maternity protection, among others. Another prevalent form of informal employment in Asia and the Pacific lies in small enterprises, particularly in the form of home-based work. While informal employment in these businesses is an essential component of local economies, home-based workers are often excluded from minimum wage, working hours, and social protection laws.

Furthermore, opportunities for good quality formal employment is paramount for a region with such large youth population. Previous studies on employment policies have analysed how young people's first jobs affect their labour transitions and personal trajectories. A formal start, with good working conditions, has been shown to affect working conditions in future jobs. Thus, creating an enabling environment for young jobseekers to access quality employment should be a central concern in policy-making. In spite of good economic growth, transiting out of informality towards better quality, formal jobs remains a key challenge for countries in the AP region. However, a number of countries are making efforts to tackle the challenge of informality, and to improve overall employment quality. The reporting, experience sharing and analysis of these initiatives contributes to a better understanding of what works and doesn't work in facilitating transition to formality in ACI 6 target countries.



The Regional Knowledge Sharing Forum (RKSF) also contributed to the Global knowledge sharing forum that has scheduled in November 2015 in Turin, bringing together tripartite experts from all regions to exchange views and practices about integrated policy frameworks to facilitate transitions to formality based on their domestic experiences. In the framework of ACI 6, ROAP, organised a regional knowledge sharing forum (RKSF) in Kathmandu, October 2015, for selected countries of the Asia Pacific (AP) region, which are ACI 6 target countries, other countries that face similar challenges and have successful experiences on transitions to formality.

The ACI 6 target countries on transitions to formality in the region are India, Nepal and Philippines. The current focus of these target countries are SMEs (India and Nepal) and Domestic Work (India and Philippines). The target countries are engaged in the process of formalisation in these identified sectors, with support from the ILO. Given the heterogeneous nature of the informal employment problem (because of its determinants, its diverse forms and the variety of groups of worker affected by it) it is clear that the strategy for transition towards formality needs an integrated approach, as noted by the discussion on informality in the ILC 2014. The RKSF contributed towards building the knowledge base and capacity in these ACI 6 target countries on more integrated strategies that are critical for their transition towards formality, based on experiences from other countries in the region.

2. Strategies:

Different report and studies indicate that formalization strategies in most countries require a favourable economic context as well as deliberate, coordinated formalization policies. Some countries have recently initiated projects, combining multiple actions, through laws or formalization strategies. Overall countries have implemented strategic policies to facilitate the transition to formality. These include actions to increase the capacity of economic units to comply with existing standards or regulation (productivity); actions to increase the capacity of the economies to ensure compliance with standards (legislation, incentives and oversights); specific measures for collectives such as for wage workers, own account workers and domestics workers.

In this context, the proposed RKSF will explore the following thematic areas:

- I. Integrated policy framework for transitions to formality as recommended by ILC 2015 (forthcoming);
- II. Creating enabling environment and conditions conducive to formalisation with a special focus on SMEs and Domestic Work (the sectoral focus of the ACI 6 target countries).
- III. Macroeconomic and employment policies promoting formal employment nationally and sectorally
- IV. Regulatory framework for formalization: Enforcement and compliance strategies and extending Social Protection to the informal economy

3. Objective:

In the framework of ACI 6, ROAP, organised a regional knowledge sharing forum (RKSF) in Kathmandu, October 2015, for selected countries of the Asia Pacific (AP) region aiming to contribute to the Global knowledge sharing forum that has scheduled in November 2015 in Turin, bringing together tripartite experts from all regions to exchange views and practices about integrated policy frameworks to facilitate transitions to formality based on their domestic experiences.

While countries in the region have initiated new policies and programmes to transition to formality, there is little experience in the region in terms of good practices on Domestic Work. However Sri Lanka and Indonesia are taking steps to formalise domestic work and their experience on this would be useful. On SMEs there is quite a range of policies and good practices on different aspects that the ACI 6 target countries can benefit from – in Bangladesh, Sri Lanka, Indonesia, Vietnam and Mongolia. The RKSF has therefore been benefited from selected countries in the region that are focussing on informality, and have national good practices and experiences on facilitating transitions to formality either on SMEs or on Domestic Workers, which are the focus sectors of the

ACI 6 target countries. The RKSF also provided a space for dialogue and exchange for ILO constituents in the AP region focusing on following aspects:

- Raise the national technical capacity of ILO constituents in ACI 6 target countries and other selected countries with regards to theories, policies and practices on facilitating transition to formality
- Build their capacity on evidenced- based successful approaches and processes adapted to the specific situations of participating countries, focussing on the 'how to';

The expected changes though this activity are:

- *Knowledge base of the nature, pattern and effectiveness and sequencing of policy packages for transitions to formality is enhanced and available to constituents in ACI 6 target countries;*

Constituents in ACI 6 target countries are informed about practical implementation of policy measures that facilitate transition to formalisation in SMEs and in Domestic Work in others countries of their region/other parts of the world to formalize the informal economy;

4. Inaugural session:

The Regional Knowledge Sharing Forum (RKSF) organised in Kathmandu during 6-8 2015 for Asia and Pacific regions. Total of 49 participants including ILO officials participated in the same. Other participants mainly ILO constituents came from 11 Asia-Pacific member States. The workshop was facilitated by ILO team of Specialists and staff from Geneva (2), Turin (1), New Delhi (6), Dhaka (1), Bangkok (2), and Kathmandu (2). A technical session was also held through video conference by the ACI 6 Coordinator, Ms Azita Berar Awad, Director, ILO Employment Policy Department. The opening statements included remarks (on video) from Ms Tomoko Nishimoto, ILO Regional Director for ROAP.



