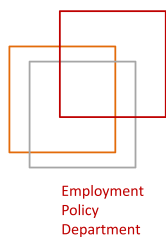




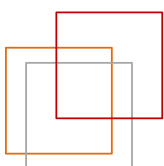
Transition to the formal economy

A Global knowledge sharing forum - GKSF



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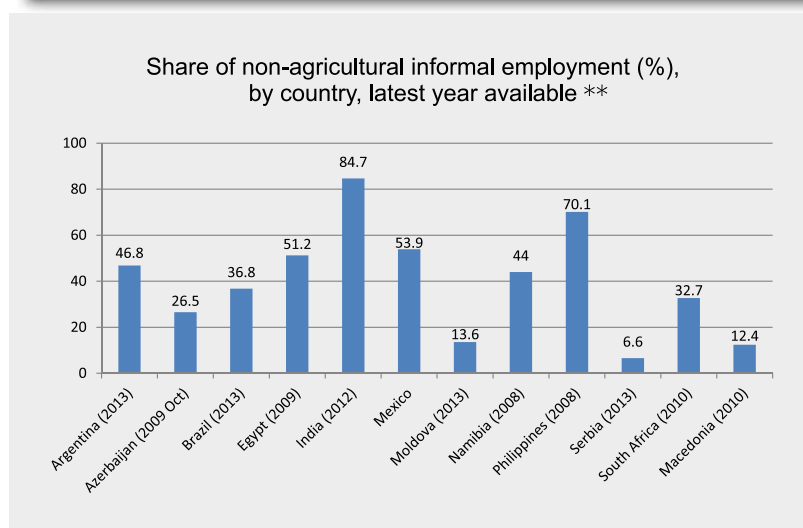
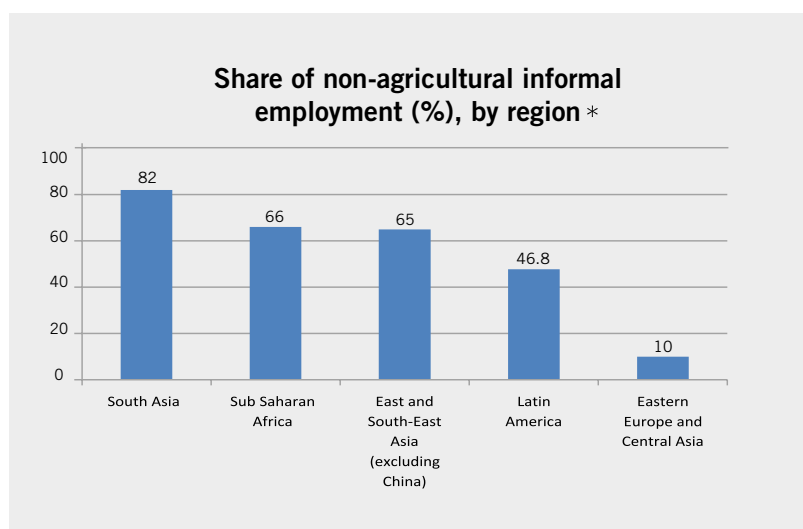
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Introduction to the GKSF



Background

The informal economy comprises more than half of the global labour force and more than 90% of Micro and Small Enterprises (MSEs) worldwide.

The above figure illustrates the regional disparities with regards to the most recent estimates of non-

agricultural employment in the informal economy. If subsistence agriculture is considered, employment in the informal economy is even higher.

Informality poses serious challenges to workers (decent work deficits, poverty and vulnerability), economic units (low productivity and lack of access to finance and markets) and governments (issue of

*: Source: Report V (1) Transitioning from the informal to the formal economy, International Labour Conference, 103rd Session, Geneva, 2014; ILO: Women and men in the informal economy: A statistical picture (Geneva, ILO-WEIGO, 2002 and 2013); ILO, Thematic Labour Overview: Transition to Formality in Latin America and the Caribbean, Lima: ILO, Regional Office for Latin America and the Caribbean, 2014.

** : Source: ILOSTAT Database 2016; ILO: Women and men in the informal economy: A statistical picture, ILO: Geneva, 2013; ILO, Statistical Update on Employment in the Informal Economy, ILO: Geneva, June 2011.

governance and rule of law, limited fiscal space). In view of these challenges, the transition from the informal to the formal economy is increasingly seen as being a necessary step towards realizing decent work, creating an enabling environment for sustainable enterprises and achieving social justice and development. The debate concerning strategies towards formalization of the informal economy gains new momentum worldwide, in particular after ILO's constituents adopted, at the International Labour Conference in June 2015, the Recommendation 204 concerning the transition from informal economy to formal economy.

This new instrument constitutes a historic landmark for the world of work as it is the first international standard focusing exclusively on the informal economy in its entirety. It is of significance not only to ILO constituents but also to all those who are concerned with inclusive development, poverty eradication, and reducing inequalities. R204 is an operational tool towards the achievement of the new Sustainable Development Goals (SDGs) where formalization is within the key indicators of Goal 8 – to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. The transition to formal economy is also highly relevant for other SDGs, including Goal #1 on poverty eradication, Goal #3 on good health and wellbeing, Goal #5 on gender equality, Goal #10 on reduced inequalities, and Goal #16 on inclusive societies and effective and accountable institutions.

It is within this context and as a follow-up to the adoption of this new international standard, that the ILO organized a Global Knowledge Sharing Forum on Transition to Formal Economy from the 23rd-27th of November at the International Training Centre of the ILO (Turin Centre). The Forum, held in English and Spanish, and built on the conclusions from regional knowledge sharing workshops organised by the ILO in Africa, Asia, and Europe and in Latin America and the Caribbean in 2015, focused on the exchange of promising practises worldwide as well as discussions on effective implementation of Recommendation 204. The Global Knowledge Sharing Forum – GKSF

– was an opportunity to take stock of the wealth of knowledge across participating regions and to reflect upon how to further promote formality through innovative policies, in particular integrated frameworks, that can be efficiently monitored and evaluated for higher impact.

The event also included a one-day High Level Meeting with ILO constituents and development partners when ways to build an international alliance for the transition to formality and decent work were discussed.

The GKSF is meant to pave the way for continued exchange and cooperation among countries about how to make the integrated strategy for the transition to formality which is at the heart of the R204 operational at national level.

Objectives

The GKSF offered a platform for interactive discussion between public decision-makers, social and development partners, addressing, on the one hand, what has worked in the transition to formal employment at national, regional and global levels; and, on the other hand, identifying key issues and challenges relating to enhancing the operationalization of R204.

