

Rolling back informality

**Asian Employment Forum: Growth, Employment and
Decent Work
Beijing, People's Republic of China
13-15 August 2007**

International Labour Organization

1. The global and regional context

The 14th Asian Regional Meeting held in Busan, Republic of Korea, concluded with a commitment to an Asian Decent Work Decade – for the period up to 2015 – during which a concerted and sustained effort will be made to realize decent work in all countries of the Asia-Pacific region. One of the priorities for national action during the Asian Decent Work Decade is the promotion of decent work opportunities in the informal economy, especially in rural areas.

The topic of the informal economy was last discussed by ILO's tripartite constituents at the 2002 International Labour Conference. The Resolution and Conclusions provided a new framework for action.¹ Highlights of this updated framework are summarized below:

- Against the background of rapidly evolving labour markets and production strategies, the term '**informal economy**' was proposed instead of the informal sector to capture "*all economic activities that are in law or practice not covered or insufficiently covered by formal arrangements*". This broadened concept takes account of the new realities of the world of work and the considerable diversity of workers and economic units in different sectors of the economy and across different rural and urban contexts. Many workers in the informal economy face particular vulnerabilities and insecurities and often experience severe decent work deficits, characterised by poverty and low productivity employment.
- The informal economy includes **micro and small economic units, wage workers and own-account workers**. Individuals and households can and frequently move from one category to another depending upon available employment opportunities.
- The informal economy also includes individuals engaged in **new flexible work arrangements** and who find themselves at the periphery of the core enterprise, or at the lowest end of the production chain.
- **To promote decent work**, there needs to be a comprehensive and integrated strategy cutting across a range of policy areas that seek to:
 - eliminate the negative aspects of informality, while at the same time preserving the significant job creation and income-generation potential of the informal economy; and
 - promote the protection and incorporation of workers and economic units into the mainstream economy;
- The diversity of national and local situations and the specific underlying causes of informality calls for a comprehensive approach incorporating all the strategic objectives of decent work, namely: rights at work, decent employment, social protection and social dialogue. The framework recognizes that formal and informal enterprises and workers co-exist along a continuum with serious decent work deficits in unprotected and unregulated employment at one end, and increasingly decent conditions moving up towards the formal jobs, on the other end. Policy action must enhance the positive linkages and ensure that decent work is achieved progressively along the continuum.

¹ ILO: *Report of the Committee on the Informal Economy*, Resolution and Conclusions on Decent Work and the Informal Economy, adopted on 19 June 2002, International Labour Conference, 90th Session, Geneva, 2002, pp. 52-53, <http://www.ilo.org/public/english/standards/relm/ilc/ilc90/pdf/pr-25.pdf>.

- The Resolution calls on governments to develop and implement a range of policies and programmes and on social partners to advocate for, and extend representation, and on the ILO to undertake a series of actions to better address the needs of workers and economic units in the informal economy.²

In March 2007, the ILO Governing Body Committee on Economic and Social Policy reviewed the progress made to operationalize the framework since 2002. The rich discussion showed that while informality is gaining ground and remains an important development challenge, many countries are searching for new policies, innovative solutions and practical responses in order to promote decent work for a significant proportion of the working population. Informality is primarily a reflection of limited opportunities, rather than a deliberate choice; this is a sub-optimal solution in terms of economic performance, enterprise and human development.

It is against this background that this paper will focus on recent trends and patterns of informality in the Asia-Pacific region; selected challenges and policy responses that are being developed to reduce decent work deficits in the informal economy; and lessons learnt in the course of efforts to roll back informality in the Asia-Pacific region.

2. Recent trends in the Asia-Pacific region

The informal economy in the Asia-Pacific region and its development and characteristics, are intimately linked to economic growth patterns, orientation of economic and social policies and the challenges of employment creation and poverty reduction.

The Asia-Pacific region, home to over four billion people, is the fastest growing region in the world. Its GDP growth rate is twice the world average and productivity rates are almost three times higher than in the world ex-Asia-Pacific.³ As discussed in other background reports, despite rapid and strong economic growth, the benefits for employment have not kept pace.

While the region's economy has been growing at an average rate of 6.3 per cent per year since 2000; unemployment levels have not fallen and are now slightly higher than a decade ago.⁴ Labour productivity has grown by over 40 per cent in the past decade; yet, manufacturing wages only grew marginally and even declined in some countries experiencing high manufacturing productivity gains.⁵ The incomes of many workers have effectively deteriorated despite increased labour efficiency and economic growth.

Given the limited number of employment opportunities in the formal sector, women and men are increasingly resorting to finding different ways of generating livelihoods in informal activities. The informal economy is characterized by jobs with low productivity and low earnings. These are often not legally recognized or protected, and offer little or no social

² *Ibid.*

³ ILO: *Labour and Social Trends in Asia and the Pacific 2006: Progress Towards Decent Work* (Bangkok, 2006).

⁴ ILO: *Global Employment Trends Model* (2007). Unemployment rose from 4.2 per cent in 1996 to 4.7 per cent in 2006.

⁵ *Ibid.* In China, for example, labour productivity in manufacturing rose by 170 per cent between 1990 and 1999, but real wages rose by a little less than 80 per cent; India's manufacturing labour productivity grew by over 84 per cent between 1990 and 2001, yet real manufacturing wages declined by 22 per cent over the same period.

protection and are typically characterized by an absence of rights at work and a lack of representation and voice in the workplace.

The absence of reliable data and problems with definitions make it difficult to determine with precision the size of the informal economy in the Asia-Pacific region. However, using the sum of own-account workers and contributing family members as a proxy indicator, over 60 per cent of the region's workforce is engaged in the informal economy.⁶ According to recent estimates, informal employment in developing countries in the region comprises about 65 per cent of non-agricultural employment, as compared with 48 per cent in North Africa, 51 per cent in Latin America and 72 per cent in sub-Saharan Africa.⁷

In fact, it is likely that these numbers underestimate the size of the informal economy as they do not include informal wage workers and those working in formal enterprises but without protection or fixed employers. This covers workers such as casual day labourers, domestic workers, industrial outworkers (notably homeworkers), undeclared workers, and part-time or temporary workers without secure contracts, employment benefits or social security.⁸

Women, youth and older people are disproportionately represented in the informal economy. Workers with inadequate employment opportunities in the formal sector and those who face discrimination in accessing formal labour markets will gravitate towards the informal sector, which has also become the last resort for many indigenous and tribal peoples, workers with disabilities, and those affected by HIV/AIDS. Homeworkers and street vendors are two of the largest subgroups of the informal workforce. Together they represent 10 to 25 per cent of the non-agricultural workforce in developing countries.⁹

While the earnings differentials between the formal sector and informal economy are widely recognized, there are also gaps within the informal economy itself. Available evidence in some countries suggests that there are significant gaps in earnings as employers within the informal economy have the highest earnings, followed by their employees and informal employees of formal firms, own-account operators, casual wage workers and industrial outworkers. In India, for example, informal employers earn, on average, 4 to 5 times the minimum wage, while own-account operators earn an average of only 1.5 times the minimum wage. In the Philippines, micro-enterprises surveyed in two major cities show that employers earn 2 to 4 times the average take-home pay of their employees.¹⁰

The informal economy is also characterized by strong gender segregation with own-account workers being predominantly male and contributing family workers predominantly female. In Indonesia, 74 per cent of own-account workers were men and 26 per cent were women, while men and women accounted for 29 and 71 per cent of contributing family

⁶ See also ILO: *Visions for Asia's Decent Work Decade: Sustainable Growth and Jobs to 2015*, Paper prepared for the Asian Employment Forum: Growth, Employment and Decent Work, Beijing, People's Republic of China, 13-15 August 2007. The use of a proxy indicator is due to insufficient cross-country comparable data measuring informal employment.