An inaugural session was also followed by opening remarks - Mr Jose Assalino, Country Director CO Kathmandu, Ms Sukti Dasgupta, Senior Economist, ROAP, Mr Frédéric Lapeyre, Head-Informal Economy Unit from ILO HQ and Dr Thomas Kring, CTA of the Way-out of Informality Project and ACI6 Coordinator expressed their views highlighting on transition to formability. They also underlined about ILO R 204 which has been endorsed by International Labour Conference (ILC), June 2015 as a major instrument for member counties to address informal economy to facilitate the transition from informal to formal economy, promotes the creation of enterprises and decent jobs in the formal economy preventing informalisation of formal jobs and enterprises.

Similarly, Mr Tulasi Prasad Gautam, Joint Secretary of the Government of Nepal, at the National Planning Commission (NPC) also delivered his remarks on the opening session. Mr Gautam expressed an importance to address informal economy in Nepal considering it's huge coverage and increasing trend. He further highlighted on ILO's technical assistance both at policy and programme levels to tackle informality.

5. Technical Session:

The Regional Tripartite Workshop on Transitions to Formality and Decent Work featured a host of technical sessions on various thematic issues pertaining to formalization of enterprises and employment relationships. These sessions covered issues such as regional trends in informality, ILO's new Recommendation 204, integrated strategy to facilitate transition to formality, measurement of informality, nature of informal workers, formalization of enterprises, perspectives from workers and employers organizations, regulatory framework, country experiences, equality and non-discrimination, social security extension and skills development. A brief summary of issues and learnings from these sessions are presented below.

5.1 Focus: *Informality in Asia and the Pacific*

Presenter: *Ms. Sukti Dasgupta, ILO, Bangkok*

Summary: The region is experiencing fairly healthy economic growth rates in recent years, in particular, the emerging economies. However, a disturbing trend observed is that the growth in employment is not keeping pace with the overall economic growth. This is a grave concern which requires appropriate policy prescriptions addressing the employment deficits. At the same time, the extent of informality is already huge and rapidly expanding too which necessitates interventions addressing transition to formality of enterprises and employment relationships. The conceptual frameworks around informality include different approaches such as dualism, structuralism, legalism, voluntarism and exclusionism. The need of the hour is a multi-dimensional strategy at all levels to address decent work deficits arising out of informality. Equally important is the theoretical basis for measurement of informality and creation of a robust statistical and data capacity to serve as a tool for evidence based policy making. The unemployment of youth is a significant problem with 50% of them being in the Asia Pacific region. The underlying cause of this is prevalence of poverty and for many the incomes are too low to escape from it. Income inequalities are high and rising and the share of urban informal workers is rising. It is important to understand the drivers of informality and address them through an integrated strategy.

The presentation was followed by a very lively discussion. The questions and comments that were raised related to:

- Whether formalization of the informal sector and employment would limit competitiveness in the countries since competition is very intense and using the flexibility strategies that informal employment offers would then be lost.
- While the R 204 is about formalization of informal workers, there is also the point about preventing informalisation of formal sector workers. What are the strategies for this to happen? How much importance does the ILO place on this in the broader context of R 204?
- Asia Pacific countries usually have large sections of informal workers and this is a way of life in Asia Pacific, often prompted by lack of adequate employment opportunities in the formal sector. However, R 204, as it may lead to higher costs, may limit some of these opportunities and this may mean that many of these workers will lose the opportunity of work they currently have.
- The point was also raised, that especially in the Pacific, many workers, especially women workers, are content to be informal and this needs to be taken into account when discussing formalization strategies.
- Many informal workers are also migrants – and how would these workers' needs be addressed under R 204?
- Implementing labour laws and minimum wages is still a challenge for most countries in Asia Pacific –how then would the new Resolution related to informal workers be implemented, given that they are likely to be of even more at a disadvantage.

5.2 Focus: *Integrated Policy & Strategy to facilitate transition to formality*
Presenter: *Mr. Frederic Lapeyre, ILO, Geneva*

Summary: The approach to conceptualizing informality was initially in terms of enterprises. However, from 2002 onward, the focus is on informal employment. The Recommendation 204 adopted by ILC, 2015 is the first international instrument addressing the growing phenomenon of informality through a targeted and integrated approach towards facilitating transition to formality and provides for exchange of good practices across countries and sectors. This Recommendation is the culmination of sustained consultations with tripartite constituents over the last two years leading to unanimous adoption by ILC in 2015. The R204 advocates a rights based approach to grow the formal sector jobs, sustainable enterprises through coherence of macro-level policies and an emphasis is equally laid on discouraging the growing informalization of the formal sector. The guiding principles laid down in R204 offers scope for countries to adopt them in a manner that suits their national socio-economic context. The Governing Body session in November 2015 plans to formulate an integrated action plan for the implementation of the R204 at country levels. This also falls under the broader gamut of Target 8.3 of the global Sustainable Development Goals to promote development oriented policies.