The forum looked to enhance and make available to constituents in participating countries a knowledge base of the nature, patterns and effectiveness of policy packages for transition to formality. It also sought to inform tripartite constituency about practical implementation of policy measures that facilitate the transition to formality in other countries of their region or parts of the world.

During the Forum, participants:

- Discussed key actions and interventions highlighted in R204 to promote the transition to formal economy.
- Assessed promising formalisation experiences and practices from regions and countries.

- Reflected upon new perspectives in relation to capacitating ILO's tripartite constituency and their partners in their formalisation processes.
- Valued the feasibility for national, as well as international, alliances for the promotion of better working conditions for more than half of the world workforce which is producing and working in the informal economy.

A web-based platform was also created by the Turin Centre providing participants and resource persons a virtual space through which the interchange of knowledge and experiences can take place.

Resource Persons and Target Audience

The Global Knowledge Sharing Forum brought together ILO constituents, as well as researchers, practitioners, from development organisations working on formalisation in Africa, Europe, Latin America and the Caribbean, Asia and Arab States.

Government officials and representatives of workers' and employers' organizations of countries that have actual practices, experience and knowledge on the transition to formality, as well as to those countries interested in strengthening existing policies or adopting new measures but requiring further knowledge to do so were invited. **Participants** came from Argentina, Azerbaijan, Bosnia and Herzegovina, Brazil, Bulgaria, Egypt, Ghana, India, Jamaica, Kenya, Kyrgyzstan, Mexico, Republic of Moldova, Namibia, Nepal, Philippines, Republic of Montenegro, Republic of Serbia, South Africa, and The Form. Yugoslav Rep. of Macedonia.

The Forum was a collaborative effort from various ILO technical departments (skills and employment, enterprises, working conditions, research), field offices (Africa, Europe, Americas, and Asia), projects and the International training centre of the ILO itself. Expertise provided came from *Azita Berar Awad* (Director of Employment Policy Department), *Philippe Marcadent* (Chief of Inclusive Labour Markets, Labour Relations and Working Con-

ditions Branch), *Frederic Lapeyre* (Head of informal Economy Unit), *Antonio Graziosi*, (Director of ILO Decent Work Team and Country Office for Central and Eastern Europe), *Humberto Villasmil* (Senior Labour and Reform Unit Governance and Tripartism Department), *Christina Behrendt* (Social Protection Policy Specialist, Social Protection Department), *Sandra Yu* (Labour Market Specialist, Work Quality Department/INWORK), *Vicky Leung* (Technical Officer, Informal Economy Unit/DEVINVEST, Employment Policy Department), *Paul Comyn* (Senior Skills and Employability Specialist, Employment Policy Department), *Farid Hegazy* (Global Coordinator, Small and Medium Enterprises Unit, SME Enterprises Department), *Sergio André Iriarte Quezada* (Youth Employment Officer, Youth Employment Programme/EMPLAB, Employment Policy Department), *Uma Rani Amara* (Senior Economist, Research Department), *Thomas Kring* (Chief Technical Advisor, Sub-regional project "Way Out of Informality" ILO DWT for South Asia), *Evelin Toth*, Senior programme officer at ACTRAV Turin, workers' organizations by *Plamen Dimitrov* (President of CITUB, Bulgaria), employers' organizations by *Alexander Frimpong* (CEO Ghana Employers' Association), Ministries of Labour by *Rafael Adrian Avante Juárez* (Secretary of Labor and Social Welfare, Mexico), *Bipin Mallick*, (Joint Secretary & Director General Labour Welfare, Ministry of Labour & Employment, India), *Pablo Paramo Montero* (Head of Team, Labour Inspector, Ministry of Employment and Social Security Spain), international organizations by *Ben Slay* (Senior Advisor, UNDP-United Nations Development Programme), *Frank Grozel* (Coordinator, Business Facilitation Programme, UNCTAD-United Nations Conference on Trade and Development), *Isabella Biletta* (Researcher Manager, Working conditions and Industrial Relations Unit, EUROFOUND).

The GKSF team members from Turin centre were: *Samuel Asfaba*, (Manager EPAP), *Coumba Diop* (activity manager and programme officer of *Employment Policy and Analysis Programme- EPAP*), *Sophie Ouine* (course assistant), *Anna Damouni* (course assistant), *Giulia Melina* (GKSF e-platform coordinator), *Martina Bolognesi* (technical support), and *Luca Gallorini* (technical support).

High Level Meeting: Putting Recommendation 204 into Action

The first day of the GKSF gathered high level speakers from ILO constituents (Workers and employers organisations, representatives from ministries of labour of India and Mexico) as well as international organizations such as UNDP, UNCTAD and EUROFOUND to share insights on implementation of R204 and its link to the SDGs.

R204 and its Follow-up Strategy

“We should build on the positive momentum created by R204, to keep the dialogue going through inclusive processes, while being concrete in terms of actions to be implemented [...]” said Mrs Azita Berar Awad, Director of the Employment Policy Department of ILO-Geneva, in her introductory speech at the High Level Meeting of the GKSF.

She reminded the audience that Recommendation 204 on the Transition from the Informal to the Formal Economy was adopted by the International Labour Conference in June 2015, with strong consensus among tripartite constituency. Guiding principles in R204 acknowledge the diversity of situations and conditions within the informal economy around the world while emphasising that most people enter the informal economy not by choice but as the result of lack of decent job opportunities.

The Recommendation demonstrates why informality is a sub-optimal option for all. It states that high incidence of the informal economy in all its aspects is a major challenge for the rights of workers, including the fundamental principles and rights at work, and for social protection, decent working conditions, inclusive development and the rule of law, and has a negative impact on the development of sustainable enterprises, public revenues and gov-

ernments’ scope of action, particularly with regard to economic, social and environmental policies, the soundness of institutions and fair competition in national and international markets.

R204 advocates for a practical approach to achieving full transition to formal economy and decent work and puts an emphasis on integrated strategies in order to facilitate the transition to formal economy, create new formal jobs and prevent further informalization. This requires interaction between policies and sound institutional coordination for effective policy implementation while Ministries of Labour have a powerful role to play.

