



A907169

Academy on formalisation of the informal economy: *Concepts, Policies and Strategies*

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International Labour Organization



International **Training** Centre

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Academy on formalisation of the informal economy:



Background

The “informal economy refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements”.¹

The informal economy represents 30-90 % of employment in developing countries and as much as 10% in certain developed economies. Informality persists in countries even in the presence of steady growth and informal employment exists also in formal enterprises. Recent trends show an increase of informality in many developed and developing countries, but some countries, such as Brazil and Argentina have achieved significant reductions in the share of informal employment.

Workers and enterprises that operate in the informal economy face important decent work deficits. Informality is a major obstacle in the protection of the rights of workers, including their right to collective bargaining and freedom of association, as well as social protection and working conditions. Economic units in the informal economy do not enjoy secure property rights, and face difficulties accessing finance and business development services.

Whilst there is a large agreement that transition from informality to formality is a desirable objective, there is a need to identify practical approaches and measures that could contribute to achieve such an objective. Coherent, integrated and sectorial-based policies and strategies are needed to successfully reverse the trend towards increasing informality.

Country approaches and strategies toward the informal economy are very diverse. Some countries have made formalization a top priority and successfully put in place integrated approaches to act upon the many drivers of informality. Many countries address the issue through more targeted means, focusing on specific sectors

or groups or workers or enterprises at a time. In practice, measures applied by countries range from formulating policies for supporting formal employment generation and sustainable enterprises, to the extension of social protection, the improvement of the legal and regulatory environment or the support of social dialogue.

The four strategic objectives of the ILO's Decent Work agenda are relevant for the formalization of jobs and economic units operating in the informal economy. The Decent Work Agenda offers a common framework at the national level to address the diversity of the informal economy through improving working and employment conditions, extending the application of fundamental principles and rights at work, and through the extension of social protection freedom of association, and the right to collective bargaining and participation in social dialogue.

The ILO's tripartite constituency is at the mid-point in the process of elaboration of a Recommendation on facilitating transition from the informal to the formal economy. This possible new ILO instrument is to be discussed for adoption by the International Labour Conference in 2015.



Objectives

The academy offers a learning platform to all stakeholders to engage in constructive dialogue, knowledge sharing, and to review good practices on transition from the informal to the formal economy. The event is an important opportunity to LEARN about the most advanced thinking around concepts and methodologies for reducing informality, to EXCHANGE information on good and bad practices, and to ADAPT lessons learnt to specific country contexts.

At the end of the one-week, participants to the Academy will:

1. have a better understanding of the key concepts, terminology and conceptual framework related to informality and transitioning to formality;
2. be able to describe the main characteristics of workers and economic units in the informal economy;

¹ Conclusions concerning decent work and the informal economy , ILC 90th session, 2002

Concepts, Policies and Strategies

3. be acquainted with elements of the formalization strategies that have been successfully put in place by specific regions or countries;
4. Share experiences, good practices and lessons learned on the design, implementation and evaluation of transitioning policies and strategies in various contexts.

Participants will be exposed to on-going country case studies that have proven successful in curbing informality, and improving the working conditions of millions of workers and economic units in the informal economy. Such practices range from data collection, and analysis of informality, to integrated policy frameworks for promoting transitioning to formality, sectorial policies addressing one target group where informality is most salient, and to implementing a regulatory framework to extend protection and voice to workers and enterprises in the informal economy.

Social partners will enhance their capacity to advocate for effective transition policies and strategies that will assist workers and economic units out of informality.

One added value of this new academy is that the event takes place between two discussions at the International Labour Conference that are leading to an ILO standard setting instrument on transition to formality. Participants will therefore learn about the outcomes and points of debate of the on-going tripartite consultations.



Structure and Contents

The academy is a one week face-to-face learning event taking place in Turin. Once enrolled, participants will get access to self-learning technical materials, which will foster their understanding of key concepts before coming to the face-to face event.

The “Academy” format allows for open and broad-based discussions and learning through the plenary sessions that will focus on key issues currently being debated about informality:

- I. Overview of the informal economy: size, concepts, definitions, categories of workers and economic units in the informal economy;

- II. Integrated policy framework for transitions to formality;
- III. Incentives and constraints for the formalization of economic units;
- IV. Macroeconomic and employment policies promoting formalization;
- V. Effective Social dialogue for formalisation
- VI. Policies and strategies on formalization: including mainstreaming formalization in development strategies, plans and policies.

The Academy also gives the opportunity for a modular approach to individual learning needs through elective sessions. Each participant can choose the learning path that is the most relevant to his/her expectations and professional background through **elective** sessions among which:

- 1 Regulatory framework for formalization: Enforcement and compliance strategies (including through labour inspection);
- 2 Innovative policies and strategies for formalisation of enterprises and other economic units;
- 3 Extending the Social Protection to the informal economy;
- 4 Employment relationships and Non-standard forms of employment;
- 5 Sector based approach to formalisation: domestic work, construction sector;
- 6 Skills and Employment policies that promote formalization , including sectorial approaches;
- 7 Labour market Information Systems and situation analysis for formalization.

Gender mainstreaming and non-discrimination will be tackled in all sessions.

An extensive list of elective sessions will be made available on the online platform of the academy.



Participants

The target group for the Academy embraces the ILO's tripartite constituency, and other stakeholders such as:

1. Managers and policy makers at various levels from various key public institutions including ministries (labour, finance, planning, social affairs...);
2. Managers, researchers, trainers and technical staff from Employers organisations;
3. Managers, researchers, trainers and technical staff from Workers organisations;
4. Managers, researchers, trainers and technical staff from associations of workers in the informal economy as well as small business associations;
5. Staff of the ILO and other international organizations.

Faculty and resources persons

The faculty for the Academy will be drawn from ILO and internationally recognised experts.



Languages

English with interpretation² into Arabic and French.

Costs of participation

Participation in the course costs 2 100 Euros, excluding international air travel and airport transfers. Fees cover: tuition, the use of training facilities and support services; training materials and books; accommodation and full board at the Centre's campus; emergency medical care and insurance.

A number of full fellowships are available for tripartite constituents, while some partial fellowships will be offered to participants with particularly good profile.

How to apply

Applicants should complete the online nomination form at:

<http://intranetp.itcilo.org/SHF/A907169/fr> (for French)

<http://intranetp.itcilo.org/SHF/A907169/en> (for English)

Online applications should be filled in no later than 3rd October 2014, supported by a nomination letter from the sponsoring institution indicating how the participant will be financed. Please note that if a Schengen visa for Italy is needed, the time required is on average at least three weeks.

As an organization dedicated to fundamental human rights and social justice, the ILO is taking a leading role in international efforts to promote and realize gender equality. In line with this ILO focus, women candidates are especially welcome.

² Upon enrolment of a minimum of 12 participants for each language track

For further information, please contact

International Training Centre of the ILO
Prodev
Viale Maestri del Lavoro, 10
10127 Turin Italy

Tel: (+39.011) 693 6419 / 6317
Fax: (+39-011) 693 6773
informaleconomy@itcilo.org