The phenomenon of informality needs urgent attention from policy makers and other stakeholders, not only in poor countries but also in the developed world. The Governments everywhere need to evolve an integrated strategy to address the issue of transition to formality. The mechanism of labour inspection has to be extended to informal sector as well to ensure protection for informal workers, especially vulnerable groups such as domestic workers. The linkages between informality and poverty need to be identified and addressed appropriately to achieve decent work for all and inclusive development and to promote opportunities for income security, livelihoods and entrepreneurship. It is seen that in times of economic crises, informality increases. The approach to formalization should be a combination of incentives for compliance, preventive measures, law enforcement and effective sanctions.

The presenter clarified that ILO constituents were always concerned about the issue of informality. Now, constituents felt that they were prepared to move forward on formalization. Meanwhile, the ILO had accumulated knowledge on formalization which has always been part of the Decent Work Agenda. In Brazil, since the Government took effective measures to formalize domestic workers, they could easily choose to work formally. In Europe, the voucher system allowed employer households to buy vouchers from the government for using domestic workers' services that provided incentives for employers to register domestic workers.

5.3 Focus: *Informality – Concepts and Measurement*
Presenter: *Mr. Tite Habiyakare, ILO, Bangkok*

Summary: The presentation provided an overview on recent standards and advances in the measurement and production of statistics on the informal sector employment, informal employment, and employment in the informal economy.

The presentation covered the following issues:

- Recent international statistical standards in the measurement of employment in informality
- Concepts of employment in informality and existing sub-classifications (sub-categories that may need specific or targeted policy provisions)
- Measuring informality through surveys.

- Key statistics and indicators on employment in informality.

Interactive discussions were held during and after the presentation, with the main questions and comments raised related to the following:

Clarifications and examples of informal jobs outside the informal sector, a conceptual issue that is usually new to constituents and persons non familiar with recent standards. ILO started by providing clarifications on what are those other productions units that are outside the informal sector, i.e. government institutions, state companies, corporations, as well as private businesses recognized under the national laws related to businesses. But also household production units producing mainly for own final use. Inside these production units, there could be forms of work for which the employing unit is not following all applicable legislation (labour law) for the protection of workers (formal employment).

An important comment on the above from participants was that informal jobs inside the formal sector is simply a result of non-compliance with existing laws, or non-implementation of existing laws. Mostly true, but there could also be categories of workers not covered by existing laws, such as casual, temporary, replacement or short term workers. The same is particularly true for migrant workers.

The classical issue on how one can have formal jobs inside the informal sector was also raised. Depending on applicable legislation, there could be indeed businesses operating as informal sector enterprises, while (they could have incentives for) respecting existing legal provisions on the benefits or protection of their employees.

Some participants raised the issue of why we consider that having a contract is not a defining criteria for having a formal employment. ILO explained that the measurement of informality focuses on both de jure and de facto situations of compliance to legislation. Having a contract even signed, does not necessarily imply that the worker is effectively (or de facto) getting all the applicable benefits such as contribution to social security by the employer, paid annual leave and paid sick leave.

5.4 Focus: *Specific categories of informal economy workers (Group Work)*

Moderator: *Ms. Amelita King – Dejardin, ILO, Geneva*

Summary: The informal economy is heterogeneous, consisting of multiple categories of workers whose jobs differ in terms of employment status, labour relations, market structures and relevant regulatory frameworks. Thus manifestations and characteristics of informality are also diverse. While some causes of informality and barriers to formalization may be common across informal jobs, some may be different. This implies that a sector-based approach may be more effective than a general approach.

The session engaged the participants in a discussion on particular categories of workers in the informal economy, namely: street vendors, who are a specific group of micro-business owner-operators; informal employees of formal enterprises (undeclared and unregistered, includes contract workers); domestic workers; waste pickers who comprise the lowest layer of workers in the waste management and recycling system; and fishers in commercial fishing vessels.

The group discussions addressed three points:

- What are the manifestations of informal employment among these workers? What are the characteristics of informality among these workers?
- What are the causes of informality? What push these workers into informal employment?

- What are the barriers to formalising their employment? What prevent them from moving to formal arrangements?

A) Small entrepreneurs such as street vendors

Characteristics – These entrepreneurs usually have no business registration, use unpaid/contributing family workers on their enterprises, and neither the owner nor the workers have paid annual leave and lack of regular earnings because of the nature of their business.

Causes - The overall low level of formal employment opportunities which prompt them to become self employed, but because of the high cost of doing business and their low level of education and their inability to compete in the formal market, they opt for informal business that requires little capital.

Barriers - Lack of information on registration of enterprises, their difficulty in compiling with documentary evidence required, as well as its high cost, and if formal the cost of paying taxes. Furthermore, in some countries in Asia, they are not required or it is not compulsory by law to register businesses.

B) Informal employees in formal enterprises

Characteristics - Employment arrangements may be following traditional, cultural disciplines (human element); workers may sometimes be relatives of the employer. Migrant workers, who are vulnerable and outside of home territory, would often take any job.

Causes - Poverty and lack of education push workers to take on informal jobs. The absence of an employment contract makes it easy to move from one job to a relatively better job. No income tax is an incentive.

Barriers - The absence of political will and of tripartite disagreement over the way towards formalization; worker's own contentment to stay the way they are (human element); not all workers want to change traditional ways.

C) Domestic workers

Characteristics - Many are women (83%); may be a migrant worker; and may involve family relations between worker and employer. Experience is not required, so easy to get job. Employment is generally unregistered; characterized by no clear terms of employment; low wages, sometimes not paid but provided shelter and education; abuse and restrictions on movement.