As per the follow-up strategy to the resolution concerning efforts to facilitate the transition from the informal to the formal economy, adopted by constituents during the Governing Body meeting of November 2015, the implementation of R204 by the Office requires the following five intervention pillars:

- Appropriate awareness-raising initiatives for the widespread implementation of the Recommendation;
- Sharing of knowledge, information and good practices on transition from the informal to the formal economy;
- Building the capacity of governments and employers’ and workers’ organization to design, implement and evaluate national policies and programmes to facilitate transition to formality;
- Supporting dialogue processes on the design, implementation and monitoring of national integrated policy frameworks to facilitate the transition to the formal economy; and
- Promoting cooperation and partnerships with relevant international organizations to facilitate the transition from the informal to the formal economy.

¹ Taken from A. Berar Awad’s introductory speech to the High Level Meeting of the GKSF, day 1, session 1

Implementation of R204 and the Perspectives from Tripartite Constituency

The process that preceded the adoption of R204 was built on strong social dialogue; while its follow-up strategy advocates for effective tripartite collaboration for implementation of R204. Both Mr Dimitrov as well as Mr Frimpong, respectively spokespersons for workers and employers groups during the two International Labour Conferences (i.e. in 2014 and 2015) which led to the adoption of R204, emphasized in their interventions the role of tripartite constituents in leading the inclusive process for formalization at national, regional, and international levels.

For Mr Dimitrov, the implementation strategy of R204 should focus in particular on the promotion of jobs' creation in the formal economy. In his opinion, implementing policies for the creation of formal jobs constitutes the best way for achieving a fair wealth distribution, thus an inclusive and equal development². According to him, good governance is instrumental to ensure that free trade measures are accompanied with protection measures and that value chains stay in the formal economy. He considers R204 as an operational instrument to help strengthening global supply chains cleaned up from forced labour, informality and unfair competitions.

Mr Frimpong, in turn insisted on actions (within R204 implementation strategy) that can support business growth and sustainable enterprises development. According to him, businesses can only ensure workers' rights within an environment fostering business productivity and growth. Therefore institutional efforts to "[...] help businesses grow,

innovate and actualize their dreams [...]"³ are crucial and, in practice, should concern the simplification of registration procedures, incentives for taxes payment, skills development and access to education business development services including improved technology, facilitating access to markets while protecting small enterprises. He recalled that ILO Labour Conference 2007 Declaration on "Sustainable Enterprises" had already outlined all the above mentioned elements, thus, at this point; the challenges consist in taking action and ensuring efficient implementation by member states.

During the first day of the GKSF, high level Governments representatives from Mexico and India also reflected on the interventions that have been performed at country level for facilitating transition from the informal to the formal economy, as well as on the way forward in putting in practice the policy guidance offered by R204.

The 2030 Agenda for Sustainable Development and the Transition to Formal Economy: *what are other international agencies doing?*

"R204 will be an essential tool for the achievement of the 2030 SGDs" says Mrs Berar Awad. This emphasises the importance of collaborating with other UN agencies as well as other development partners for joint initiatives to address informality and achieve a greater impact on the transition to formal employment and sustainable enterprises.

The new 2030 UN Agenda for sustainable Development Goals provides an additional framework upon which to draw for action towards formalization. There is a strong focus on decent work for the achievement of Goal 8 (i.e. "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all") and, in particular, target 8.3 deals with formaliza-

² "When the poor cannot sleep during the night because of hunger, the rich should be awake too and ready for distribution [...]". From Plamen's contribution to the High Level Meeting of the GKSF, day 1, session 2

³ Taken from Frimpons's contribution to the High Level Meeting of the GKSF, day 1, session 2

tion⁴. This specific item, in communion with all other targets, works as an umbrella under which to involve existing and new partners to come together for the transition towards formalization. The importance of data and evidence-based analysis is also highlighted by the SDGs strategy, thus implying a strong link between 2030 Agenda and R204.

Many organizations seek to facilitate the transition to formal economy but lack effective tools to do so. The new call to ILO partnerships and collaboration characterizing the follow-up strategy to R204 implementation implies more bilateral and multilateral cooperation and pulling of resources. It is also important to note that the informality is becoming an issue within the G20 countries which represent over 2/3 of the world population and around 85% of the GDP. Since the Australian presidency in 2014, there has been an increased focus on informality and job quality. Recently, also the BRICS have started developing a mechanism for dialogue on the topic.

Other organizations who can contribute to knowledge-sharing, capacity building and the pulling of resources for integrated measures and interventions are:

UNCTAD, the United Nations Conference on Trade and Development, has established business facilitation programmes to support governments in making it easy for MSMEs to comply with regulations.⁵ Their findings have shown that the complexity of registration procedures for business and red tape are among the main obstacles to formality in developing countries.

Eurofound, a tripartite European Union agency which produces studies about working and living conditions across Europe carries out research on companies and organisations, public authorities, workers and other social partners in order to pro-

vide data and updated information on social protection and compliance.

The 2015 UNDP Human Development Report titled “*Rethinking Work for Human Development*”, has a focus on decent working conditions. In Europe, UNDP-Istanbul currently oversees a project for Roma people’s inclusion into the regional labour market. UNDP focus on human development calls for interaction and collaboration with initiatives that deal with living and working conditions.

Ways Forward

Implementation of Recommendation 204 requires, as stated in the ILO Plan of Action adopted in November 2015 by the ILO Governing Body, an integrated strategy articulated around four interrelated components, namely: (1) a promotional awareness-raising and advocacy campaign; (2) capacity building of tripartite constituents; (3) knowledge development and dissemination; and (4) international cooperation and partnerships. The follow-up strategy includes continued evaluation and impact studies on what can be done at regional, country, and local level.

Participants to the GKSF shared their views and ideas about the interventions performed at their countries’ level contributing to the four pillars of the follow-up strategy as well as about identified challenges, gaps and needs for country level interventions. One main area of action is country level support, through increasing staff knowledge and working with field offices for good implementation.

Some participants pointed out that their country would be a good candidate to be among the 10 champion countries foreseen by ILO for the implementation of integrated policy frameworks. Such frameworks require the combination of different policy interventions, such as: increasing the diagnostic capacities at national and local level (including data collection as well as the analysis of the national legal and policy framework); strengthening or designing efficient policies on the extension of social protection; enabling business environment for economic units to formalize through incen-

⁴ “Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small and medium-sized enterprises, including through access to financial services.”

SDG 8.3.

