



## Global evidence on the contribution to employment by the self-employed, micro-enterprises and SMEs



## **SMALL MATTERS**

Global evidence on the contribution  
to employment by the self-employed,  
micro-enterprises and SMEs

Copyright © International Labour Organization 2019  
First published 2019

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Licensing), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: [rights@ilo.org](mailto:rights@ilo.org). The International Labour Office welcomes such applications.

Libraries, institutions and other users registered with a reproduction rights organization may make copies in accordance with the licences issued to them for this purpose. Visit [www.ifrro.org](http://www.ifrro.org) to find the reproduction rights organization in your country.

ISBN: 978-92-2-133990-8 (print)  
ISBN: 978-92-2-133991-5 (web pdf)

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

Information on ILO publications and digital products can be found at: [www.ilo.org/publns](http://www.ilo.org/publns).

Produced by the Publications Production Unit (PRODOC) of the ILO.

*Graphic and typographic design, layout and composition, printing,  
electronic publishing and distribution.*

The ILO endeavours to use paper sourced from forests managed  
in an environmentally sustainable and socially responsible manner.

Code: DTP-JMB-ICA

# Foreword

How relevant are micro-, small and medium-sized enterprises for the future of work? What about the self-employed?

How relevant are micro-, small and medium-sized enterprises for the future of work? What about the self-employed?

Until recently, relatively limited worldwide empirical evidence was available to answer the above questions. Many earlier studies relied on data from formally registered firms, leaving the informal economy, which in many countries is the largest contributor to employment, out of the picture. There has been growing recognition of the role, in particular, of self-employment and micro-enterprises in driving employment, yet the evidence base is still not well developed.

Drawing on a new ILO database, this report provides an up-to-date and realistic assessment of the contribution of self-employment and micro- and small enterprises (hereafter referred to as “small economic units”) to employment – both in the formal and the informal economy – across the globe. The estimates presented here are based on data from household, labour and other statistical surveys conducted in a representative set of 99 countries between 2009 and 2018, which were originally used to prepare the third edition of the ILO report *Women and men in the informal economy: A statistical picture* (2018).

The contribution of small economic units to worldwide total employment is significant, but there remain considerable challenges such as widespread informal employment (especially in developing countries), gender gaps, and issues related to the productivity and quality of the jobs offered by smaller firms. Examining these challenges was not within the scope of the research carried out for this report. In any case, there is still a lot that needs to be done to achieve a greater number of productive, formal and high-quality jobs in small economic units.

A proper understanding of the employment contribution of small economic units is key to advancing the ILO’s Decent Work Agenda and at least three of the United Nations Sustainable Development Goals (SDGs):

- SDG 1 (“End poverty in all its forms everywhere”), since employment is the main source of income for most households globally;
- SDG 8 (“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”);
- SDG 10 (“Reduce inequality within and among countries”), which ties in with the ILO concept of Decent Work and its emphasis on enabling every member of society to participate in the creation of economic value and to enjoy the benefits of growth.

The vital role played by smaller enterprises in the employment creation process has been recognized in international labour instruments, particularly

the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and also in the “Resolution concerning small and medium-sized enterprises and decent and productive employment creation” adopted by the International Labour Conference at its 104th Session in 2015.

This report was made possible by the availability of new data collected and organized by Florence Bonnet from the ILO’s Inclusive Labour Markets, Labour Relations and Working Conditions Branch (INWORK). Jan de Kok, from the consultancy Panteia, and Mario Berrios, from the Small and Medium Enterprises Unit within the ILO’s Enterprises Department, wrote the core text. Additional input, as well as comments, was provided by Merten Sievers, also from the Small and Medium Enterprises Unit.

We hope that this report will enrich discussions on job creation, particularly with regard to the major role played by small economic units and what this means for efforts in the areas of private sector development, poverty alleviation and Decent Work.

