

EVENT

Regional Tripartite Knowledge Sharing Forum: Innovative Approaches to Promote the Transition to Formality

Background and situation

To respond to the challenges posed by informality, two international instruments were adopted in 2015. In June 2015, Recommendation No. 204 (R204), an international labour standard of the International Labour Organization (ILO), was established to provide guiding principles and policy guidelines for designing and implementing integrated strategies to transition from the informal to the formal economy. In September 2015, the United Nations General Assembly adopted the Sustainable Development Goals (SDGs), which included within Goal 8 the objective of promoting "sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all": i) target 8.3, which seeks to promote formalization, and ii) a monitoring indicator, which is the proportion of informal employment in total employment.

Moreover, the 2019 report of the Global Commission on the Future of Work reinforces this priority, highlighting the need to include those who have been excluded from social justice and decent work, especially in the informal economy. Likewise, the ILO Centenary Declaration, also issued in 2019, underscores the importance of transitioning to formality to ensure adequate protection for workers, and the need to promote this transition through tripartite approaches that include policies, incentives, and skills development through continuous learning and quality education.

In this context, in 2024, the ILO Regional Office for Latin America and the Caribbean (LAC) launched the Formalization Strategy for Latin America and the Caribbean, known as FORLAC 2.0, an integrated policy framework with innovative and effective interventions for transitioning to a formal economy in LAC over the period 2024–2030. The objective of FORLAC 2.0 is to structure and strengthen an integrated, coherent response to the transition to formality in the region, with the aim of contributing to the achievement of decent work and social justice. Within this framework, the ILO will prioritize technical assistance to formulate, implement, and scale integrated sectoral strategies for formalization through social dialogue processes that will enable the swift identification and implementation of a roadmap of impactful actions to support the formalization of various target groups, as well as the design and implementation of innovative, cost-effective solutions.

Additionally, during its 347th session, the Governing Body decided to include a discussion on innovative approaches to address informality and promote transitions to formality to advance decent work in the agenda of the 113th session of the International Labour Conference (ILC) in 2025. This year will also hold particular significance as it marks the tenth anniversary of Recommendation No. 204 (R204).

In this way, the Tripartite Regional Knowledge Sharing Forum (RKSF) titled "Regional Tripartite Knowledge Sharing Forum: Innovative Approaches to Promote the Transition to Formality" will be held in 2024, in collaboration with the Action Programme for Formalization (AP/F). The forum will provide an opportunity for ILO constituents to discuss good practices and innovative approaches, identify progress, highlight ongoing challenges, prioritize needs, and, crucially, share lessons learned since 2015.

The Latin America and Caribbean (LAC) region has high levels of informality, and while there was a reduction in informal employment between 2002 and 2012, this reduction has generally stalled over the last decade. Consequently, one out of every two workers in the region are employed in the informal economy. Informal employment rates vary significantly among countries: in 2022, Bolivia had the highest level of informal employment (81 percent), while Chile (26 percent) and Uruguay (22 percent) had the lowest levels. Informal employment mainly affects workers in unregistered economic units, with 75 percent employed in the informal sector, and has a disproportionate impact on vulnerable groups such as women, young people, and migrants. Informality is also higher in certain sectors, such as agriculture (80.8 percent), domestic work (76.1 percent), construction (72.0 percent), commerce (54.1 percent), and transportation (48.9 percent). Informal workers are three to four times more likely to live in poverty.

Furthermore, in LAC, a competitive modern sector with knowledge economy practices coexists with a large number of low-productivity economic units, often operating informally, that generate precarious jobs, especially for survival. However, there is also an intermediate segment of economic units with the potential to transition to the formal economy. These are the "transitional MSEs," which could undertake the transition to formality with support from appropriate formalization policies.

Addressing the challenge of informality in LAC is an urgent priority, where increasing productivity is essential for economic growth and reducing informality. However, it must be combined with integrated policies, as suggested by the FORLAC 2.0 strategy, which advocates for a focus on productive development, employment and skills, social protection, incentives, and the enforcement of labour rights.

Thus, convening the Forum is highly relevant in the current context, as this tripartite dialogue is necessary for designing and promoting effective pathways toward formality. It will also provide valuable information for the General Discussion at the 2025 ILC, strengthen the ILO's role in the fight against informality, and create opportunities for innovative strategic partnerships with other multilateral agencies and development cooperation donors.

Objectives

The Regional Tripartite Knowledge Sharing Forum aims to align with the objectives of the General Discussion at the 2025 ILC, offering ILO constituents the opportunity to explore innovative approaches to accelerate and expand the implementation of R204, with a particular focus on gender equality and social justice. These approaches are grouped into three main categories.

► **Review and deepen the operationalization of certain aspects mentioned in R204.**

Specifically, practical measures to increase productivity in informal economic units (transitional MSEs), linking this productivity increase with the formalization of both the units and the jobs within them;

► **Evaluate innovative approaches that have gained significance since the adoption of R204.**

Practical solutions will be addressed to leverage the potential of digital technologies to support the transition to the formal economy, and how to use the "traceability" potential of activities in the platform economy to promote formalization;

► **Review approaches that have not yet been fully exploited by the ILO.**

Innovative approaches, including sectoral strategies to facilitate access to effective social dialogue and interinstitutional coordination mechanisms that address public-public and public-private coordination failures.