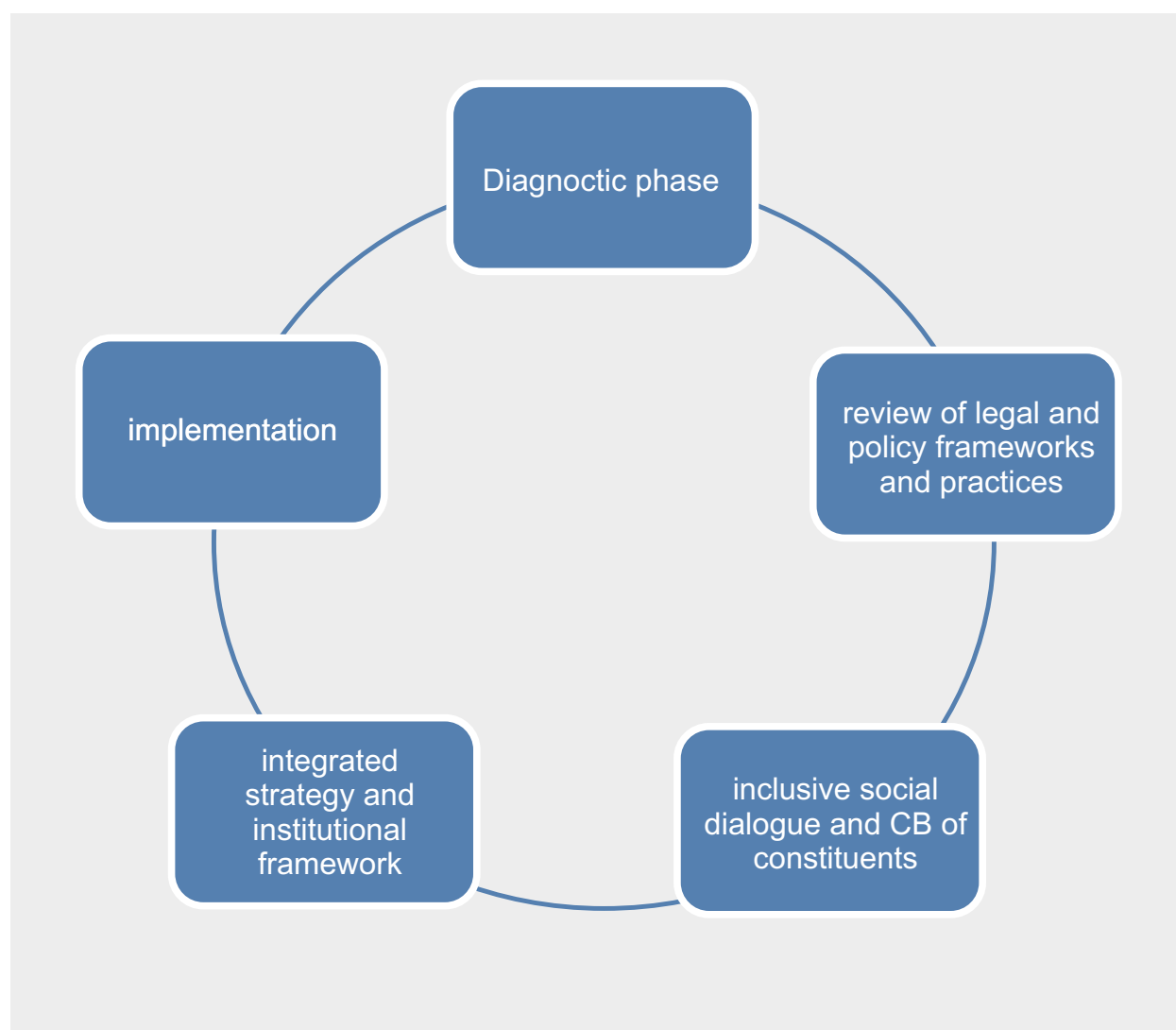
⁵ <http://businessfacilitation.org/>

tives and compliance; strengthening enforcement mechanisms through effective labour inspection system; promoting the culture of compliance; skills development; improving working conditions of workers in the informal economy; addressing needs of specific vulnerable groups (i.e. youth, women, domestic workers...) or sectors with high incidence of informality (i.e. construction, SMEs ...); fostering social dialogue and the role of workers and employers organizations in enhancing the transition to formal economy.

The GKSF was a space of exchange on promising formalisation practises among countries from different regions and development status, and paved the way for future knowledge sharing and dissemination on the issue of the transition to formal economy and decent work.

Intervention model for an effective transition to formal economy

The follow-up implementation strategy of R204 proposes an intervention model for countries wishing to start a process of designing effective formalisation policies.



Diagnostic phase: what is informality, how to measure it and identify main drivers of it

In order to introduce the session on diagnostic tools and quantitative analysis, participants were asked to reflect upon a number of different questions with regards to the reality in their countries and in their regions:

- Does your country have a formalisation strategy? Integrated or targeted policy? A Decent Work Country Programme, employment policy that mainstream formalisation?
- Does your country have a national definition of informal economy?
- When was the last survey or data collection on informality in your country? Does your country use administrative data, like social security systems and labour inspection systems to complement data on informality?
- How would you assess your country's capacity to make a proper diagnostic of its informal economy (collection and analysis of data, definition of drivers, assessment of its legal and policy framework)?
- What do you need to do in order to build these national diagnostic capacities?

Africa

South Africa is currently implementing a national informal business upliftment strategy (NIBUS), while **Kenya** and **Ghana** are in the process of developing a formalisation strategy. In **Egypt** there is a ministerial committee in charge of the protection of rights of informal actors.

With regards to defining the informal economy, South Africa and Kenya rely on ILO definition and the national strategy will move to include the definitions provided in R204. Ghana has a definition with regards to the National Pensions Act, while Egypt distinguishes between informal workers and casual/temporary workers. The last data collection

carried out in South Africa dates to October 2015. Kenya carried out an economic survey in 2015 and Ghana in 2014.

All participants from Africa have identified that statistical offices are able to organize and disseminate statistical work. However harmonisation of the definition is required so that information can be used for other economic research. It is agreed by all present that social dialogue is necessary for the sharing and dissemination of ideas.

Europe

Among European participating countries, **Azerbaijan** has a number of different strategies ranging from state programmes and legislation to employment development” with “promote employment. There is no national definition of informal economy but information can be gathered by a number of different ministries and organizations. The last survey was carried out in 2014 by a statistics committee in collaboration with the Ministry of Economy and the Ministry of Labour – so there is capacity to gather information. Improving the macro-environment and increasing the attractiveness of the formal economy is necessary to move forward. **Bulgaria** has a national strategy developed together with social partners. To measure informality, Bulgaria refers to undeclared work and works without contract with some key features such as informal employment, work hours and wages being often under-reported.

Macedonia formulated a Decent Work Country Programme for 2015-2018 which covers several topics such as social economy, working conditions, social dialogue, and compliance to international labour standards. One of the priorities of the DWCP of Macedonia is formalization. The country refers to the legal definition of informal activity, which however is not mainstreamed into fiscal policy. Moreover, tax systems and social security systems are not included in the services performed by the national data collection office, causing partial capacity to diagnose the situation.

Moldova has implemented a specific project on social protection floors and has developed a national

strategy for 2020 that does not refer specifically to informal economy but defines undeclared work and low wages as informal employment. Data is collected quarterly by the national bureau of statistic and the latest data dates to 2014. The country's capacity to assess and make a diagnosis is scarce due to lack of human resources able to process the available data and lack of coordination between sectoral ministries.

Montenegro has a Decent Work Country Programme as well as an employment strategy 2015-2020 which also addresses the informal sector according to international standards and definitions. Projects carried out in collaboration with UNDP and the ILO for data collection and research exist. Labour force surveys are scheduled quarterly but the National Employment Agency and the National Statistics Agency use different definitions so the results vary. In **Serbia** there is a national employment policy, no particular strategy to facilitating the transition to formality. ILO definition of informality is used by the national statistics office which carries out surveys yearly but without having the necessary capacity to analyse the data properly.

Latin America and the Caribbean

The feedback from participating Latin American countries focused on the issue of measuring the informal sector as an isolated item. In that region, the next step would be to broaden the scope and find out how informality is affecting different national priorities within the region, such as governance, poverty, crime and productivity. The improvement of databases and the interchange of information among countries are necessary to establishing a strong evidence base and integrated strategy. The countries also highlighted the importance to use of social dialogue for the analysis of all information available.

Asia

In all Asian countries represented at the forum there is a registration system for economic units. In **India**, for micro home-based economic units, this system is however lacking. There is also a wide range of assessment tools for the measuring com-

pliance. Institutional mechanisms are in place, but enforcement needs to be strengthened. In the Philippines, India, Nepal and Kyrgyzstan, often formalisation strategies are targeted hence the need for a more integrated approach towards formalization.

The **Philippines** have a definition for informal sector but not for informal employment while **Nepal** has a definition for both. The most recent labour force surveys were carried out in 2008 in the Philippines, in 2013 in India for budgeting purposes, in 2008 for Nepal and in 2012 for Kyrgyzstan. Countries express a clear need to strengthen data collection, analysis and dissemination capacities.

With regards to ways forward, the Philippines are currently devising tools for the implementation of R204 and implementing a roadmap for strengthening social security schemes. Nepal and Kyrgyzstan have also placed the promotion of R204 as a priority. In India, the approach is multipronged: there is an emphasis on job creation, simplification of licensing procedures to increase compliance and the implementation of three social security schemes provided to informal workers.

Labour Market Indicators related to Informal Economy and Analysis

Participants were then exposed to the concept of Labour Market Information System (LMIS) as statistics on informal economy can be measured according to different approaches and criteria. This lack of coherence can create problems and poses serious challenges in comparing indicators related to informal economy from different countries.

LMIS is a system where information is organized and shared; it is the product of a relationship between data producers and data users. At first, data is produced (by *producers of data*), and will then be elaborated by data analysts and policy makers (*users of data*). A working relationship between the two groups will produce a sound labour market information system, which allows policy makers to monitor changes and impacts and to formulate tailored programs and policies.

Once an operating LMIS is introduced, it is important to distinguish between informal sector and informal employment, given that from a statistical point of view, these concepts lead to two different analytical approaches. In the last twenty-five years, the International Conference of Labour Statisticians (ICLS) adopted two resolutions concerning informal economy and analysis: the “Resolution Concerning Statistics of Employment in the Informal Sector⁶” adopted by the 15th International Conference of Labour Statisticians in 1993, and the “Statistical Definition of Informal Employment: Guidelines Endorsed by the 17th International Conference Of Labour Statisticians” adopted in 2003⁷.

According to the 15th ICLS Resolution, informality is defined as per the informal sector referring to production units as observation units, where it can be very difficult to distinguish between private economic transactions and business transactions and where employees are not hired on a continuous basis. According to this resolution, we can use two different criteria to define an economic unit as informal:

- an administrative approach, which considers whether an economic activity is registered or not;
- the size criteria, which considers the dimensions of the activity according to the number of hired employees.

Statistics leave a high degree of discretion to countries on whether or not they should use the administrative approach and/or the size criteria to measure informality. Some countries use both approaches while others choose only one of them. In countries

who have adopted both, like Brazil, Russia or South Africa, a firm is considered part of the formal sector if it is registered *and* if there are more than a defined number of employees, usually comprised between 5 and 10. The choice between two criteria was introduced especially for developing countries, where an administrative approach may not be feasible due to inconsistent forms of registration.

While the 15th Resolution adopts an enterprise-based definition of informality, the 17th Resolution outlines a job-based definition whose aim is to enlarge the concept of informality to consider informal jobs within the formal sector as compared to measuring informal employment only in the informal sector. Indeed a firm can be registered but if the employer doesn't pay taxes or if his employees are not entitled to paid annual leave or social protection benefits, these jobs are considered informal jobs outside the informal sector.

Both the 15th and 17th Resolutions give guidelines for the comparisons of the labour market indicators related to the informal economy. This gives flexibility to national statistical offices to decide which criteria (i.e. whether administrative or size-based) to adopt, leading however to a lack of common operational definition which impedes a coherent international comparability of informality among countries.

Comparing informality inside the same country can also be a challenge as there may be different models of registration for economic units depending on different levels of governance. For instance, firms can be registered at the municipal, regional or national level, producing discrepancies within the same country. This is why **India** has elaborated a multilevel scheme where different activities correspond to different patterns of registration.

Legal and Policy Frameworks

Recommendation 204, read from an International Labour Standards point of view, provides insight into the legal framework that can support national governments in their interventions for a transition from informal to formal economy. Reviewing the legal and policy framework at national level there-

⁶ 1993 Resolution from the International Conference of Labour Statisticians: http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_087484/lang-en/index.htm

⁷ Statistical Definition of Informal Employment: Guidelines Endorsed by the 17th International Conference Of Labour Statisticians: http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/guidelines-adopted-by-international-conferences-of-labour-statisticians/WCMS_087622/lang-en/index.htm

fore constitutes one of the five pillars of ILO intervention model as well as a crucial component of the diagnostic phase.

The principles, legal and policy guidance and language that make up the Recommendation can serve as examples for adapting national legal frameworks towards gradual formalisation.

It is a historical recommendation for a number of different reasons. First, as a Recommendation it is a stand-alone standard, which is yet linked to a number of different standards including in its Annex. Second, the Governing Body of the ILO has been granted the authority to adjust and revise the Annex when needed. Third, the document was not only fully developed through social dialogue but is also built on the core value of tripartism.

The preamble provides a rich introduction to the problems that the Recommendation would like to address and debate it would generate outlining the central role of workers' rights, decent working conditions, inclusive and sustainable development, rule of law and good governance.

The terminology and definitions used for informal economy imply that anyone who is not covered by a formal arrangement, in law or in practice, is part of the informal economy. The distinction between economic units and workers in the informal economy is also important as it generates, among other things, discussion about self-employed actors. For example, Spain has designed specific legislation for independent jobs. There is a distinction made between the self-employed and hired labour. This is important for labour law that it involves cooperation due to the nature of the work which is often based on triangular relationships.

In addition to clearly exploring the definition of workers and economic units composing the informal economy, R204 also provides tools for government to develop public policy for the transition from informal to formal economy. An integrated approach can be measured by a number of different indicators, for example, by an appropriate legal framework, a supportive environment for enter-

prise, the representation of workers, and effective access to justice.

Integrated Policy Frameworks: Mainstreaming Transition to Formal Economy into Employment and Development Policies

According to R204, an integrated strategy for the transition to formal economy is needed to facilitate the transition of workers and economic units to formality, promote sustainable enterprise and decent jobs in the formal economy, and prevent informalization while respecting workers' fundamental rights, livelihoods and entrepreneurship ensuring access to social protection.

A key challenge is the diversity of contexts, policy measures and administrative procedures, since these are not always clearly connected. In fact, many formalization measures already exists at national level but just in an isolated manner. Given that the transition aims at promoting inclusive development and decent work for all, formalization should be part of national development strategies, when appropriate.

Where integrated strategies have been adopted and implemented, the results in terms of formalization have been more robust. Isolated formalization policies tend to lack political commitment and are unlikely to be effective in the long-run. The Recommendation is built on the shared understanding and experience of ILO constituents that the transition to the formal economy can best be facilitated through an integrated strategy, i.e. a policy mix and institutional coordination to promote the employment and income opportunities, the rights and social protection of the millions involved. This is why the R204 invites Members to design coherent and integrated road maps to facilitate the transition from the informal to the formal economy and sets out twelve guiding principles. These principles recognize the need for tailored approaches to respond to the diversity of situations and the specificity of national circumstances. To that aim, the R204 identifies a range of policy areas that need to be addressed and combined according to those national

circumstances. Detailed and practical guidance for designing, implementing and monitoring such coherent and integrated strategies are offered in the different parts of the R204.

For instance, in Latin America and the Caribbean, to best target wage workers, own-account workers, and domestic workers, the integrated approach includes four pillars with a focus on productivity (from the macro-environment to business level through sectors and value chains), norms (with the streamlining of procedures, social dialogue for change, and information training), incentives (linked to business formalization, social security and other specific approaches), and enforcement (through fostering a culture of compliance, strengthening institutions and other specific approaches).

Need for stakeholders' participation at all levels

In 2013, **Namibia** adopted an employment policy with a strong informal economy component which includes the provision of services and outlines strategies to promote formalization. In order for this policy to be effective, not only are measurement and identification necessary, but national-provincial-local government must also recognize the informal sector and look ways of facilitating access to social protection, health, education. To kick-start implementation and to ensure dialogue, debate sessions were carried out to raise awareness and get people interested in the policy document. The aim was to better understand what effects the document would have on informal economy actors. What came out of these debate sessions was that different ministries and organizations – like the Ministry of Trade and Industry, national training authorities, rural and urban organizations) must also be included in the conversation. By involving all these actors, it became clear that developing a uniform definition of the informal economy and mapping out activities and roles and responsibilities would prevent duplication and allow for a more effective allocation of resources.

Combining policy, legislation and strategy

Azerbaijan provided a wealth of examples of national programmes and legislation that serve as tools for formalization. These programmes include the programme for socio-economic development of regions, the programme on Azerbaijani youth, the programme for poverty reduction and sustainable development and the employment strategy. Legislation has been developed for targeted social assistance, employment, amendments to the labour code, cost of living and pensions, to name a few. Most notably, in order to coordinate these different initiatives, the government has developed an e-government portal where all ministries and authorities can access all of the information available. These initiatives have resulted in a reduction of the number of families in need of help, and an increase in employment rates.

Sustainable enterprise development

Business Unity **South Africa** (BUSA) identified the need for an integrated strategy for the transition to the formal economy to respond to the effects from a two-tiered system where a minority of firms function at a level of global competitiveness but the majority of firms are subsistence based and struggle with competition. The latter do want to formalize, but main drivers for informality include cash-flow issues, paying taxes, and misdirected education and skills development.

The National Development Plan (NDP) for South Africa outlines that expanding small firms will be a key contributor to growth and employment over the next 20 years. In order to make this a reality, there is a working group between government and business on measures to put in place to support the NDP. There is also a National Economic Development Labour Advisory Council which is a tripartite body for policy strategy. The National Informal Business Upliftment Strategy (NIBUS) seeks to lift informal businesses and render support to local chambers/business associations and municipal Local Economic Development offices to deliver and facilitate access to the programmes.

The GKSF has clearly highlighted that while a number of member States have a proven record of developing effective legal and policy frameworks for formalization, many others have only recently embarked on similar paths or are starting to consider the possibility of doing so. There is considerable demand from member states for evidence-based practical knowledge about what works and what does not in designing integrated strategies for facilitating the transition to the formal economy. The follow-up strategy proposes new policy-oriented research and tools development in four streams of work: (a) focus on the transition to the formal economy in key policy areas or for specific target groups covered by R204; (b) analysis of policy combinations and interactions as well as institutional mechanisms that have an overall positive impact on the formalization of the economy; (c) data collection and monitoring; and (d) impact assessment.

In all these streams, emphasis will be placed on innovative strategies, while gender-sensitive analysis will be conducted and due attention will be paid to proposing a range of options that can be adapted to the diversity of country circumstances. The intervention model and technical support will focus on the following: (a) diagnostics phase, i.e. the current diagnostics tool will be updated and aligned according to the Recommendation; (b) comprehensive review of legal and policy frameworks and practice; (c) inclusive social dialogue and capacity building of tripartite constituency; and (d) development of an integrated strategy and the institutional framework for action and monitoring.

