



International
Labour
Office



Strategies and
Tools against
social Exclusion
and Poverty



InFocus Programme
Small Enterprise Development



Mutual health organizations and micro-entrepreneurs' associations Guide

The programme "Strategies and Tools against social Exclusion and Poverty" (STEP) of the International Labour Organization is an instrument for extending the coverage and effectiveness of social protection throughout the world.

Following the conclusions of the World Summit for Social Development in Copenhagen, the STEP programme promotes the design and the implementation of innovative systems of social protection for excluded populations. Based on the principles of equity, efficiency and solidarity, these systems contribute to social justice and cohesion.

In its work, STEP combines different types of activities: knowledge development, the production of methodological tools and reference documents, concrete actions in the field and technical assistance for policy development and implementation.

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The InFocus Programme "Boosting Employment through Small Enterprise Development" (SEED) of the ILO addresses the worldwide need for creating and improving jobs in small enterprises. Millions of women and men find themselves left with nothing else but their own resources to obtain a job that provides for a sufficient income. But that job should also be freely chosen, safe from hazards and free from risks, and provide enough remuneration to secure good living conditions for the person's dependants. Helping decent work to come about through promoting quality jobs in small enterprises is the driving motive for all of SEED's work.

Governments, Trade Unions and Employers' Organizations help setting and implementing SEED's agenda. It includes good policies and institutional frameworks, best practices in business development services, improved market opportunities, more job quality, stronger business associations and good gender practices. Targeted strategies in all these areas are realized through advisory services, guidelines, background papers, training, workshops and technical cooperation projects. Other than the mentioned social partners, SEED also links up with local governments, community organizations, small business associations and support organizations.

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Foreword

The International Labour Organization's fundamental goal today is to help ensure that every woman and man can obtain a decent and productive job, in freedom, fairness, safety and dignity. The concept of decent work encompasses most aspects of improving the world of work: having an adequate job and income and access to social protection, enjoying fundamental rights at work and participation in decisions through social dialogue.

Combining job creation and social protection in a single approach is crucial to the promotion of decent jobs. This is not an easy combination when dealing with workers in the informal economy. Indeed, even where employment promotion strategies focus on developing micro-enterprises, their implementation still falls short when it comes to social protection issues.

In many developing countries, the majority of micro-enterprises are found in the informal sector, where the shortfall in social protection is most marked. This shortfall reaches considerable proportions in certain regions of the world. It is estimated, for example, that some 80 per cent of the population of sub-Saharan Africa does not have adequate access to primary health care.

The need to combine job creation and access to social protection has motivated the collaboration between the SEED and STEP programmes.¹ This Guide is one of the products of this collaboration. It is intended for all those interested in the creation of mutual health organizations by associations of micro-entrepreneurs.

Social protection is, first and foremost, the legitimate right of every individual. It is also a condition for social and economic progress. The absence of social protection may have serious consequences not only for the health of people working in micro-enterprises but also for the businesses. For example, to meet medical expenses, the micro-entrepreneur may be forced to sell part of her/his equipment or tools. A poor state of health may also lead to absence from work and loss of productivity. Since the micro-enterprise is often the major source of income for a whole family, this situation directly affects the well-being of many people.

¹ The SEED (Boosting Employment through Small Enterprise Development) programme operates in the Employment Sector, whereas the STEP (Strategies and Tools against social Exclusion of Poverty) programme operates in the Social Protection Sector of the ILO.