⁷ L. L. Lim: *Women and men in the informal economy: A statistical picture* (Geneva, ILO, Employment Sector, 2002); ILO: *Realizing Decent Work in Asia*, Report of the Director-General, Fourteenth Asian Regional Meeting (Busan, Republic of Korea, 2006).

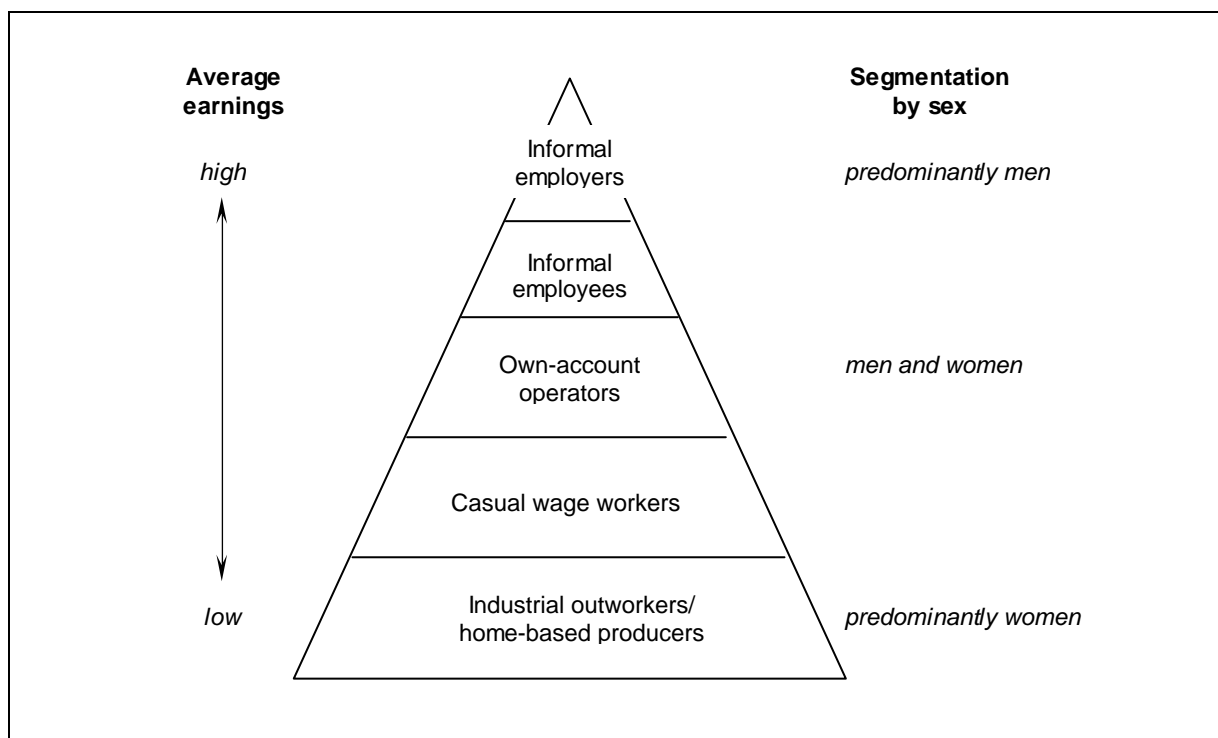
⁸ ILO: *Labour and Social Trends in ASEAN 2007: Integration, Challenges and Opportunities* (Bangkok, 2007).

⁹ M. Chen et al.: *Progress of the World's Women 2005: Women, Work and Poverty* (New York, UNIFEM, 2005).

¹⁰ R. Ofreno: *Understanding Job Quality in Micro and Small Enterprises: Findings from Field Research, Philippines* (Manila, ILO, 2004).

workers, respectively.¹¹ Segmentation by earnings and sex have been elaborated in several studies as illustrated in Figure 1.

Figure 1. Segmentation of informal employment by average earnings and sex in India



Source: M. Chen et al., op.cit

3. A closer look at dynamics of informality in the Asia-Pacific region

There are multiple factors underpinning informality.¹² First and foremost is the problem of poverty and the livelihood opportunities and jobs for the working poor. Although there is a frequent overlap between informality and poverty, not everyone in the informal economy is poor.¹³ While some countries, such as China and Viet Nam, have done quite well in reducing poverty, it still remains a significant problem across the region. In 2006, the proportion of working poor, as measured by the global poverty line of US\$1 per day, was 13.6 per cent in South-East Asia and the Pacific, 9.5 per cent in East Asia and 32.1 per cent in South Asia. Taking US\$2 per day as the poverty line, this proportion rises to 37.6 per cent in East Asia, 51 per cent in South-East Asia and the Pacific and a staggering 77.4 per cent in South Asia.¹⁴

¹¹ *National Labour Force Survey, Indonesia* (2005), computed from data compiled in ILO: Laborsta, <http://laborsta.ilo.org>.

¹² Some of these factors and trends are reviewed in the Director-General's Report to the 95th Session of the International Labour Conference in 2006. ILO: *Changing Patterns in the World of Work*, Report of the Director-General, International Labour Conference, 95th Session, Geneva, 2006.

¹³ ILO: *Working Out of Poverty*, Report of the Director-General, International Labour Conference, 91st Session, Geneva, 2003.

¹⁴ ILO: Trends Working Poverty Model (2007).

Another factor is the inability of the industrial sector to absorb labour in more productive jobs. Low quality jobs are widespread in the service sector. This trend is quite pronounced in the Asia-Pacific region, although in varying degrees in different countries. China and Malaysia have experienced growth in industrial output but employment in the services sector has also been increasing. Several other Asia-Pacific countries, including the Philippines, experienced the same phenomenon whereby employment leapfrogged the agriculture sector to the service sector because industrial employment remains constricted. While service sector employment spans the entire spectrum of working conditions and wages – from petty trading to sophisticated financial services – evidence exists that the sector is characterised by low labour productivity, especially in South-East Asia and the Pacific.¹⁵ This suggests that substantial numbers of jobs created in these subregions are characterized by low remuneration, poor job quality and low productivity.¹⁶

A third factor is related to the increasing flexibility of work in the formal segment of the economy. Previously, formal or regular employment contracts would offer workers security of job tenure, as well as some income stability and social security. It also allowed workers to avoid risks associated with investment in tools, materials and premises, as these are borne by the employer. As companies keep up with a more competitive market, they resort to flexible work arrangements, such as subcontracting, part-time employment, temporary or casual work. While official statistics are not readily available, some data reflect the increased use of outsourcing and subcontracting. India's formal sector manufacturing enterprises have increasingly begun to use contract labour. In the Philippines, the percentage of non-regular workers in total employment increased from around 20 per cent in 1991 to about 28 per cent in 1997¹⁷. These work arrangements typically lack security and proper social protection, and reflect the increasing “informalization” of work.