Participants

The Forum will be held with the participation of a total of 33 tripartite representatives, who will be duly nominated by the constituents (government, employers' organizations, and workers' organizations) from the selected countries in LAC. The composition of each group will ensure adequate representation of subregions, with a particular focus on gender equality.

The participating countries are Argentina, Barbados, Brazil, Chile, Colombia, Costa Rica, Ecuador, Honduras, Guatemala, Mexico, Panama, Paraguay, Peru, the Dominican Republic, Trinidad and Tobago, and Uruguay.

Specialists from the regional offices and the ILO headquarters, as well as from other multilateral agencies, will also participate.

Methodology

The Forum will take place over three days of discussion and exchange, with active participation from the constituents, technical experts, and strategic partners both online and in person. The online participation of the constituents will be coordinated in advance with the respective bodies. The forum will be conducted in Spanish and English, with simultaneous interpretation in these languages throughout the event.

The sessions on the first two days will include plenary sessions in the morning and practical expert group sessions in the afternoon. On the third day, the final session will be dedicated to presenting the forum's final results document, as outlined in the agenda presented below.

The first plenary sessions on Day 1 and Day 2 will be interactive hybrid plenary sessions, providing both in-person and online tripartite participants with a suitable space and channel to exchange expectations and emerging challenges in the area of the transition to formality.

The **plenary sessions** will be held in a hybrid format. Additionally, the forum will include **hybrid Specialized Panels (SPs)**, which will allow for more in-depth discussions on key topics. These plenary sessions will gather opinions, approaches, and innovative practices to motivate and provide input for the in-person **Working Group (GT)** sessions, which will consist of representatives from the ILO's tripartite constituents, who will thoroughly examine the framework topics, exchange ideas and experiences, and offer suggestions on the innovative approaches outlined in the forum's objectives. The final outcome of the GT sessions will be recommendations that will form part of the final document presented in the last session on the third day.

Thus, the main sessions across the three days of the Forum can be briefly defined as follows:

- ▶ **Hybrid plenaries**, these sessions will present a general topic to foster the exchange of ideas among both in-person and online tripartite participants. To guide the dialogue around the main theme, a brief explanation will be provided by a subject matter expert.
- ▶ **Hybrid Specialized Panels (PEs)**, these sessions will include presentations from experts, videos and/or international testimonies, a tripartite discussion panel, and audience interaction through Q&A, focusing on key topics for a deeper analysis.
- ▶ **In-Person Working Groups (GT)**, where participants will be divided into three groups: Government, workers' organization and employers' organization, which will work simultaneously on a proposed theme for each day. These group sessions seek to explore and share knowledge regarding challenges, opportunities and priorities of the constituents in the future on each theme and the contribution of the different constituent groups, generating recommendations for the final results document.

Additionally, **with the support of ITCILO**, a virtual platform has been developed for the forum to share resources, gather evidence, engage tripartite participants, and store information on the innovative approaches discussed.

Expected Outcome

The event will offer constituents a unique opportunity to discuss promising pathways toward formalization, share best practices, explore innovative initiatives, and address new challenges. It will also contribute to capacity building through the exchange of knowledge and discussions on innovative policies and interventions. The Forum will strengthen the ILO's role in the multilateral system and promote the formation of strategic alliances within the framework of the FORLAC 2.0 Strategy.

Recommendations will be formulated based on a **background paper** for the forum and the results of the group work conducted during the event. The background document will be shared in advance with the forum participants to assist them in discussing effective approaches to the transition to the formal economy, considering the integrated approach of the FORLAC 2.0 Strategy. In this way, a significant contribution from Latin America and the Caribbean will be ensured in the General Discussion at the 2025 International Labour Conference (ILC). It will also provide key input for the ILO's contribution to the Second World Social Development Summit.

Partners

The forum is organized within the framework of the Strategy for Formalization in Latin America and the Caribbean (FORLAC 2.0), the ILO project "*Innovative Solutions for Formalization in Latin America and the Caribbean*" co-financed by the European Union, and the Action Programme for Formalization (AP/F).

For the development of the forum, partnerships have been established with the European Union (EU), the Economic Commission for Latin America and the Caribbean (ECLAC), the Spanish Agency for International Development Cooperation (AECID), the International Labour and Employment Relations Association (ILERA), and Hacer Perú. Additionally, the event is supported by the ITCILO as a key partner in *organizing* and implementing the forum.

Resources – Technical Papers

The technical background documents for the Forum are: "[Innovative approaches to tackling informality and promoting transitions towards formality to promote decent work](#)" (Page 29) (ILO, 2023); [Forum background paper](#) (ILO, 2024); the FORLAC 2.0 Strategy (ILO, 2024); [Características y evolución reciente de la informalidad en América Latina y el Caribe](#)" (available only in Spanish; ILO, 2024); [Transition from the Informal to the Formal Economy Recommendation, 2015 \(No. 204\)](#) (ILO, 2015); and [Toolkit for Formalization](#) (ILO, 2024).

With the collaboration of:

