

*Informality:
Exclusión and Precariousness*

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Informality from sector to economy

The ILO original contribution: working poor

Inadequate government intervention and regulations

Globalization and disguised wage labor

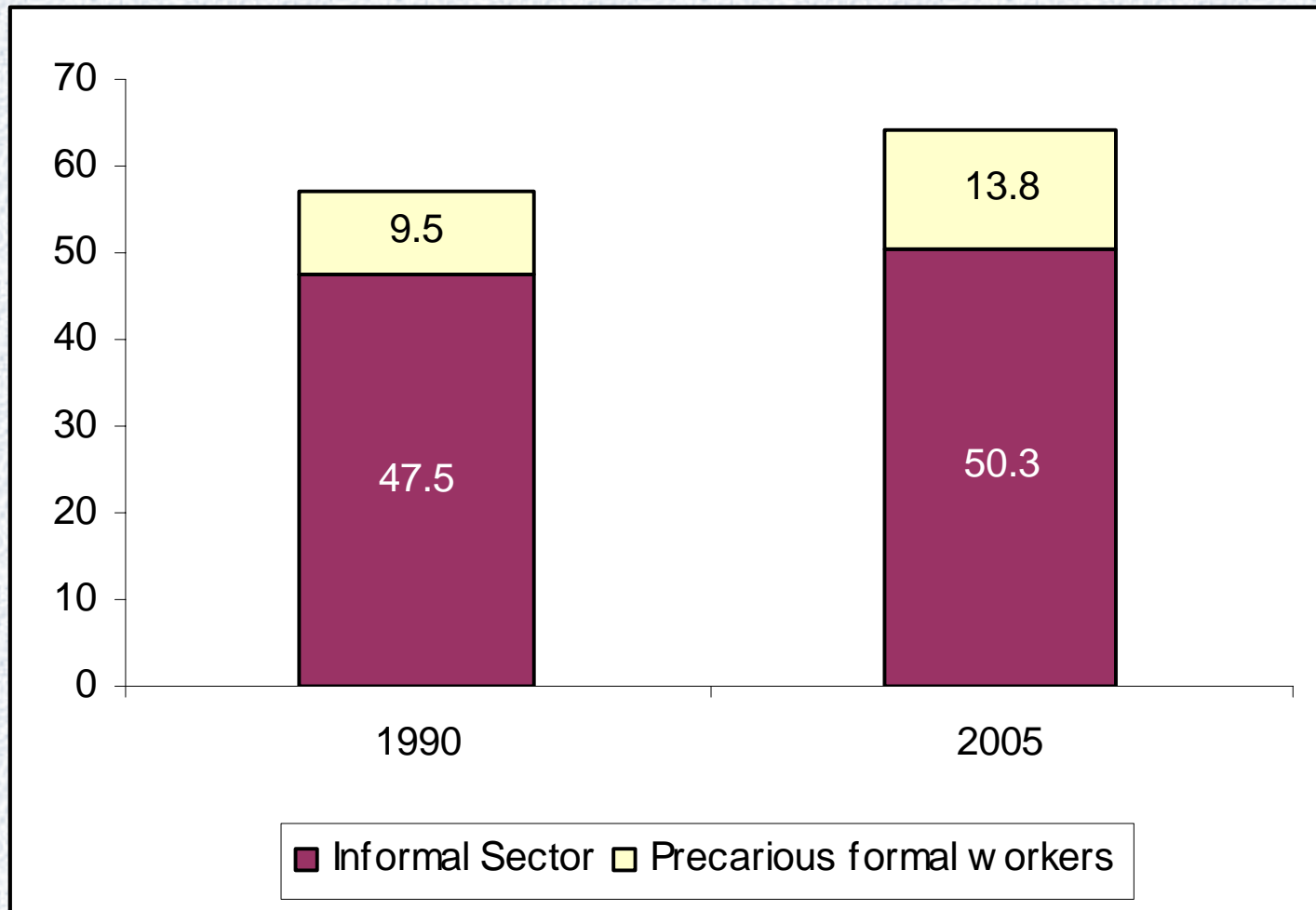
The ILO 2002 contribution: informal economy