Similarly, the easing of trade and financial barriers, coupled with a fall in transportation and communication costs, has made it easier for businesses to break up production processes and subcontract them in countries where labour costs are lower. This is reflected in the fact that the share of industrial employment to total employment worldwide has remained fairly steady over the past decade, the industrialized countries' share declined but increased in several developing countries. More than 80 per cent of the global growth in industrial employment between 1996 and 2006 occurred in the Asia-Pacific region, which is rapidly becoming an assembly hub in the global production system.¹⁸ Micro-enterprises or women home-based producers in the informal economy are typically found at the lowest end of these global production systems and new business strategies.

Economic restructuring processes, including privatization of state enterprises and public service, have contributed to the growth of the informal economy in some countries. For instance, the restructuring of state enterprises in China and Mongolia contributed to the growing phenomenon of informality in urban neighbourhoods. In China, another factor that has contributed to growing informality has been the rapid pace of rural-urban migration.

Finally, as underscored in the Conclusions adopted at the International Labour Conference in 2002, informality is also a governance issue. The growth of the informal economy can often be traced to inappropriate, ineffective, misguided or badly implemented macroeconomic and social policies, often developed without tripartite consultation. It is also

¹⁵ ILO: *Visions for Asia's Decent Work Decade: Sustainable Growth and Jobs to 2015*, op. cit., Appendix, Table A8.

¹⁶ ILO: *Realizing Decent Work in Asia*, op. cit.

¹⁷ *Ibid.*

¹⁸ *Ibid.*; ILO: *Global Employment Trends Model (2007)*.

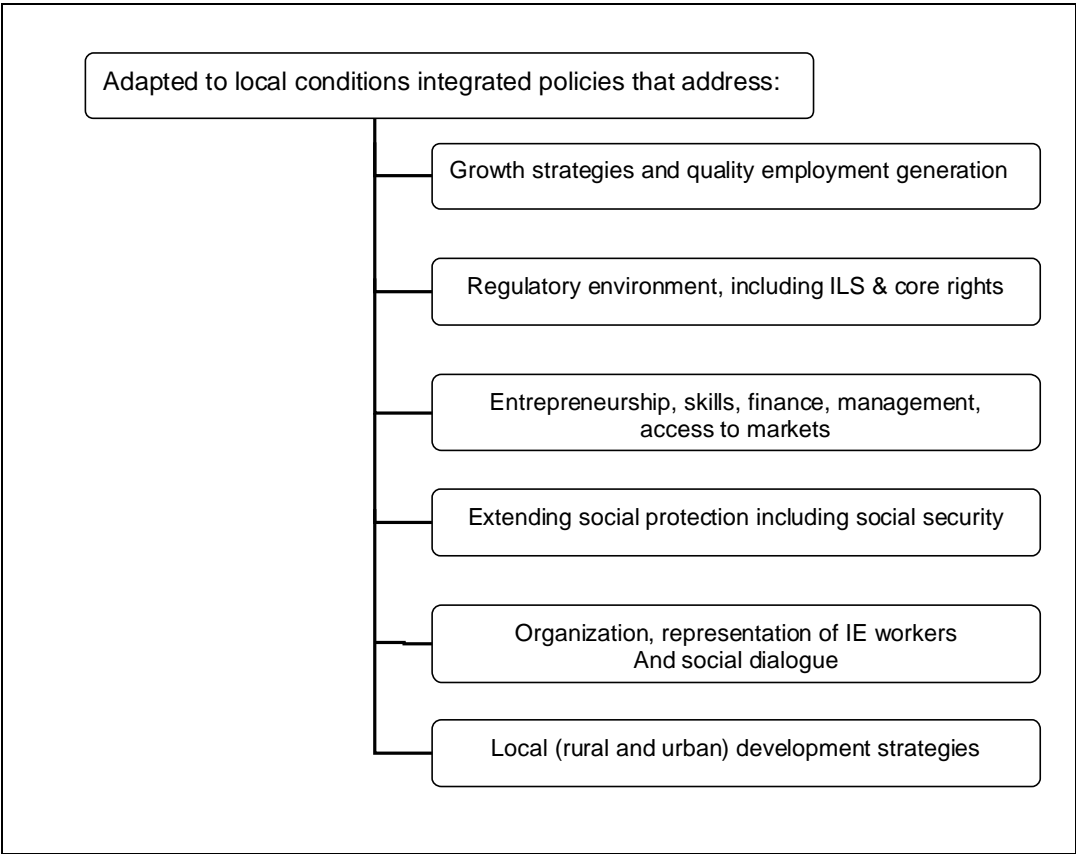
due to the absence of appropriate legal and institutional frameworks and proper and effective implementation of policies and laws. Three types of legal and institutional frameworks are of particular importance: labour legislation, business regulations, and legal frameworks to secure rights to property, title assets and financial capital.

Identifying the specific factors contributing to the dynamics of formality/informality in national and local contexts and understanding its diversity is therefore a necessary, albeit complex, first step for developing appropriate policy responses. As discussed in the following section, a comprehensive set of policy initiatives need to be developed, especially to promote coherence and reinforce positive synergies across the actions that have been carried out to date.

4. Rolling back informality: policy matters

The latest review of international experience by the ILO’s Governing Body¹⁹ widely acknowledged that rolling back informality requires a comprehensive range of policy initiatives cutting across the strategic objectives of the Decent Work Agenda. The following diagram is a simple illustration of key policy areas and the interconnection of the various issues.

Figure 2: Decent work strategies for the informal economy



The experience and policies of the Asia-Pacific region in each of these areas are briefly reviewed:

¹⁹ ILO: *The Informal Economy*, Governing Body, 298th Session, Geneva, Mar. 2007, GB.298/ESP/4.

A. Policies for growth and quality employment generation

At the root of the problem of the informal economy is the inability of economies to create sufficient numbers of decent jobs to absorb the growing labour force. Mitigating the spread of informality therefore requires making employment a central concern of economic and social policies. This entails promoting employment-friendly macroeconomic frameworks and policies that: (a) foster inclusion of the working poor in economic processes, e.g. through labour absorbing strategies; and (b) improve the terms of trade in which their assets are employed. This provides an effective transmission mechanism whereby economic development and growth can reduce poverty.

One of the key challenges in many developing countries is that weak governance has created environments that are not conducive to job creation or small enterprise development. Macroeconomic, trade and investment policies are not sufficiently focused on employment and this can lead to a bias in favour of capital investment over labour. The legal and institutional environment further engenders a gross misallocation of resources, thereby favouring larger enterprises, for example in allocating import licences and foreign exchange for importing raw materials. Business registration and formal requirements often involve highly bureaucratic procedures, thereby encouraging firms to remain informal. Poor infrastructure limits market and technical development. Ironically, many targeted programmes for small- and micro-enterprises are only stop-gap measures to help firms survive against the adverse effects created by the wider policy environment.

