



Innovative initiatives of employers' and workers' organisations aimed at promoting the transition to formality in Latin America and the Caribbean

2023

Informative note

Main findings

In the first half of 2023, the ILO Office for Latin America and the Caribbean mapped initiatives of employers' organisations and workers' organisations aimed at promoting the transition from the informal to the formal economy. Below are the main findings that are common to both types of organizations and others that are specific.

General findings

- ▶ Employers' organisations and workers' organisations implementing initiatives to promote the transition to formality in the region face a persistent and multidimensional phenomenon.
- ▶ Tailoring initiatives to local context and needs to promote the transition to formality increases the likelihood of success.
- ▶ Bipartite dialogue facilitates consensus building between workers' organisations and employers' organisations to promote actions in favour of the transition to formality.

Findings affecting employers' organisations

- ▶ If SMEs have access to free information, training, and legal business advisory services in their early stages of development, their chances of transitioning to the formal economy increase.
- ▶ Mass broadcast on social media of free initiatives to promote the transition to formalisation is an effective mechanism to capture the interest of SMEs.
- ▶ Determining criteria for pre-selecting companies interested in accessing transition to formality initiatives reduces biases and benefits candidates with real needs.
- ▶ The collection of experiences in implementing free business initiatives to promote the transition to formality provides employers' organizations with evidence to influence policies and/or measures.
- ▶ The institutionalization of initiatives in favour of the transition to formality facilitates the sustainability of employers' organizations' actions.
- ▶ The exchange of experiences and reflection on mechanisms to promote the transition to formality among different employers' organizations in the region is an opportunity to generate more solid policy proposals.
- ▶ Start and Improve Your Business (SIYB) is an ILO tool that has proven to be effective in supporting initiatives in favour of the transition to formality.

Findings affecting workers' organisations

- Greater opportunities for informal workers to organise and be represented increase their chances of accessing labour rights.
- Workers' organisations initiatives aimed at promoting the access of informal economy workers to labour rights can complement and coexist with other public policy responses.
- Access to evidence on the evolution of informality in a territory increases the likelihood that workers' organisations will develop stronger policy proposals.
- A contextualised analysis of the evolution of informality makes it easier to understand the unique characteristics of this phenomenon and for workers' organisations to theorise about possible reasons for changing trends.
- The representation of workers' organisations through permanent staff facilitates the sustainability of responses in favour of the transition to formality.
- Adequate legislation in a country can facilitate the organisation of informal economy workers under alternative representation mechanisms.

Recommendations

Based on the mapping findings, three recommendations are presented that may be useful to consider when designing and/or implementing ILO regional responses to promote the transition from the informal to the formal economy.

- Strengthen the capacity of innovative initiatives of employers' organizations and workers' organisations to provide services to their members in the informal economy.
- Enhance the capacities of research centres or institutes (or similar) of employers' and workers' organisations to generate cutting-edge knowledge on the issues and challenges that concern them. This can be done to improve the performance of ILO constituents during their participation in policy dialogue processes.
- To enhance the exchange of knowledge between governments, employers' organisations, workers' organisations, and other partners within and outside the region to identify possible synergies and/or opportunities for collaboration.