**Dragan Radic**

Head, Small and Medium Enterprises Unit  
ILO Enterprises Department

# Contents

<b>Executive summary .....</b>	<b>1</b>
<b>1 Introduction .....</b>	<b>3</b>
<b>2 Data and methodology .....</b>	<b>5</b>
Defining firm size classes .....	5
Official definitions versus statistical measures .....	5
Are the self-employed and micro-enterprises part of the category of small and medium-sized enterprises? .....	6
ILO database on employment and economic unit size .....	6
Limitations .....	7
<b>3 Estimates of the contribution to employment made by the self-employed and by micro-, small and medium-sized/large enterprises.....</b>	<b>9</b>
3.1. Employment shares broken down by regions and country income groups .....	9
3.2. Employment shares broken down by informal and formal sector .....	13
3.3. Employment shares broken down by economic sector .....	16
<b>4 Conclusions and implications .....</b>	<b>22</b>
<b>References .....</b>	<b>27</b>
<b>Appendix I:</b> Employment distribution by size of economic unit	29
<b>Appendix II:</b> Country classifications and national surveys used in constructing the ILO database on employment and economic unit size .....	35
<b>Appendix III:</b> Selected country examples of employment distribution by economic unit size and sector .....	43
<b>Appendix IV:</b> Measuring employment in the informal and formal sectors .....	45
<b>Appendix V:</b> Literature review of studies dealing with the employment contribution of the self-employed and micro-enterprises .....	47



## Executive summary

This report examines worldwide evidence of the contribution that the self-employed<sup>1</sup> and enterprises of different size classes make to total employment. A key finding is that, globally, the self-employed and micro- and small enterprises (hereafter referred to as “small economic units”) account for the largest share of total employment.

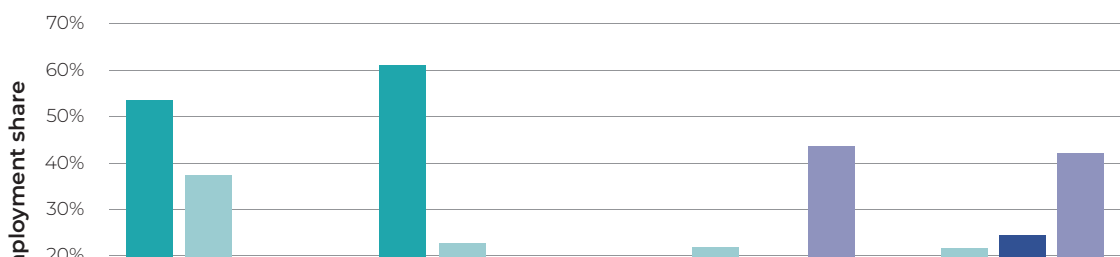
The estimates presented here are based on a new ILO database that draws on national household and labour force surveys (as opposed to firm-based surveys) from 99 countries in all the world regions except for North America. Because these surveys target people rather than firms, they are able to cover self-employment and employment in all types of enterprises:

- Enterprises from all size classes: micro-enterprises (with 2 to 9 employees), small enterprises (with 10 to 49 employees) and medium-sized/large enterprises (with 50 or more employees)<sup>2</sup>;
- Enterprises from the informal as well as the formal sector;
- Enterprises from agriculture, industry and services (including public services).

**Small economic units altogether account for 70 per cent of total employment in the sample of 99 countries studied for this report.**

To the best of our knowledge, this is the first time that the employment contribution of the self-employed and of micro-, small and medium-sized/large enterprises has been estimated for such a large group of countries – in particular, for low- and medium-income countries. Previous studies (e.g. ILO and GIZ, 2013) were hampered by a lack of data on the self-employed and micro-enterprises, which made it very difficult to obtain reliable estimates and to compare properly the employment shares of the various types of economic unit.

**Employment share of the self-employed and different firm size classes, by country income group (%)<sup>3</sup>**



预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_22573](https://www.yunbaogao.cn/report/index/report?reportId=5_22573)