Quality job creation in the Asia-Pacific region will be one of the great challenges during the Asian Decent Work Decade. At 1.84 billion, the region's labour force will grow by 221 million (or 12.1 per cent) between 2006 and 2015. South Asia will see its labour force grow by 14.9 million every year, South-East Asia and the Pacific, will see labour force growth of 5.6 million per year, and East Asia's labour force will grow by 4.6 million each year. The most rapid labour force expansion in the Asia-Pacific region will be in countries with the highest number of working poor and the largest informal economies, for example in Afghanistan, Bangladesh, Lao PDR, Nepal, Pakistan, the Philippines, Timor-Leste and some Pacific Island states.²⁰

If the employment outlook does not change significantly, the policy challenge is to move from job creation in the informal economy to significantly upgrading the scope and pace of creating decent work opportunities across the economy. This will entail focusing policy attention on upgrading the informal economy and moving workers from informal to formal employment as an integral part of the development strategy in the Asia-Pacific region.

Sectoral strategies are equally important: targeting sectors with a large informal economy through policy instruments, such as infrastructure development, credit facilities, tax relief, skills development and extension services, can encourage the development of linkages within sectors down to the labour-intensive segments. Policy interventions can be designed to improve the quality of employment and activities in the agriculture and service sectors so that workers can capture a larger share of the value created along these supply chains.²¹ These would include the

²⁰ ILO: Trends Working Poverty Model (2007); ILO: Economically Active Population Estimates and Projections Database, Version 5 (2006); United Nations Population Division: World Population Prospects: The 2006 Revision Population Database (2007).

²¹ ILO: *World Employment Report 2004-05: Employment, Productivity and Poverty Reduction* (Geneva, 2005).

provision of transportation and storage infrastructure, improving access to land and basic financial services, and facilitating the diffusion of productivity-boosting technologies.²²

Changes in trade policy are more likely to have a positive effect on employment opportunities if they are aimed at expanding export markets, while at the same time encouraging investments in local productive capacities and facilitating imports of scarce factors of production.

B. Promoting labour standards and adapting the regulatory environment and labour protection methods

Extending protection to workers and units in the informal economy is the challenge that some countries have started to address in a significant manner. International labour standards were established to protect workers in all parts of the economy. However, historically they have focused on the wage-employment relationship more readily identified and recorded in the formal segment of the economy.²³ Work in the informal economy typically involves one or more of the types of arrangements such as:

- Subcontracting arrangements where the transactions take the form of a commercial relationship;
- Use of intermediaries for the purchase of goods and services;
- Family members or extended kin working as operators and workers.

These arrangements make it difficult to make a distinction between employers and employees and stand in the way of promoting the implementation of relevant labour standards. This challenge is nevertheless being taken up in a number of countries by reviewing the adequacy of the regulatory framework and by promoting and investing in appropriate outreach and delivery strategies. There is broad consensus that the rights and standards covered by the ILO Declaration on Fundamental Principles and Rights at Work²⁴ is a minimum floor that should apply to *all* workers, regardless of whether they are in the formal or informal economy. Several countries have initiated programmes and projects aimed at the informal economy that support the effective application of these core rights, including programmes/projects on freedom of association and the right to collective bargaining, elimination of all forms of forced or compulsory labour, effective abolition of child labour, and elimination of discrimination in respect of employment and occupation.

There are at least two situations where the regulatory environment needs to be adjusted to the characteristics of the informal economy. The first is when activities or groups are not covered by a national regulatory framework, for example in the case of the self-employed, domestic workers or subcontractors. As most labour laws cover only workers that have a clear employer-employee relationship, institutions established to carry out labour protection activities, e.g. workplace advice, labour statistics, dispute resolution, consultative bodies and vocational training programmes, have mainly reached out to the formal sector. However, in recent years, there have been interesting developments in the region to extend the scope of labour laws to the informal economy, such as through administrative acts in Thailand and the Philippines and the

²² J. Heintz: *Growth, Employment, and Poverty Reduction*, Discussion paper for the workshop on Growth, Employment, and Poverty Reduction, Department for International Development (DFID) (London, 2006).

²³ Although with some notable exceptions such as Convention No. 169 on Indigenous and Tribal Peoples (1989).

²⁴ For further discussion, see <http://www.ilo.org/public/english/standards/relm/ilc/ilc86/com-dtxt.htm>.

application of labour law through judicial decisions (see Box 1).

Box 1: Extending the scope of the labour law to the informal economy

Thailand and the Philippines have extended the application of their labour laws to informal workers. Thailand's Ministerial Regulations extended protection to homeworkers and agricultural workers. Home-based workers covered under this Act are those who use raw materials and tools supplied by employers. It affirms the application of the core labour standards to these workers. The Philippines also extended protection to homeworkers and construction workers.

The application of the labour law is also determined through judicial interpretations and decisions. In the Philippines, the Supreme Court applied a four-fold test in determining the existence of employer-employee relationship through: "(1) the selection and engagement of the employee; (2) the payment of wages; (3) the power of dismissal; and (4) the power of control the employees conduct." Furthermore, the evidence of payment (e.g. a payslip) has been accepted as proof of an employer-employee relationship

The second is where laws have been enacted but compliance or enforcement is weak. This issue is related to capacity and commitment constraints but also, importantly, with technical and logistical limitations. Some of the practical difficulties encountered in applying labour inspection methods to home-based workers in Thailand are illustrated in Box 2.

These issues bring to the fore the limitations of current administrative methods in extending their scope to workers in informal work settings. The outreach potential of a labour ministry, i.e. its inspectorate system, is already overburdened in many developing countries. This situation calls for innovative approaches to reach workers in the informal economy.

In Thailand, the Ministry of Agriculture and Ministry of Public Health provide advice on occupational safety and health. They are able to reach constituencies that are beyond the reach of the Ministry of Labour and its inspectorate through administrative units based in rural settings. In the Philippines, a three-tiered inspection system is in place whereby home-based and micro-enterprises benefit from advice from tripartite teams, while large companies conduct self-audits, and medium-sized enterprises are monitored by labour inspectors.

Box 2. Practical difficulties in extending the labour inspectorate system to home-based workers: The experience of Thailand

Some of the practical difficulties faced by labour inspectors in Thailand in relation to labour inspection methods to home-based workers include:

- Labour inspectors do not understand how homeworkers operate. For example, it is unclear whether or not intermediaries are employers of the producer.
- Inspections need to be conducted twice as employers and employees are often in different places and current inspection forms are inapplicable.
- Workplaces are difficult to access, either because they are located in remote locations or because working hours are irregular. Besides, it is unclear if labour inspectors have the authority to enter homes and inspect home-based workplaces.
- The target groups themselves do not understand the benefits of labour protection rights and feel that applying some of the standards, such as written contracts, puts them at a disadvantage.
- Labour inspectors have to decide whether they have the authority to act if an employee files a complaint as their authority (e.g. to issue an order or bring a case to court) is based on geographic jurisdictions

Voluntary codes of conduct are also increasingly being considered to advance labour and social protection. Such agreements often outline basic social or ethical standards and typically embody labour standards. For instance, the Ethical Trade Initiative (ETI), which was

established in 1998 by stakeholders in the business sector, trade unions and NGOs, promotes the use of a common set of labour standards.

These practices are normally applied within the upper rungs of the supply chain and are rarely extended to small subcontracting units. Furthermore, while they have had a positive impact on stabilizing the incomes of small producers, outreach activities have remained scattered in spite of recent trends in networking and are heavily dependent on intermediary and sponsoring entities.

C. Entrepreneurship, microfinance and skills development

The informal economy is a reservoir of skills, entrepreneurial capacity, creativity, innovation and resilience as workers create their own employment and manage to survive and even grow despite insurmountable odds. However, they face a number of constraints that prevent them from unleashing their entrepreneurial capacity and breaking out of the trap of low productivity and low earnings:

- Firstly, their inadequate physical and human capital, as well as the absence of economies of scale limit the growth potential of their activities;
- Secondly, bureaucratic procedures can prevent enterprises from gaining legitimacy, thereby inviting harassment and other problems. Without a legal personality, enterprises cannot conclude contracts that protect their interests and face difficulties in servicing commercial clients and accessing support services;
- Thirdly, small producers capture only a small share of the value-added that is created within a production network. Thus, the challenge to improved productivity and earnings involves a wide range of solutions, including targeted sectoral interventions and business development services.

Business development services targeting informal enterprises must take into account the specific circumstances and constraints faced by such enterprises. Inadequate schooling, language constraints, lack of confidence to apply new methods, lack of physical mobility to attend training courses in large urban settings, and even a lack of interest in carrying out anything more than production work, are all factors that need to be taken into account when designing interventions.

Entrepreneurship

Building an enterprise culture. Many countries possess a cultural bias in favour of the public sector and corporate employment. The ILO introduces entrepreneurship education in vocational, secondary and higher education through the “Know About Business” (KAB) programme. In China, for example, the KAB programme has been successfully integrated in the public school system where students are oriented towards entrepreneurship as a career option.

Action-oriented and participatory training interventions foster an enterprise culture by inculcating an entrepreneurial mindset (see Box 3). Mass media, including radio, TV and street theatre, are powerful vehicles for communicating messages and business services to mass audiences (see Box 4).

Box 3. GET Ahead: An action-oriented training programme

The ILO has developed a highly participatory and action-oriented training programme known as GET Ahead (GET is an acronym of Gender and Entrepreneurship Together). GET Ahead targets women in poverty who have started or want to start a small business. It uses an experiential learning methodology to convey good business practices, as well as key messages on gender equality.

GET Ahead highlights essential business skills from a gender perspective. It promotes both the economic and social empowerment of women, alongside men, in enterprises. GET Ahead is used in several Asia-Pacific countries, including Cambodia, Lao PDR, Thailand, Mongolia, Philippines, Viet Nam, Indonesia and China.

In Mongolia, GET Ahead has been integrated in vocational training programmes and is reported to have successfully motivated clients struggling to secure employment.

Box 4. Forum Theatres in Sri Lanka

The growth and employment potential of small businesses in non-urban areas in Sri Lanka has not been fully exploited and start-up rates tend to be low. One of the underlying causes for this is enterprise culture. This story tells how theatre can support changes in the way people value business and entrepreneurship.

An ILO project in Sri Lanka promoting micro- and small-sized enterprises for poverty alleviation staged short plays in which the audience was invited to take the lead, as well as other roles, in order to change the story's tragic ending. This enables the audience to examine and explore their own motivations and environment. Local actors are usually highly committed and contribute to the play's story line by relating their own individual and community's experience. The plays have so far depicted how enterprises contribute to the community or whether children should be advised to start a business.

At the end of these plays, audiences receive brochures with information on business and financial service providers and member-based organizations, business development and financial services, and on how, or whether, they should start a business.

Forum Theatres are promoted ahead of performances through posters, flyers and announcements, which are distributed in schools and public places in each target community.

Improving business climate. The capacity of local governments in several Asia-Pacific countries is being enhanced to allow them to better assess the local business climate and business registration procedures and enable them to identify bottlenecks and engage in participatory action. The ILO has carried out business climate assessments in Cambodia, Lao PDR and Sri Lanka, including feasibility studies on setting up one-stop-shops for onsite registration. It has further developed a manual to assess the business environment.

Strengthening value chains. The ILO has developed a tool that can, in a participatory manner, identify high-potential sub-sectors in a given locality and then, through analysis of their value chains, determine constraints and opportunities to market expansion. This tool, which has recently been introduced in Viet Nam and Sri Lanka, aims to strengthen value chains through a variety of business development services, including association building, clustering, marketing activities, such as trade or medium-sized enterprise fairs, skills training and providing mentoring on improved production methods, strengthening negotiating skills and understanding contracts. Government and large companies can also open market opportunities for micro and small enterprises by procuring goods and services from them.

Integrating decent work in business training. ILO's business and entrepreneurship development programmes have integrated modules on occupational safety and health and managing people techniques. The ILO has also developed and implemented a project called "Improve Your Work Environment and Business" (IWEB), which is intended for micro-manufacturing enterprises. Job quality interventions have also been carried out among brassware

makers in Moradabad, India. The lesson to be drawn from these initiatives is that it is possible to reverse the cycle of informality and poor job quality within the informal economy.

Financial services

The vast majority of workers in the informal economy cannot access the financial services offered by banks and other formal financial institutions because they lack the collateral and are perceived as high-risk/low-profit clients. Microfinance is known to serve people that have been underserved through innovations in the way financial services are delivered, for instance through group formation. For sustainable poverty alleviation to take place, informal economy operators and workers require longer-term access to a broad range of financial services to invest in their economic activities and manage risks. The services they need include savings, emergency loans, remittances and insurance.

Through research, training and technical assistance, the ILO supports financial institutions to develop services that can reach and have a lasting impact on vulnerable persons. At the policy level, the ILO advises governments how to improve the enabling environment for the delivery of poverty-oriented financial services (see Box 5).

Box 5: Microfinance and micro-insurance for women workers in the informal economy

Until recently, microfinance institutions in Viet Nam focused mainly on the provision of credit. The institutions had not assessed the market for other types of financial services and did not have the capacity to offer them. An ILO project supported microfinance institutions to assess the demand for different financial services among women in the informal economy. The research showed an important unmet demand for savings and insurance products.

The project supported four microfinance institutions to pilot and roll-out flexible savings facilities, mutual health insurance and credit-life insurance schemes. The project also strengthened the overall capacity of microfinance institutions by providing training on different aspects of microfinance service delivery. In close collaboration with the microfinance working group, the project ensured that the most popular training courses can now be offered by local trainers.

Skills development

Improving the skills of informal economy workers is key to enhancing their chances to access gainful employment, as well as improving their productivity and income. Yet, formal training systems have proven inadequate in reaching out to and meeting the needs of informal economy workers.

Community-based programmes and projects are partially filling this gap. The ILO has also developed a specific methodology to address this issue. The methodology, known as Training for Local Economic Empowerment (TREE), emphasizes the identification of potential wage and self-employment opportunities, and their training and non-training requirements, and consists of organizing and providing training and post-training support services to poor and/or disadvantaged individuals in communities. Such opportunities are assessed in the context of communal development plans and make use of both locally available formal and non-formal training offerings (see Box 6).

Finally, many non-formal training services are weak and not recognized by formal systems. The non-recognition and non-certification of on-the-job skills acquisition by informal

economy workers, including through traditional apprenticeship systems, are major obstacles for marketing these skills in the formal economy – an issue which has yet to receive an adequate level of attention from policy-makers.