Social Protection

Many countries provide decent levels of social protection mostly for those in the formal economy. In some cases, this is only 5% of the labour force. Although there are many programmes across the globe that provides social protection to the poor and vulnerable, these are often scattered, do not reach everyone in need, and often provide very low benefit levels. 39% of the global population is not covered by a health protection mechanism. Less than a fifth of the population in Africa is covered. The large majority of these workers, when they have a health problem, are obligated to pay upfront at a time when they are most vulnerable. This puts these workers at an extremely high risk of poverty for themselves and for their families preventing them from being able to invest in long-term wellbeing and growth. This is, therefore, a social problem and rights problem but also an economic problem.

With regards to pensions, between 50% and 90% of the total populations in Latin America, North America, Western, Central and Eastern Europe have access to some form of pension scheme whether these be contributory, state provided, or voluntary while these numbers vary between 15% and 40% in the rest of the world.

In 2012, the ILO adopted Recommendation 202 on Social Protection Floors⁸. This Recommendation recommends that all ILO member States establish a nationally defined social protection floor that seeks to ensure that at least a basic package of benefits reaches those in need as a matter of rights throughout the entire life-cycle of the individual. Such a social protection floor provides a basic level of social protection for all residents and all children in a country, and constitutes a fundamental element of their social security system. This should include at least four guarantees: (i) access to health care throughout the individual's life cycle, (ii) income se-

⁸ For more information on ILO Recommendation 202: http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:3065524

curity for children so that they may benefit from a standard of life which provides access to nutrition, health care, education, etc., (iii) income security for working age people and more specifically for those who are unable to earn sufficient income, and (iv) income security via pensions in old age. Recommendation No. 202 also guides countries in progressively extending social protection to as many people as soon as possible and build comprehensive social security systems.

Social security can be extended through two approaches: By extending coverage to workers in the informal economy independently of their status, effectively building a social protection floor (as supported by both R202 and R204); and by formalizing workers and facilitating their inclusion in existing social protection mechanisms, which contributes to progressively reaching higher levels of protection (as reflected in both R.202 and R204). Both approaches foster the transition to the formal economy: while the latter supports transition to the formal economy more directly, the first one contributes to fostering transition to the formal economy with a longer time horizon, by enhances access to health, education, and income security with positive effects on human capital and productivity, which can lead to increasing levels of formal employment and enhancing economic performance and fiscal space in the longer run. It is important that these two approaches be used in tandem and not be seen as separate.

Recommendation 204 provides guidance on tackling often found challenges. For example, it suggests simplifying administrative procedures which can prevent high levels of tax evasion and avoidance of social security contributions. The Recommendation also underlines the importance of establishing a comprehensive policy framework and improving coordination between government and other bodies for better access to formal employment which has a direct effect on social protection coverage, and for ensuring that nationally-defined social protection floors take into account the situation of workers in the informal economy.

It is crucial to guarantee social protection to disadvantaged categories, and at the same time to avoid opportunistic behaviours. Increasing coordination and cooperation among the different levels of governments can ensure the proper distribution of social benefits and avoid wasting social funds. Information technology can also play a fundamental role in ensuring coordination among government bodies and facilitate information exchange.

Facilitating the transition to formal economy

Uruguay's Monotax – or “Monotributo”⁹ mechanism provides a way to facilitate procedures and lower the burden on MSEs. Similar mechanisms exist also in Argentina, Brazil and other countries. This mechanism allows some categories of micro-enterprises and self-employed to pay their taxes and social insurance contributions through simplified bureaucratic measures. This facilitates compliance and ensures the social protection of entrepreneurs and employees.

Sectoral Approaches

In 2003, **South Africa** included domestic workers¹⁰ in unemployment insurance fund which provides unemployment benefits but also cash maternity benefits. This reform included the facilitation and simplification of mechanisms for private households to register domestic workers and contribute on their behalf.

⁹ For more information on Uruguay's Monotributo, see <http://www.social-protection.org/gimi/gess/ShowResource.action?resource.ressourceId=48020> and (in Spanish): <http://www.social-protection.org/gimi/gess/ShowResource.action?resource.ressourceId=52799> and <http://www.dgi.gub.uy/wdgi/page?2,empresas,monotributo-contribuyentes,O,es,0>,

¹⁰ For more information about the rights and protection of domestic workers in South Africa, see: <http://www.labour.gov.za/DOL/downloads/documents/useful-documents/basic-conditions-of-employment/domesticworker2012.pdf>

Health

The National Health Insurance Scheme in **Ghana**¹¹ contributes to universal health care coverage while minimizing out of pocket payments. Those in the formal economy pay contributions at a percentage of their salary, while those in the informal economy pay flat-rate contributions subsidized through earmarked tax revenues (from VAT on alcoholic beverages, cigarettes, luxury goods, etc.). A large proportion of the population are exempt from paying contributions such as children, pregnant women, older persons, etc. Based on this mixed financing model, Ghana currently covers about one third of the population for health care.

Pensions

Namibia provides a universal social pension. Any person over 60 years of age is entitled to a social pension without regard to one's income or economic situation and whether they had worked in the formal or informal economy. Given that Namibia is a scarcely populated country, the government makes great efforts to ensure that pensions are delivered throughout the country. While Namibia's social pension is universal, in other countries citizens are entitled to receive pensions only if they worked in the formal sector and contributed to social insurance.

Maternity Rights

The UNICEF/EU funded MYCNSIA project has had a direct effect on national labour legislation in the **Philippines** where maternity rights and social protection have been extended to informal workplaces.

The MYCNSIA project seeks to:

- Up-stream policy and nutrition security awareness.
- Develop capacities at all levels to address maternal and child undernutrition.
- Strengthen data analysis and knowledge sharing.
- Scale up interventions.

Within this framework, workers pushed for lactation stations at informal workplaces under the breastfeeding act because informal workplaces were not initially considered in this law resulting in exclusion of women and their children. In order for this to happen, a baseline survey tool was developed to prove the need for intervention, consultation processes and followed for the development of a needs-based plan, and a memorandum of agreements was signed to define roles and responsibilities of workers and social partners with regards to the lactation stations in informal workplaces. The workers' organisation also developed modules for capacity building targeted at managers of lactation stations, and also local government. This has resulted in informal sector organizations and trade unions participating actively with government committees.