Causes - Poverty, lack of education and skill, debt and family difficulties push workers into domestic work. Reluctance to pay tax and exclusion from legislation cause formality.

Barriers - Lack of education, poverty, and laws, regulations, practices that create and perpetuate poverty prevent formalization. Workers are also under strict control by employers.

D) Waste pickers

Characteristics - Job is not regulated by law; voluntary, own-account work; easy-to-access job as waste is found anywhere, anytime.

Causes - Poverty, illiteracy, lack of jobs, weak governance system and easy source of money.

Barriers: Lack of job opportunities; lack of garbage management; absence of social protection; peer pressure; weak implementation of laws; and illiteracy hamper formalization.

E) Fishers in commercial fishing vessels

Characteristics - These workers have no contracts, no benefits. Working in the fishing sector is a way of life for them and this is part of their social life.

Causes - The overall lack of employment opportunities, lack of skills and education, traditional family obligation, and insufficient support from the government.

Barriers - Cost of registration of fishing boats, and lack of awareness of rights and entitlements.

5.5 Focus: ***Strategies for promoting formalization of enterprises***

Presenter: ***Mr. Thomas Kring, ILO, New Delhi***

Summary: This presentation brought out the main benefits of formalization to enterprises and also workers. The enterprises gain access to market and credit linkages by way of compliance with labour and business legislations. Also they could benefit through increased productivity and competitiveness. The workers on the other hand benefit through a host of employment and social protection measures and hence have a greater chance of escaping from vulnerability and poverty. Thus formalization leads to reduction of decent work deficits.

The main reasons for staying informal include not only inability of enterprises to comply with labour laws due to increased costs and low productivity, but also due to unwillingness of enterprises to formalize due to weak enforcement of laws. Other significant factors for informality include lack of awareness among both enterprises and workers about issues and consequences of compliance. The presentation brought out few good practices from various countries such as Vietnam, Bulgaria & Latin America in different sectors. Also, the important ILO publications related to transition to formality were mentioned.

The presentation was followed by a case study and group work. Some of the points that emerged out of group work are that formalization of enterprises leads to:

- Access to credit
- Access to business development services
- Access to bigger markets
- Benefits of registrations
- Better occupational safety and health
- Awareness of compliance procedures

From the Government perspective, the issues to be dealt with are as below:

- Simplification of procedures
- Better enforcement of law

5.6 Focus: ***Formalization - Perspectives of Workers Organizations***

Moderator: ***Ms. Sukti Dasgupta, ILO, Bangkok***

Summary: The findings of the group work during this session as presented by representatives from workers organizations of participating countries are as below.

A) Bangladesh:

- Trade unions are going to organize informal workers with the help of ILO. We are running education

program, awareness development and gender equality programs.

- Social security coverage through insurance program and workers' welfare foundation.

B) Nepal:

- New labour law is going to cover all workers including domestic workers.
- New social security law is going to cover informal workers gradually.
- Trade unions are engaged in organizing workers including domestic, agriculture, transport, construction workers, beauticians and home based workers.

C) Laos:

- New labour law covers all informal workers (a year ago).
- Trade unions are organizing workers like - agriculture and educating workers. (JAILAF, ORXFAM).

D) Sri Lanka:

- CWC in Sri Lanka represents the plantation sector-fully unionised.
- People from plantation leave for migration (employment).
- Domestic workers are not organized and fall in the category of informal employment.

E) Vietnam:

- Labour law covers all workers.
- New social security law suitable for all kinds of workers.
- Trade unions law helps TUs to have stronger voice to protect workers.

F) Cambodia:

- Policy advocacy: to put the workers in informal workers into social protection and benefits.
- Increasing organizing activities: To mobilize those workers to be the strong voice for putting pressure for the rights of workers.
- Capacity building program: on social protection, labour law, rights of workers and union workers.

G) Indonesia:

- Advocacy: respond to the case of informal workers and social protection.
- Training: informal workers get the information and knowledge.
- Organizing: informal workers have to become members to unions.

H) Mongolia:

- According to the labour force survey 2011, 1962 thousand people working in informal sector.
- Trade unions membership is 15%.
- Activities include small loan, skill training, entrepreneurship, consulting and information services.
- Framework of social protection service.

I) Philippines:

- Collecting recommendations from workers associations and workers of informal economy on how they want to be formalized.
- Reviews of the existing law affecting workers of informal economy.
- Capacity development and skills training.
- Started orientation/information dissemination regarding ILC recommendation 204 (Govt, TUs, workers).
- Started organizing domestic workers through TU alliance.
- Conducting dialogue/advocacy work with policy makers on social protection.

5.7 Focus: *Formalization - Perspectives of Employers Organizations*

Presenter: *Ms. Sukti Dasgupta, ILO, Bangkok*

Summary: The findings of the group work during this session as presented by representatives from employers organizations of participating countries are as below.

A) Samoa:

- Chamber of Commerce providing incentives.

B) Nepal:

- Help desk with 4 chambers in country to disseminate information on registration.
- Capacity building of small entrepreneurs with access to credit and markets.
- Draft labour bill and social protection bill with cabinet.

C) Laos:

- Promoted employers to follow labour law and Trade Union law.
- Emphasis particularly on Handicrafts sector.