Box 8: TREE in the Asia-Pacific region

TREE has been implemented in Pakistan, Bangladesh and in the southern Philippines. In these countries, it was found that 70 to 90 per cent of persons trained were able to become gainfully self-employed. In Bangladesh, rural women were able to break through cultural barriers and entered non-traditional trades. Training resulted in new products and services becoming available and an increased number of training opportunities aimed at increasing people's awareness of their rights and of existing opportunities.

Lessons learned on skills development through TREE have covered topics such as: macro-policies; establishing appropriate structures and linkages; matching training with market demand; complementing technical skills with an entrepreneurial approach; and flexible and practical programmes adapted to the diverse characteristics and educational levels of trainees.

D. Extending social protection to the informal economy, including social security and occupational safety and health

Social security. Social protection coverage for informal economy workers remains extremely limited. The public sector is often not able to finance benefits and informal workers have low contributing capacities because they do not have employers who make contributions and who administer registration, contribution collections and benefit disbursements. Statutory social security systems often rely on a clear employer-employee relationship in which employers have financial and administrative functions. Other challenges include the absence of social security offices and the distance between poor villages and places where banks or collection centres are to be found. Furthermore, the lack of tenure security and obscure addresses in slum settlements prevent the social security system from easily identifying and tracing members for purposes of disbursing benefits.

Nevertheless, universal coverage remains a goal for all countries. National governments have tried different approaches to achieve this goal progressively. Below are some approaches illustrating tax-based schemes for workers who are not members of, or who cannot afford, contribution-based schemes (as in the case of Thailand and India). Another approach involves linking community-based and home-grown schemes accessible to the poor to the national-based scheme, which expands the risk pool and provide more benefits.

Tax-based coverage. In Thailand, the universal health care scheme covers households that are not covered by the social security system. The tax-funded scheme has demonstrated that universal coverage through the financing of taxation is feasible for middle-income countries, such as Thailand, where the gradual formalization of the labour force has substantially contributed to the expansion of universal social security coverage

Over 90 per cent of India's workers, including agricultural workers, are in the informal economy, and have little – if any – statutory social security coverage. India provides an example of a welfare fund financed from an industry levy. Workers who are not able to contribute to the social security scheme are provided coverage from this welfare fund. In this case, the trade unions provide a certification of the worker's eligibility. Box 7 presents a broader legislative initiative to extend social security in India to the unorganized sector.

Box 7. Legislation for the protection of unorganized sector workers and welfare funds for specific groups of workers

National commissions and laws

Over the years there have been a number of national commissions and legislative initiatives aimed at resolving issues related to the informal economy in India. In 2004, the National Commission for Enterprises in the Unorganized Sector was set up as an advisory body and to act as a watchdog to promote comprehensive measures to upgrade informal sector enterprises and enable them to generate large-scale employment opportunities on a sustainable basis.

The approach covers measures to improve productivity and competitiveness with a focus on skills training and integrated support services, expanding social security coverage, and improving working conditions. The National Commission's legislative achievements on social protection include:

- The Unorganized Sector Workers Social Security Bill, 2005 aims to achieve national social security coverage for informal economy workers in all States and to all groups of workers. Providing minimal social protection to 320 million people has been estimated by the Commission to cost a mere 0.5 percent of GDP. Although a number of schemes and mechanisms exist, they are not inclusive. The proposed scheme provides old age pensions, personal accident insurance and medical insurance. If approved by Parliament, this will be the first Bill to go beyond social assistance or limited forms of protection. The financing and management of this scheme will be a major challenge.
- The Unorganized Sector Workers (Conditions of Work and Livelihood Promotion) Bill, 2005 is expected to improve the working conditions of informal economy workers by providing basic minimum standards on working hours, minimum wages and adherence to the prohibition of child labour and bonded labour. The Bill recognizes a minimum for workers' entitlements, such as the right to organize, non-discrimination in payment and conditions of work, safety at work and absence of sexual harassment. The draft Bill also proposes setting up dispute resolution councils at the district level to provide an institutional mechanism to settle disputes between wage workers and employers in the informal economy. The implementation of this Bill will be through the establishment of a State advisory committee made up of representatives of organizations of informal economy workers and concerned ministries.

Welfare funds for groups of workers

Over the years, separate legislation has been enacted by Parliament to set up five welfare funds administered by the Ministry of Labour to provide housing, medical care, social security, education and recreational facilities to workers in specific sectors, namely: mining, film production, as well as workers producing bidis, dockworkers and construction workers. These are partly or fully contributory, based on tripartite arrangements and under the supervision of the State.

For example, a welfare fund can be financed out of an industry levy. In Tamil Nadu, a tax of 0.1 to 0.3 per cent is levied on the cost of all building or construction projects, which finances a scheme under which manual workers receive coverage for events requiring huge outlays, such as accidents, death, marriage, child delivery, etc. Similarly, for bidi workers, taxes of 50 paise (or half a rupee) per 1,000 bidis are levied. The welfare fund operates hospitals and dispensaries, awards scholarships and provides school supplies and uniforms.

Despite the fact that these welfare funds have existed for a long time and cover millions of workers (4 million in the case of bidi workers), their regional and sectoral coverage is still not universal.

Contribution-based scheme. In the Philippines, the national health insurance system is extended to workers in the informal economy through a programme in which household heads pay a monthly contribution of P100 (or US\$2) to get health insurance for their families. This amount entitles members and their dependents to benefit from a limited coverage for hospital stays, laboratory tests, medicines and doctor's fees. Philhealth has further pilot tested a partnership with other organized groups, e.g. cooperatives. It is envisaged that voluntary schemes, such as those offered by Philhealth, could be rendered more accessible and more widely available by lowering the cost of insurance packages, as well as allowing more frequent collection and partnering with organized groups. Though not optimal in terms of availability of health care centres and accessibility, especially among internal migrants, the Mongolian Social Health Insurance Scheme accords both formal and informal economy workers with the same

benefits; informal economy workers are only required to pay very small contribution assessed according to their means to benefit from the scheme.

The Government of India recently launched a voluntary scheme extending social security to all unorganized workers. The Unorganized Sector Workers' Social Security Scheme, tested on a pilot basis in 50 districts, provides for three basic areas of protection: old age pension, personal accident insurance and medical insurance. It is compulsory for registered employees and voluntary for self-employed workers. Both workers and employers contribute to the scheme. Self-employed workers in the scheme pay their own contribution and the employer's contribution, the government also makes a contribution. Workers' facilitation centres are being set up to assist workers. The scheme will be administered through the offices of the Employee Provident Fund Organization, which are found across India.

Linking statutory and community-based schemes. Innovations in South Asia have linked local mechanisms such as micro-insurance schemes with statutory schemes. Linking community-based schemes with the national insurance system allows for a more diversified and sustainable pooling of risks and more comprehensive benefits than would otherwise have been possible with a small local scheme. At the same time, the national scheme is able to extend its reach as it based on local schemes that are accessible to poor communities. Examples of linkages include: a provident fund for informal economy workers in West Bengal; a health insurance scheme covering cooperative farmers in Karnataka (Yeshasvini); a health programme for young students enlisted in public schools in Rajasthan (Naandi); a health insurance scheme covering senior citizens in Madhya Pradesh (Indore); and a health insurance scheme for rag pickers in Maharashtra (Pune).

Occupational safety and health. The absence of information channels and appropriate technology on occupational safety and health for micro-enterprises, including home-based workers, exclude a large share of the working population from vital safety and health information. Furthermore, institutions that support occupational safety and health (OSH) advice have historically only been available to formal enterprises.

Micro-enterprises do not benefit from the technologies available to larger enterprises. For example, technologies for work improvement are normally designed for large factories; workplace monitoring and health examinations are only available in factories registered with labour ministries and which contribute to a workplace compensation system; and labour ministries' inspection systems are the only administrative machinery for distributing workplace advice. Micro-enterprises, on the other hand, tend to use rudimentary methods and consequently the safety and health conditions in such enterprises are often the most hazardous.

The ILO has recently developed training programmes and practical strategies for workplace improvement suitable for farmers, micro-enterprises and home-based workers. These are conveyed through participatory training methods to improve OSH in informal economy workplaces. These training programmes are the Work Improvement in Small Enterprises (WISE), Work Improvement in Neighbourhood Development (WIND) for farmers, Work Improvement for Safe Home (WISH) for home-workers, and Work Improvement in Scale Construction Sites (WISCON). These programmes are designed to improve OSH, working conditions and productivity by using simple, low-cost improvement methods.

Various institutional mechanisms were used in delivering OSH training. In Thailand, the public health and agricultural ministries have community-based health workers in villages and agricultural extension workers. The ILO also works with private sector practitioners, such as fair

trade organizations and employers associations. The ease with which practical training and interventions can be applied helped in quickly expanding their reach and impact.

Finally, these activities have been incorporated into national OSH programmes and policies for wider coverage. Again, the availability of feasible interventions enabled national and local governments to consider broader policies and programmes for extending protection to the informal economy (see Box 8). ASEAN countries have exchanged country experiences and strategies to extend OSH protection to informal economy workplaces through an ASEAN-wide OSH network.

In summary, OSH messages have been disseminated to the informal economy on the following three levels:

- Enterprise level – by disseminating practical strategies for work improvement, especially building on work improvement tools.
- Institutional level – though the integration of OSH inputs in public and private services for more effective dissemination.
- Policy level – by providing support to the formulation of national OSH policy, in Asia-Pacific countries, such as Thailand, Cambodia and Mongolia.

Box 8: Participatory approaches to improving safety, health and working conditions in informal economy workplaces

Providing adequate OSH protection to informal economy workplaces such as homes, small construction sites, and rural farms presents an increasingly important challenge in the Asia-Pacific region. Workers in the informal economy are often exposed to chemical, physical and ergonomic workplace hazards without being aware of the health risks involved. Informal economy workplaces often lie outside the scope of OSH legislative frameworks, thereby making it difficult for government inspectors to reach them. In addition, work-related accidents and diseases are seldom reported to the government.

Participatory training programmes to improve OSH provide a practical means to address these issues and are increasingly being introduced in informal enterprises. WISH (Work Improvement for Safe Home) is a typical participatory training programme designed for homeworkers and small businesses. WISH training encourages participating homeworkers to apply an action checklist with illustrated “good examples”, which assist in recognizing OSH risks at work and low-cost and quick solutions. Wherever possible, local good practices are presented as workable solutions.

The WISH programme focuses on five technical areas, including materials handling, workstations, physical environment, machine and electrical safety and welfare facilities. Improvements in these technical areas contribute substantially to safety, health and productivity.

Participatory training programmes have been incorporated into national OSH programmes and policies. In Cambodia, with technical cooperation from an ILO project that deals with the informal economy, government inspectors have worked collaboratively with local trade unions, employers’ organizations and NGOs to train their representatives as participatory OSH trainers.

Through local networks, trainers frequently visit home workplaces, small construction sites and small farms and provide on-site OSH training. Rural villages, some of them without electricity, have participated in this practical OSH training, going on to implement improvements in safety, health, and productivity. With national support and strengthened networks, these practical programmes are gradually expanding their reach into more informal-economy workplaces.

Adapted from: ILO: *Labour and Social Trends in ASEAN 2007: Integration, Challenges and Opportunities*, op. cit.; and T. Kawakami, S. Arphorn and Y. Ujita: *Work Improvement for Safe Home: Action manual for improving safety, health and working conditions of home workers* (Bangkok, ILO, 2006).

E. Investing in integrated local development

Municipal and village-level governance units comprise the first level of engagement for informal economy workers and entrepreneurs. The choice of local industries to prioritize for promotion, the choice of infrastructure development, the delivery of medical care for workers who fall ill or encounter accidents, the issuance of licences to operate, the decisions on investments in education, vocational training, health, socialized housing, are all carried out at the local level, especially in countries where governance is decentralized and powers are devolved.

Thus, the most immediate locus of intervention in the informal economy and where the most impact can be achieved is at the local level. While local governance units represent a strategic level of intervention, large capacity gaps are to be found and no development assistance has been provided to address these gaps. This has changed in recent years as development organizations increasingly partner cities and municipalities, which includes initiatives aimed at: framing city Development Strategy (World Bank); achieving Cities Without Slums (UN-Habitat); strengthening Cities Competitiveness (Swiss-based International Management Development); and addressing the excessive Cost of Doing Business (World Bank). Local economic development frameworks are also developed by multilateral and bilateral agencies such as the World Bank and UN-Habitat, ILO and GTZ, to name but a few. The ILO is also working with the Cities' Alliance Network on introducing the concepts of job creation and decent work in the context of urban development plans.

The ILO's work on local development has focused on developing infrastructure and basic services. Interventions have involved methodologies in local-level planning of infrastructure priorities, labour-based technology for infrastructure improvements, community contracting and infrastructure maintenance.

On business and industry development, the ILO has developed participatory methods in which local stakeholders are guided in identifying competitive sub-sectors, determining value chains, and identifying opportunities and constraints for market expansion. These tools are being interfaced with local bodies and governance units in a bid to improve needs assessment and planning skills at the local level.

Planning, policy-making and service delivery on decent work dimensions is also being strengthened through surveys on good practice. The ILO has developed and implemented a training and appreciation programme that enables local government units to explore how they can play a role in improving employment, social protection, dispute mediation, participatory governance, or social dialogue. This paves the ground for stronger partnerships to carry out future decent work interventions at the local level.

F. Organization, representation and social dialogue

Organization, representation and social dialogue are important in all aspects of economic and political life. However, informal economy operators and workers are often constrained from organizing and participating in these processes. Some trade workers are often mobile and scattered and as their jobs may be seasonal and temporary, they are preoccupied with survival leaving them little time or energy for organizing. They fear putting their jobs at risk when they begin organizing and demanding better terms; once organized, their organizations may not be recognized. Policy-making bodies often do not make room for representation among the weak and poor.

Nonetheless, in recent years efforts have been stepped up to enhance the organization and representation of informal economy workers and units through various strategies. The Conclusions of the 2002 International Labour Conference²⁵ stressed the key role of “democratic, independent, membership-based organizations of wage workers, own-account workers, self-employed persons [and] employers in the informal economy”. Headway has been made in the Asia-Pacific region in this regard.

