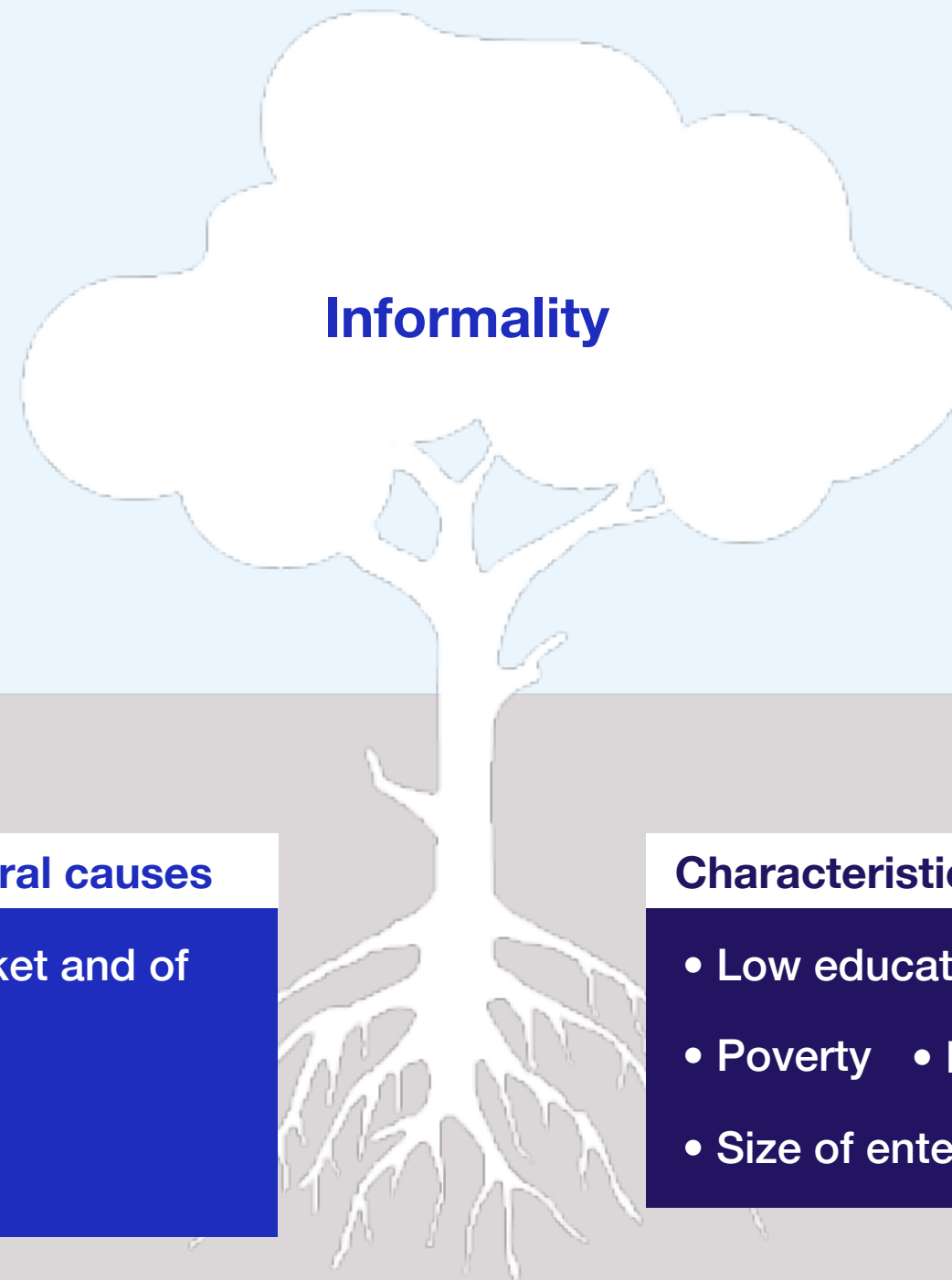


Understanding the root causes of informality



International
Labour
Organization

PROSPECTS



Root causes

Macroeconomic and structural causes

- Structure of the labour market and of the economy
- Pattern of growth
- Economic crisis (shocks)

Characteristics of workers and economic units

- Low education and skills
- Low productivity
- Poverty
- Low level of organization
- Size of enterprises

Legal, regulatory and institutional framework

- Regulatory framework is inadequate or lacking
- Lack of transparency and trust
- Lack of incentives
- Lack of communication and awareness
- Lack of training opportunities
- Weak enforcement systems
- Low quality of social benefits and services
- Lack of support programmes for productivity enhancement