D) Sri Lanka:

- Employers chamber to conduct training on labour law and social protection laws.
- Commitment is there but coordination should improve.

E) Vietnam:

- Actively promoting compliance with labour laws.

F) Fiji:

- Employers Federation having an active women's wing.
- 60 to 70% are SMEs in informal sector with 80% women.
- The federation lobbying with government for better access to finance.

G) Mongolia:

- Helping small companies in participating in public tenders.
- Favourable environment for MSME sector including financing options.
- Facilitating compliance with labour laws.
- National policy for informal sector.

H) Bangladesh:

- Amendments in labour laws in process.
- Coverage expanded to informal workers.
- Contractors defined as employers.
- Awareness workshops are in progress.
- Pilot scheme of group life insurance for construction workers and workers welfare fund in place.

5.8 Focus: *Role of Regulation, Labour Administration in Formalization*

Presenter: *Mr. Coen Kompier, ILO, New Delhi*

Summary: The presenter gave a comprehensive overview of the ILO Recommendation 204 adopted by the ILC in 2015. The elements contained in the Recommendation were presented which included objectives, guiding principles, legal & policy frameworks, employment policies, rights & social protection, incentives, compliance & enforcement, freedom of association & social dialogue, data and monitoring, and implementation.

The main points brought out in this session include the following.

- A leading factor fuelling informality is the systemic exclusionary practices.
- In the informal economy, wages are mostly piece-meal and not time based.
- In India, there has been an increase in informality.
- Employment relationships are increasingly getting more informal without written contract.
- Migration is also a major driver of increasing informality.
- Abusive practices of engagement of apprentices to artificially reduce wages.
- A large fold of informal unions of workers is emerging and how they relate to central trade unions is unclear.

5.9 Focus: *Equality and Non-discrimination for enterprises & workers*

Presenter: *Ms. Reiko Tsushima, ILO, New Delhi*

Summary: The main objectives of this presentation were to understand why certain groups of workers are more vulnerable to informal employment and implication on equality of opportunities for men and women. As per the International labour Conference, 103rd session, 2014 report, the same discrimination issues that plague the formal economy are mirrored and often intensified in the informal economy. Women tend to have lower incomes, less capital and skills, and are less likely to be employers than men in the informal sector.

The ILO Conventions C100 and C111 relate to equality and non-discrimination at work. These cover issues such as equality in opportunity & treatment, various stages of the employment cycle, equal pay for equal work of equal value, extent of coverage of workers and other relevant International Labour Standards. Certain groups are more likely to be in informal economy such as women, migrants, youth, disabled and ethnic & religious minorities. They typically suffer from deeply entrenched bias, low education & skills, low mobility, time constraints and migrant status. Certain jobs have higher risks of decent work deficits such as domestic work, home based work, street vending & waste pickers. Unconventional place of work (home, street, fields) and unrecognized work make the informality invisible from law, statistics & valuation.



Responses through integrated approach to formalization include the following:

- A) Making the work visible
 - Enhance sensitivity of statistics and nature of informal work.
 - Organize workers to raise awareness about rights and schemes
- B) Making LM instruments and institutions inclusive
 - Inclusion in main labour laws, minimum wages, working conditions
 - Extension through specific legislation and policies
 - Recognizing skills through credible certification
 - Developing entrepreneurship programs for informal workers
 - Reduce unpaid work burden through better public services
- C) Empower workers comprehensively and enhance bargaining power
 - Break dependency on unions
 - Improve living conditions in addition to working conditions
 - Enhance community competence in supporting each other

The case of domestic workers in India was presented along with initiatives carried out which included skills development programs with certification, national policy for domestic workers, regulation of placement agencies employing domestic workers and programs to build community competence.

5.10 Focus: Social Security Extension for informal workers

Presenter: Mr. Markus Ruck, ILO, New Delhi

Summary: The presentation was centered around themes which included the ILO's two dimensional strategy for extension of social security and country experiences covering India, Brazil & South Africa. The ILO instruments capturing the essence of two-dimensional strategy are Resolution and Conclusions adopted by ILC, 2011 and The Recommendation on Social Protection Floors. The horizontal dimension of the strategy caters to basic protection guarantees for all and the vertical dimension provides for higher levels of those protection guarantees. The national social protection floors provide for four nationally defined guarantees which include essential health care along with maternal care, child protection through nutrition, education, care, income security for vulnerable and elderly. The idea of floors is not a ceiling but a moving target containing plurality of approaches through social assistance, social insurance and universal schemes.

The country experiences presented included Rashtriya Swasthya Bima Yojana (RSBY) and Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) from India, Bolsa Familia Programme from Brazil, and Social Pension Programme from South Africa.

RSBY is a health insurance scheme from the Ministry of Labour and Employment with an objective of providing financial security to BPL families for hospitalization expenses. This scheme is portable across India and its delivery network includes more than 10,000 hospitals, 70% of them being private. The implementation challenges include buy-in of stakeholders, necessary hardware & software, enrolment & awareness, quality of health care and capacity gaps.

MNREGA is an employment guarantee scheme, implemented by the Ministry of Rural Development with an objective of providing livelihood security to rural households through 100 days of guaranteed wage employment in every financial year. This is a publicly targeted scheme with a rights based approach which is demand driven. The implementation challenges include capacity of people to demand their rights, administrative capacity gaps and accountability and transparency gaps.