Trade unions are placing increasing emphasis on organizing in the informal economy. A Regional Training Workshop on Freedom of Association and Organization in the Informal Sector held in Thailand in November 2005 heard a number of experiences on this topic, including attempts to organize ship breakers in India, farm workers in Fiji, garment and transport operators in Cambodia and homeworkers in Thailand (see Box 11).

Local business associations are increasingly playing an important role in the informal economy. Workers cooperatives can provide useful lessons in relation to organization building and are being organized as collective enterprises in some Asia-Pacific countries in which the workers are owners and receive dividends from the cooperative’s profits. Community-based organizations, where informal operators and workers are found, play an important role in securing land tenure, improving infrastructure and mobilizing financial services – all of which impact on the security of the economic activities and livelihoods found in low-income neighbourhoods.

For its part, governments must provide the mechanism for registering member-based organizations and provide seats in local planning bodies to provide workers and the poor a voice in discussions on issues that affect them.

Box 9. Developing a plan for extending to the informal economy - National Farmers Union of Fiji

The National Farmers Union of Fiji began as an association of self-employed farmers with very small farms of about 3-10 acres each. They work on the land by themselves or/and with the help of family members. The farmers grow sugar cane on their land and sell the cane to sugar mills. Sugar mills were traditionally owned by the government and a private owner. One of the problems faced by the farmers was the monopoly price set by mill companies. Another problem was that the farmers were not educated and did not know how to prepare tax returns, and as a result, they became indebted.

When the Fiji Trades Union Congress (FTUC) decided to reach out to the farmers, they knew that they had to have the resources (money and people) to plan activities and the appropriate structure to accommodate this new category of worker. FTUC therefore set aside funds and assigned people to undertake education and awareness-raising activities with farmers around the country.

They went to rural areas to meet the farmers but as farmers were reluctant to attend meetings, the trade unions timed the meetings with special occasions, such as weddings. Slowly an organization began to emerge.

A special link between the FTUC and the National Farmers Union grew out of this initiative. Like many national workers organizations, FTUC has affiliated unions such as a teachers’ union, public sector workers’ union, etc. For the farmers, FTUC decided to accept them as associate members with a lower set of fees. Firstly, the services that were deemed suitable to them were different than those for formal wage workers; secondly, national federation leaders were afraid that informal workers would take over the leadership since they were more numerous than formal workers. FTUC therefore changed the constitution in such a way as to not give voting rights to associate members. Not surprisingly, this did not sit very well with the farmers.

How did the farmers benefit from the affiliation?

²⁵ ILO: *Report of the Committee on the Informal Economy*, op. cit.

- They used the power of collective bargaining to speak with one voice with sugar mills during negotiations on prices. They also talked about issues such as transport systems, fertilizer supply, advisory services to farmers and appropriate research, etc.
- The trade union provided services on filling up tax returns. They hired a local person who had studied accountancy and received help with their tax returns for an annual membership fee of US\$60 a year.
- They also looked to setting up cooperatives to service the needs of farmers.
- In becoming members of the FTUC the farmers are also part of the ILO, with access to international instruments that support freedom of association.

The FTUC also benefited, as the farmers added their voice in support of FTUC's position on several issues. The new collaboration meant that if one group, for example sugar factory workers, went on strike, they were joined by sugar farmers, and thereby increased their leverage and bargaining power.

Today, farmers are strong force – so much so that they are also now a political party (the labour party) – in the beginning they received money from the FTUC, now they have their own resources and contributions.

5. The way forward: comprehensive and integrated decent work policies

Rolling back informality through a deliberate, coherent and comprehensive set of policies is key to realizing the Decent Work Decade in the Asia-Pacific region. The experiences reviewed show an increasing commitment to take up this challenge in many countries in the region. These initiatives need to be stepped up, scaled up and mainstreamed into policy frameworks that address growth, employment and poverty reduction. A recent example of a comprehensive decent work policy framework is Mongolia's national policy on the informal economy (see Box 12).

Box 10. Mongolia: National policy on the informal economy

One recent example of a policy formulation initiative on the informal economy is Mongolia, where a national policy was adopted by Parliament in January 2006, and followed by an accompanying action plan in July 2006.

A large part of employment in Mongolia is in the informal economy. As Mongolia moves towards a market economy, it is attempting to implement the necessary policies which will ensure sustainable growth, poverty reduction and limit adverse effects on vulnerable workers. As such the national policy on informal employment is a key component of the national development framework and is aimed at upgrading the informal economy and bringing marginalized workers and economic units into the economic and social mainstream.

Using the decent work framework, the policy is based on several integrated objectives, namely: improving the legal environment; extending social protection; extending services such as skills training, microfinance, enterprise development and public employment services; linking with macroeconomic and employment policies; improving data collection and registration; and encouraging social dialogue.

The action plan involves all agencies that are charged with the above mandates. In 2007, about US\$170,000 will be allocated from the Employment Promotion Fund for the implementation of this policy's action plan. Initiatives in Mongolia were supported by the ILO through the ILO/DFID project on the informal economy and completed in March 2006.

As the background paper has shown, the root causes of informality are manifold and interlinked. Policies need to be developed in specific local contexts through broad-based dialogue and adapted to the particular characteristics and composition of the informal economy. They should aim at both expanding and improving the employment generation potential, while

at the same time extending social protection. Tripartite social dialogue, with the participation of informal economy workers and economic units, can play a stronger role in promoting policy coherence and building tripartite consensus on measures to be taken.

The inadequacy of data and indicators on the informal economy is such that statistical surveys and labour market information systems need to be enhanced in order to better measure and analyse the evolution of the informal economy.

The inter-country and inter-regional exchange of experience facilitated by the ILO and the development of regional and international knowledge networks can create a reinforcing effect for disseminating and multiplying innovative policies and institutions for promoting decent work strategies for informal economy workers in countries of the Asia-Pacific region.

6. Suggested key questions

1. The roots of informality can be traced to poverty, the inability of industrial sectors to create productive jobs and more flexible work arrangements, along with economic restructuring and governance issues. What are the key factors that have contributed to the rise of informality in your country and what aspects of informality require a priority policy response? What types of constraints do you foresee as you address these priorities?
2. The last general discussion on the informal economy at the International Labour Conference in 2002 emphasized that there needs to be a comprehensive and integrated strategy cutting across a range of policy areas to reduce the negative features of informality, while at the same time promoting their inclusion in the mainstream economy and extending social protection. How can an integrated and coordinated policy response to the issue of informality be applied in your country? How key stakeholders be mobilized towards a coordinated response? How can these twin objectives be attained?
3. The legal frameworks of particular importance in the context of informality are labour legislation, business regulations and legal frameworks to secure rights to property and business space. What kinds of policy responses have been designed and implemented with relative success in countries in the region and which can be shared with other countries in the region? How can these approaches be scaled up and institutionalized so that they become part of established rules or practices rather than experiments and special projects?
4. Inter-country and inter-regional exchange of experience and international knowledge networks can serve as the base for disseminating and multiplying effective policies and institutions for promoting decent work strategies for the informal economy workers in the Asia-Pacific region. What are the specific venues in which this exchange of experiences and lessons can take place? What would the role of national stakeholders and national institutions be in building or enhancing this knowledge network?