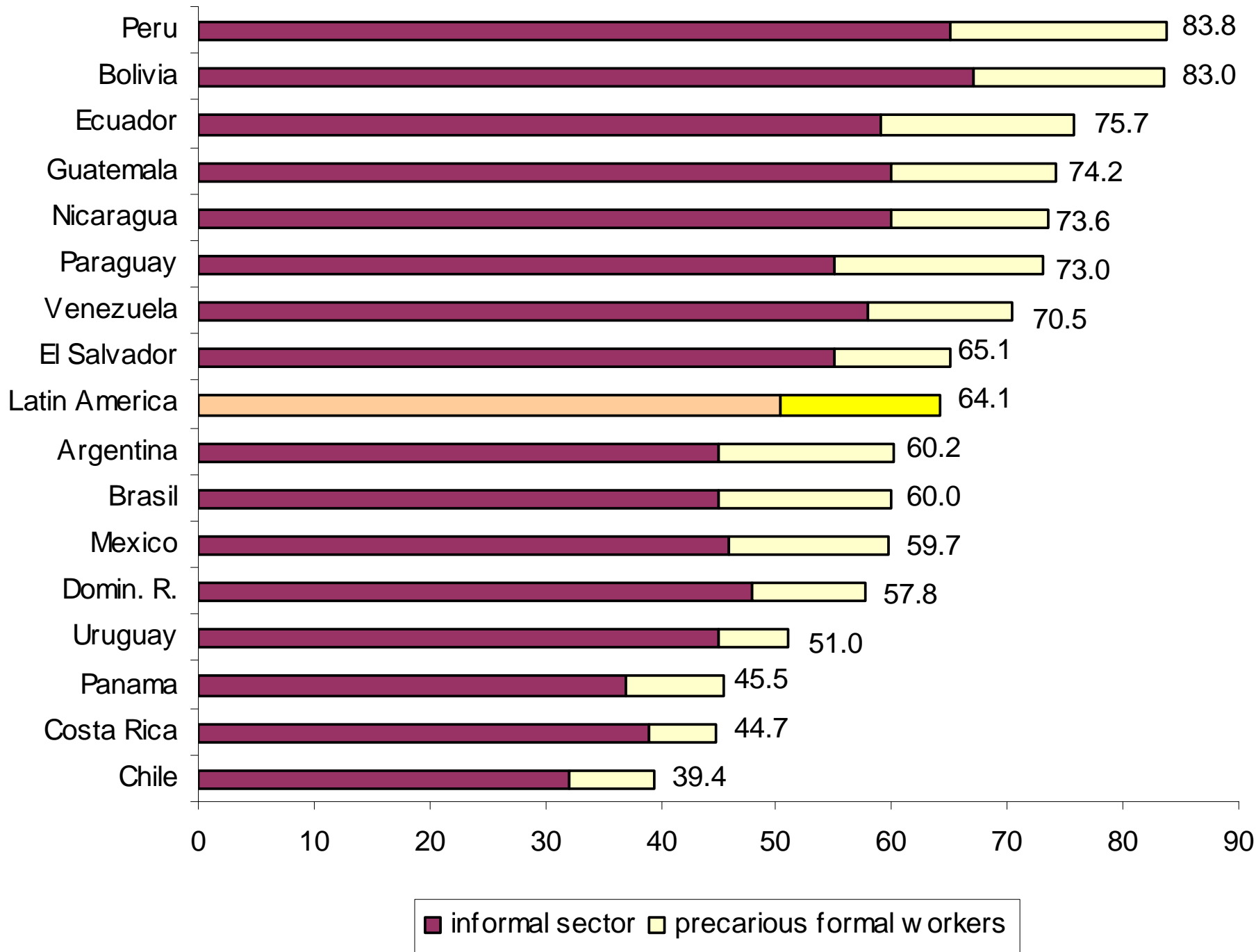
The Informal Economy in Latin America

Large and expanding size of the informal economy

Main component informal sector, but precarious labor expanding faster

Structure of the informal economy, 1990-2005





The Informal Economy in Latin America

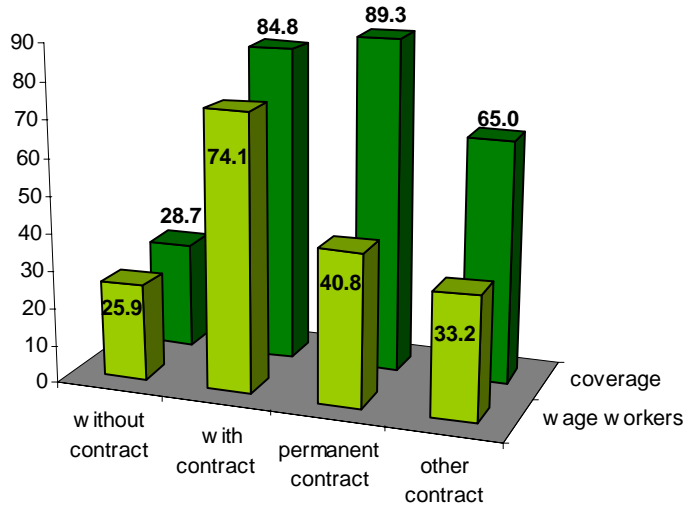
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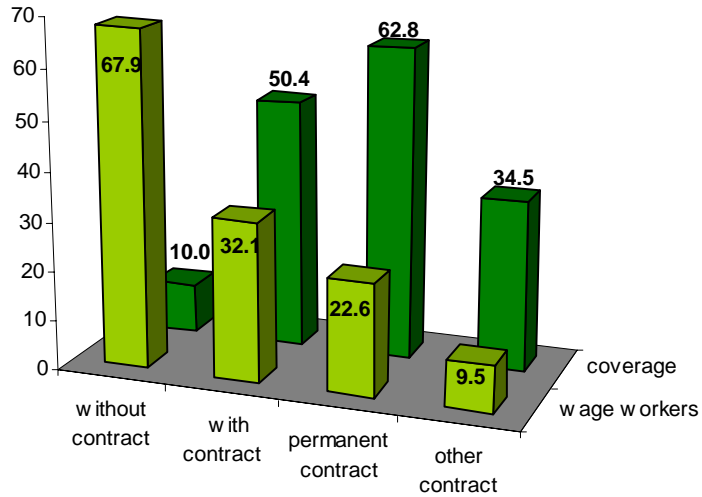
Income gaps within informal sector. Evidence of exclusion

Informality and labor contracts matter: differences in social protection

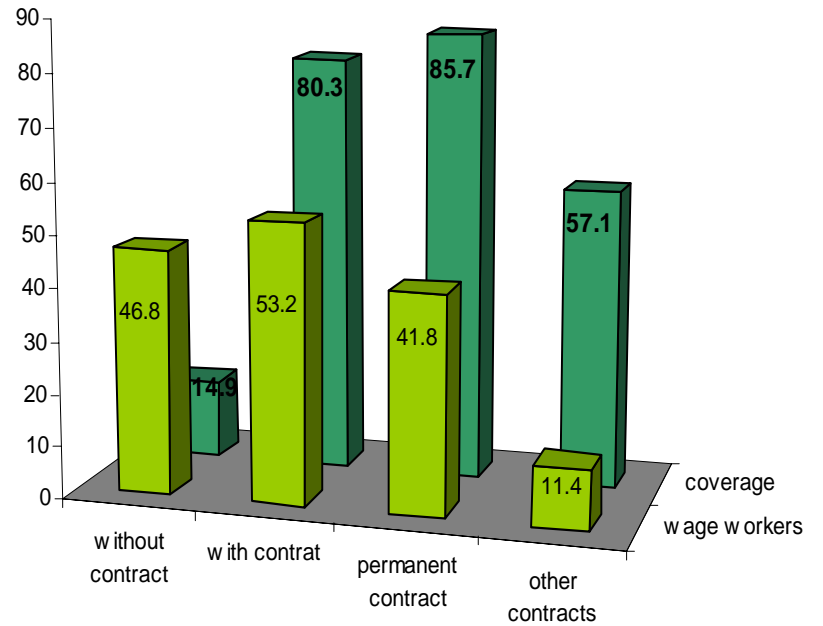
FORMAL



INFORMAL



Total coverage by work contract



Towards a strategy for inclusion and opportunities

Five pillars

1. Regulation of informal activities

Reduction of formality entry costs for all

Simplify rules and procedures

Redesign mechanism of access to formality

2. Labor regulations of informal enterprises

Recognition of labor relation

Progressive minimum labor rights floor (declaration plus)

Redefined labor inspection

Towards a strategy for inclusion and opportunities

3. Informal workers under precarious labor

In search of labor flexibility: a misguided reform based on a-typical contracts

The return of the permanent labor contract adapted to present requirement

Spain from 1981 to 1997-2006

Argentina from 1981-1985 to 1998-2000)

Negotiated flexibility: Spain, Argentina and Brazil

4. Diffused labor relations: multi-enterprises relations

Identification of labor relations

Labor obligations and responsibilities under subcontracting

Home-work: a grey zone

5. Social protection for informal workers

Health and pension coverage: non-contributory universal guarantees

Maternity and child care

From informality to economic citizenship

Formality as a way to foster development of informality

Tax-registration—accounting—business improvement

Labor contract recognition—protection--improved labor relations management

A different approach to formality

From the interest of the insiders to the benefits of the outsiders

From obligations to entitlements: reversing the sequence

Cultural change required

Productive cooperation instead of individualism

Different relations with markets and institutions

Collective action rather than isolation: Voice and representation