Bolsa Familia is a conditional cash transfer programme launched in 2003 and instituted by Federal law and is a part of the Brazilian social protection framework. This rights based scheme provides for very less (5%) administrative costs and caters to those families with incomes less than a threshold. The effects of this scheme include reduction in risk of child labour, child malnutrition, reduction in poverty and inequality, increase in consumption & aggregate demand and empowerment of women.

Social Pension Programme in South Africa is a targeted scheme aiming to reduce poverty in old age and caters to around 2.2 million beneficiaries. This scheme is means-tested, cash financed, and accounts for 1.4% of GDP. The effects of this scheme include support to poorest households, reduction in poverty gaps and vulnerabilities, empowerment of women and reintegration of elderly into socially significant roles.

The concluding points were as below:

- The new schemes everywhere show that there is a consensus emerging on the importance of extending social security coverage for all, no matter what the level of development is.

- This marks significant progress towards fulfilling the human rights aspect of social security. There is also a strong acknowledgement of the huge contribution of social security to poverty reduction and human development.
- The increasingly recognized relevance of social security constitutes an opportunity to implement the basic social security floors.

5.11 Focus: Skills Development in the informal economy

Presenter: Ms. Sandra Rothboeck, ILO Consultant

Summary: The findings of the group work during this session as presented by representatives from participating countries are as indicated in the table below.

A) Laos:

- Labour law mentions about Recognition of Prior Learning (RPL).
- Employers should provide skill development to workers.
- Now the Government is drafting the skill development policy to recognize skill standard for informal workers.
- National Committee for skill development is set up.

B) Cambodia:

- There is a policy for recognizing skills but it does not apply for informal workers.
- Skill policies cover only the formal sectors.

C) Vietnam:

- Has a law for vocational training.
- Program on vocational training for labour in rural areas like handicraft sector.
- Government is developing vocational training centers through associations.
- Cooperation with international organizations for trainings for labour.
- MoUs signed with stakeholders.
- Challenges include large number of people, limited funds & low knowledge levels among labour.

D) Indonesia:

- There are no initiatives at the national level. But there are RPL initiatives undertaken by social partners, certain departments and institutions.
- Recognition from enterprises needed through promotion of benefits of certification.
- All these initiatives seem possible, but the challenge is financial support.
- Political will and support from tripartite constituents needed to ensure sustainability.

E) Philippines:

- The K12 education system is a ladder system consisting of kinder, elementary, secondary, and tertiary.
- The TESD initiatives includes programs for assessment and certification, training for work scholarship program, private education with financial assistance and special trainings for employment.
- There are institution, enterprise and community based initiatives.

F) Samoa:

- Establishment of Apprenticeship Council as enacted by Apprenticeship Act, 1972 now replaced by Apprenticeship Act, 2014.
- Functions & responsibilities of the Apprenticeship council include planning, organize, coordinate the provision of training for trade work & assess the quality of training programs, set training standards and certification
- Official training providers include National University of Samoa (NUS) and Australia Pacific Trade College (APTC).
- Apprenticeship training by NUS includes theory & training at workplace in trades like carpentry,

plumbing, welding, electronics, mechanical engineering, panel beating & painting, refrigeration & air-conditioning.

- APTC programs jointly by Auz Aid and Government of Samoa include trainings in Cooking, hospitality, carpentry, general management skills, engineering.

G) Fiji:

- Ministry of Youth supports multi vocational centers particularly in rural areas in trades like carpentry, automobile repair, farm machinery, sewing, cooking, baking, farming etc.
- Ministry of Employment & Industrial Relations has set up National Employment Center.
- Trades offered are carpentry, machine repair, housekeeping, tourism, hospitality & soft skills like how to chair meetings.
- 226 MoU signed between Ministry and companies.
- From 2015, Ministry of Education also has set up vocational centers.

H) Bangladesh:

- Law exists for apprenticeship training.
- Pilot initiatives by government & social partners in promoting apprenticeships for informal sector in 14 trades.
- Lack of commitment from employers and workers along with poor training capacity and related infrastructure.
- Contractual agreements, skills log book and placement support are other features.
- Government to provide for legal & regulatory framework, incentive schemes, infrastructure & certification.
- Employers to show commitment to curriculum development, strengthening sector councils, contribute to certification & placement.
- Trade unions to promote awareness and apprenticeships.



I) Sri Lanka:

- Skills development activities in the school curriculum like technical education as a sub stream in advanced level.
- National Apprenticeship & Industrial Training Authority (NAITA) is set up.
- Tertiary & vocational education commission under the Ministry of skills development and training.
- Institute of Engineering Technology with national diploma in engineering science.
- Automobile engineering training institute under the Ministry of Youth Affairs.
- University of Vocational Technology and Apprenticeship Training Institute are set.

6. Summary:

The Regional Knowledge Sharing Forum (RKSF) conducted successfully in Kathmandu in October 2015. The Forum was attended by ILO constituents from 11 Asia-Pacific member States. It was designed in a way to provide

conceptual understanding on informal economy, issues and challenges face by AP region. Another focus was to visualise linkages with other ILO agendas such as social protection, employment, social dialogue, gender and decent work in overall. ILO specialists and officials from different departments and different project including informal economy dealt all the sessions in the programme.

The groups work, sharing and interaction opportunities were also created among participants during the workshop. Many examples, approaches and strategies have been exercised at the country level to address informality in the AP regional. The workshop focused on learning and understanding informal economy, global and regional scenario and discussed particularly the provisions of the recent ILO Recommendation 204 related to the informal economy. The ILO R 204 focuses member States to facilitate the transition from informal to formal economy, promotes the creation of enterprises and decent jobs in the formal economy preventing informalisation of formal jobs and enterprises.

Ms Azita Berar Awad, Director, ILO Employment Policy Department reminded that the implementation of R204 will require initial assessments of informality at country levels in order to have a clear knowledge of the issues leading to informality and its detailed characteristics, developing policies aimed particularly at facilitating formalization, including appropriate incentives, skills development targeting particularly the informal economy, as well as monitoring progress achieved in the formalization of the informal economy, and in protecting formal jobs and formal enterprises.

The workshop found very enriching interns of building capacity of the participating members and also disseminating knowledge and experience of the region. It was also instrumental to disseminate about ILO R 204 and its provisions to encourage member states of the region to tackle the issues.

7. Annex:

Programme schedule and list of the participants

Title Regional Tripartite Workshop on Transitions to Formality and Decent Work Language of the course English Dates 06/10/2015 08/10/2015 Venue Kathmandu, Nepal				
Time	Monday 5 October	Tuesday 6 October	Wednesday 7 October	Thursday 8 October
09:00 - 10:30		Opening Session Jose Assalino, Director- ILO Kathmandu Tomoko Nishimoto, ILO Regional Director Mr Tulasi Prasad Gautam, Joint Secretary, National Planning Commission (NPC)	Strategies for promoting formalisation of enterprises Thomas Kring	Equality and non-discrimination for enterprises and workers, including domestic workers in the informal economy Reiko Tsushima
Coffee break				
11:00 - 12:00		Informality and decent work trends in the region. Introducing key concepts and terminology Sukti Dasgupta	Transition to formal economy : Perspectives from Workers Organizations	Skills development in the informal economy Sandra Rothboeck
12:00 - 13:00		ILO's new Recommendation on the Transition from informal to formal economy Frederic Lapeyre	Transition to formal economy: Perspectives from Employers Organizations	Skills development in the informal economy <i>Group work</i> Sandra Rothboeck
Lunch				
14:00 - 15:30		Why formalization? Integrated policy package facilitating transition to formality Sukti Dasgupta	Role of regulatory framework, labour administration and inspection in promoting transition to formality Coen Kompier	Country Experiences: Social security extension Group work + Report back to plenary Markus Ruck
Coffee break				

15:45 - 16:30		Measuring informality Tite Habiyakare	Country Experiences: Integrated approaches and national formalisation strategies Frederic Lapeyre/Vicky Leung	Closing
16:30 - 17:30	Arrival	Interactive session on specific categories of workers in the informal economy Group work + Report back to plenary Amelita King-Dejardin	Short presentations Group work + Report back to plenary Frederic Lapeyre/Vicky Leung	Excursion (optional)

Regional Tripartite Workshop on Transitions to Formality and Decent Work

6-8 October 2015, Gokarna Forest Resort, Kathmandu Nepal

List of Participants

Country	Government	Workers	Employers	Remarks
Bangladesh	Mr Mohammad Faizur Rahman Ministry of Labour & Employment (MOLE) Building No-07, Bangladesh Secretariat Dhaka 1000, Bangladesh	Mr Quamrul Ahsan National Coordination Committee for Workers' Education (NCCWE) 31/F Topkhana Road, Dhaka 1000, Bangladesh	Mr Absal Shaouib Quoreshi Bangladesh Employers' Federation (BEF) " Chamber Building" 122 – 124 Motijheel CA Dhaka 1000, Bangladesh.	
Cambodia		Mr. Eath Buntheng Cambodian Labour Confederation #2-3G, Street 26BT, Sangkat Boeung Tompun, Khan Meanchey, Phnom Penh, Cambodia		
Fiji	Ms. Ateca Vakatora Ministry of Employment, Productivity and Industrial Relations Level 4, Civic House, Suva, Fiji Email: ocawaru@govnet.gov.fj Tel: (679) 330 9156	Mr. Rajeshwar Singh Fiji Trades Union Congress (FTUC) 32 Des Voeux Road, Suva, Fiji	Ms. Lavinia Rose Bernadette Rounds Ganilau Fiji Commerce and Employers' Federation 79, Cakobau Road, P.O. Box 575 Suva Fiji Tel: (679) 3313188 Fax: (679) 3302183	
Indonesia	Mr. Silva Berlus Coni BAPPENAS (National Planning Agency)	Mr. Parulian Sianturi K-SBSI: Confederation of Indonesian Prosperity		

