

Building an enabling regulatory and policy environment for supporting the transition from the Informal to the Formal Economy

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Formalizing the Informal Economy - Current status quo of Informality in South Africa

- Informal Economy is not adequately protected and promoted through legislation and other measures [policies].
- Informal workers not fully enjoying Constitutional Rights.
- Constitutional rights not enjoyed:
 - Section 9: Right to Equality
 - Section 10: Right to have their dignity respected and protected
 - Section 21: Freedom of trade, occupation and profession
 - Section 23: Labor Relations Rights
 - Section 24: Environmental Rights
 - right to a work environment that is not harmful to health and safety
 - right to have the work environment protected through legislation and other measures
 - Section 27: Social Security

Formalizing the Informal Economy – Future desired status

- Labor Laws and Social Protection instruments that extend to all persons actively involved in economical activities [to all workers].
- Strong representation by informal worker organisations or unions to promote collective bargaining.
- What could be done:
 - review and amend current labor laws and social protection instruments to ensure inclusion of workers in the informal economy.
 - Develop new laws through the Law Reform and Sectoral Determination processes to extend labor and social protection to informal workers in different trades and occupations.
 - develop a comprehensive list of all trades and occupations not adequately protected currently.
 - Consider the recommendations by the C102 - Social Security (Minimum Standards) Convention, 1952 (No. 102) in particular:
 - Unemployment benefits - Part IV
 - Maternity benefits - Part VIII

Formalizing the Informal – Barriers/ Challenges

- Definition of terms – Informal Economy and Informal Workers
 - What is the Informal Economy?
 - Who is an Informal Worker?
 - Who is an Own Account Worker?
 - Who is a Self-Employed Worker?
 - What trade or occupations fall within the Informal Economy?
- How do we monitor compliance?
 - Employer/ Employee relationships within the informal economy
 - Institutions addressing the rights violations of informal workers
- How do we address social protections that are based on employer/ employee relationships in terms of the contributions?
 - Who contributes?
 - How they contribute?
 - Are the contributions means tested or universal?
 - Are the contribution cash transfers or insurance?

Formalizing the Informal – Process

- Role players:
 - Government and its entities
 - Communities
 - Trade Unions
 - Corporates/ Business
- Learning for international experiences:
 - Best practices and model laws from other countries
 - SADC Code on Social Security
 - Other International Instruments on Social Protections
- Make reference to other processes currently undertaken to extend social protections to informal workers:
 - Proposal for the National Social Security Fund and the National Health Insurance
 - Consideration for the consolidation of the Occupational illnesses and Injury Compensation Schemes [Mine workers and other formal workers]
 - The investigation by the SALRC on extending the Maternity and Paternity Benefits to Self-employed Workers

Thank you.