	Jl. Taman Suropati No. 2 Jakarta, Indonesia	Trade Union Jl.Cipinang Muara Raya No. 33, Jatinegara - Jakarta Timur 13420		
Lao PDR		Mr. Thongphim Vongrapha Lao Federation of Trade Unions (LFTU) 87 Lanexang Ave Vientiane	Ms. Vilack Boutsaba Lao National Chamber of Commerce and Industry (LCCI) HaiSok Village, Chanthabouly District P.O. Box 4596 Vientiane Tel. + 856 21 292 23 Fax +856 21 292 23	
Mongolia	Ms. Erdenechimeg Choijiljav Ministry of Labour Government Building-IX Peace avenue-16 Bayanzurkh district, Ulaanbaatar-210349, Mongolia Fax: 976-51-261516 Email: info@mol.gov.mn	Mr Nyamdavaa Mangaliav Confederation of Mongolian Trade Unions Square Sukhbaatar-3 Ulaanbaatar-11, Mongolia	Ms Enkhjargal Enkhtaivar Mongolia Employers' Federation Baga toiruu-44A Ulaanbaatar-48 Mongolia Tel: (976-11) 325635 Fax☎976-11)325635	
Nepal	Mr Udaya Kumar Gupta Ministry of Labour and Employment (MOLE) Singha Durbar, Kathmandu	Ms Guma Devi Acharya GEFONT Putalisadak, Kathmandu, Nepal	Ms Kabita Shrestha Federation of Nepal Chamber of Commerce and Industry (FNCCI) P O Box 269, Shahid shukra Milan Marg, Kathmandu, Nepal	
	Mr. Hikmat Bhandari Ministry of Finance Singha Durbar, Kathmandu, Nepal	Ms Ajita Simkhada ANTUF Perisdanda, Koteswar, Kathmandu, Nepal	Ms Darshana Shrestha Federation of Women Entrepreneurs Association of Nepal (FWEAN) Putalisadak, Kathmandu – Nepal	
	Ms Santwana Sharma Central Bureau of Statistics (CBS) Thapathali, Kathmandu, Nepal Tel. No.:(977-1) 4229406	Ms Bimala Gaire President NTUC Anamnagar, Kathmandu, Nepal		
Philippines	Ms Aleli Joy Cortez National Economic and Development Authority (NEDA) 12 Blessed Josemaria Escriva Drive Ortigas Center, Pasig City	Ms Gloria Madayag Trade Union Congress of the Philippines (TUCP) TUCP/PGEA Compound		

	Philippines Tel No: +63 2 6313716 / 6313723 Fax No: + 63 2 6313747 E-mail: AMBalisacan@neda.gov.ph	Cor. Maharlika Street & Elliptical Road Diliman, Quezon City, Philippines		
Samoa	Mr Ioane Okesene Ministry of Commerce, Industry and Labour 4th Floor ACC House Apia, Samoa Phone : - (0685) 20441 Email : - cc - helen.uiiese@mcil.gov.ws	Mr Togafiti Mateo Ah Tong Samoa Workers Congress c/ - ILO Office UNDP Private Bag Apia, Samoa tiliafamasaga@gmail.com	Mr. Patty Leota President Samoa Chamber of Commerce and Industry (SCCI) 1 st Floor, Sanalele Complex, Saleufi P.O. Box 2014, Apia, SAMOA Tel: (685) 31090 Fax: (685) 31089 Email: ceo@samoachamber.ws memberservices@samoachamber.ws	
	Ms. Lise Vailaau Ministry of Finance 4th Floor Central Bank of Samoa Building Apia, Samoa Phone: - (0685) 34333			
Sri Lanka	Ms. Iresha Udayangani Ministry of Labour and Trade Union Relations Labour Secretariat, 2nd Floor Colombo 5. Sri Lanka. Tel: 2368164 Fax: 2582938	Mr Sangily Sothikkannan Ceylon Workers' Congress (CWC) 72, Ananda Coomaraswamy Mawatha Colombo 7, Sri Lanka.	Mr. Dittha De Alwis Employers' Federation of Ceylon 385 J3, Old Kotte Road Rajagiriya Sri Lanka Tel: +94 11 2867943	
Viet Nam	Mr Phun Quoc Vuong Department of Employment Ministry of Labour, Invalids, and Social Affairs (MOLISA) 12 Ngo Quyen Street, Hoan Kiem, Hanoi, Viet Nam	Ms Nhung Nguyen Vietnam General Confederation of Labour Hanoi, Viet Nam	Ms Thi Phuong Thao Pham Viet Nam Chamber of Commerce & Industry (VCCI) International Trade Centre 9 Dao Duy Anh Str. Hanoi Tel:+ 84 4 574 20 22 Fax:+84 4 574 20 20	

	Ms Nguyen Thi Thuy Oanh General Statistics Office Ministry of Planning and Investment (MPI) 6B Hoang Dieu Street, Ba Dinh, Hanoi, Viet Nam email: nblam@gso.gov.vn			
ILO Representatives				
Office	Name	Designation		
HQ	Frédéric Lapeyre	Head-Informal Economy Unit		
HQ	Vicky Leung	Technical Officer-Informal Economy Unit		
HQ	Amelita King-Dejardin	Senior Technical Specialist, Domestic Workers		
ROAP-Bangkok	Sukti Dasgupta	Senior Economist		
ROAP-Bangkok	Tite Habiyakare	Regional Labour Statistician		
DWT-New Delhi	Thomas Kring	Chief Technical Advisor		
DWT-New Delhi	Markus Ruck	Social Security Specialist		
DWT-New Delhi	Reiko Tsushima	Gender Specialist		
DWT-New Delhi	Coen Kompier	Specialist on International Labour Standards		
DWT-New Delhi	Lakshmi Narasimhan Gadiraju	National Project Coordinator		
DWT-New Delhi	Sandra Rothboeck	Consultant		
CO-Dhaka	Harunur Rashid	National Project Coordinator		
CO-Kathmandu	Prakash Sharma	National Project Coordinator		
CO-Kathmandu	Milan Shrestha	Programme Assistant		