¹¹ For more information on Ghana's National Health Insurance Scheme and its effects, see: <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3426378/>; <http://www.social-protection.org/gimi/gess/ShowResource.action?resourceId=53327>.

Specific Policy interventions for the transition to formal economy promising country practises

Improving Working Conditions and Formalizing Employment

The challenge of decent work conditions among informal workers can be viewed within the framework the traditional labour protection systems. The employment relationship is the cornerstone or premise on which labour protection system is traditionally framed. Where this is relationship is not clear, the mechanisms it offers (i.e. labour law, collective bargaining agreements, labour inspection and mediation, labour courts) are also hard to access. Furthermore, where workers are also scattered with no fixed premises, their interests are more difficult to aggregate through trade unions.

Many countries have put in place a number of measures to facilitate registration of enterprises and workers, trying to respond to such challenges:

- Simplified procedures, “one-stop shops”, incentives: many countries have simplified procedures to enable firms to register with greater ease while extending incentives. One example is the **Dominican Republic** which has established one-stop shops across the country (in partnership with Chambers of Commerce, SME Centers and microfinance institutions), a measure that reduces the number of days to register from 22 to 7 and with only a single visit. Special courses are given at the same time to staff on how to deal with MSEs; talks are organized with business community; and public procurement from SMEs is mandated as incentive to formalize.¹²

¹² Ignacio Mendez, 2015. “Micro and SME formalization: An overview of Dominican Republic.” A presentation made by the Vice Minister, Small and Medium Sized Enterprises, Ministry of Industry and Commerce. 10-14 September. ILO ITC Turin.

- Unified registry system: several countries in Latin America (**Brazil, Peru, Argentina, Mexico**) and in Europe have unified their registries, such those enterprise, taxation, social security and workers. In **Peru**, simply cross checking information between the labour and tax administrations through an e-payroll system has led to a sharp rise in formalization.¹³ **Belgium** provides an exemplary initiative where nine different sources of information are combined from which data incongruities can be detected and ‘alarm reports’ are generated (e.g. increased turnover accompanied by fewer workers) for further investigation.¹⁴
- Training in lieu of sanction: **Chile** offers the alternative of attending a training course to erring firms (of up to 9 employees) instead of paying applicable fines; the training course covers managerial skills and practical steps on how to avoid future labour law infringements.¹⁵
- Public listing of erring firms: some countries in Europe have moved towards publicizing erring companies. Under a new law, **Argentina** will publicly list violating companies while disqualifying them from government bank loans and access to public procurement. Experiences from Europe show however that a ‘name and shame’ approach should be followed by forgiveness and reintegration for it to be an effective tool and to prevent further driving companies further underground.¹⁶

Other measures aim at facilitating the registration of *elusive* categories such as small jobs and seasonal workers:

¹³ ILO, 2014. “Recent experiences of formalization in Latin America and the Caribbean.” Notes on Formalization. Produced by the Programme for the Promotion of Formalization in Latin America and the Caribbean (FORLAC).

¹⁴ Williams, Colin, 2014. *Confronting the Shadow Economy. Evaluating Tax Compliance and Behaviour Policies*. UK: Edward Elgar.

¹⁵ Labour Direction (Dirección del Trabajo), Government of Chile. “Programa de Sustitución de Multas por Capacitación.” <http://www.dt.gob.cl/1601/w3-article-60629.html>.

¹⁶ Williams, 2014.

- Mini-jobs as new categories of work: **Germany** and Hungary have developed new categories of employment, called mini-jobs. In Hungary, employers contracting home-based work, such as plumbing, can send an SMS to register the mini-job contracted, replacing the previous system where 18 forms had to be filled. Vouchers have been used as well to provide discounts to employers to hire declared short-term domestic work or personal services (where employers buy vouchers at discounted value and workers collect full value from government) under specific conditions.
- Income provision during low season: some countries have established means to provide minimum income during low season employment to encourage workers to stay declared. For this, welfare funds are mobilized within an industry or sector that regularly faces seasonal work; e.g. in **Romania**, workers and employers organizations established such a fund and, in India, a cess (or tax) is levied on construction work above a certain cost threshold and on sale of construction materials, also to resource the welfare fund.

Further measures focus on determining employment relationship in outsourced work:

- Setting criteria to determine employment relationship: some countries such as **Ireland, South Africa, Spain, and the Philippines**, have set parameters to determine a dependent work relationship in outsourced work (e.g. direct control over manner of work, obligation to pay wages, over 75 per cent of sales to only one company)¹⁷
- Such lists of indicators, as provided by the law or labour ministry, are part of the tools use by inspectors.¹⁸

Finally, a broader approach to formalize is to cultivate a culture of compliance through national and local campaigns. Some countries have used social media and popular role models and business executives, to convey the benefits of declaring work or paying taxes, including catchy slogans such as **Bulgaria's** *‘Into the Light’* and **Canada's** *‘Get it in Writing’*. Experience has shown that focusing on the benefits of formalization is more effective than emphasizing the costs of informality.¹⁹

Two caveats are in order as a final note: (a) formalization of workers is contingent on formalization of firms and thus the latter is a very important policy objective, and (b) compliance is achieved effectively only where there is high public trust and quality governance institutions. There should be equal effort in improving procedures, maintaining fairness, and delivering responsive services.

Legislative reform and social dialogue

Kenya has used social dialogue between workers' organizations and employers, including informal actors and units, to join forces with the government to amend legislation to include certain sectors in labour protection schemes, like the hair and beauty sector. **Kenya** is developing a Domestic Workers Council where action is moving towards achieving obligatory minimum wage.

Uruguay has reformed its legislation to permit labour inspectors to access households in order to extend further protection to domestic workers. A central hotline has also been established to facilitate access to help and reporting of unfair work conditions.

Bulgaria has worked towards the regulation of one-day agricultural contracts, flexible work conditions and the simplification of administrative procedures.

¹⁷ ILO, 2009. The Employment Relationship. Report to the International Labour Conference, 95th Session, 2006.

¹⁸ ILO, 2013. *Labour Inspection and Undeclared Work in the EU*. Labour Administration and Inspection Programme (LAB/ADMIN) Working Paper No. 29. Geneva: International Labour Office.

¹⁹ Williams, 2014.

Advocacy

Jamaica uses radio and television to popularize legislation and to inform Jamaicans of their rights at work. **Serbia** has launched the so-called “*Black on White*” campaign while **Moldova** has created a campaign to push workers to “*Ask for your labour contract*.” It is important to stress that advocacy and incentive-based labour inspection should complement compliance measures.

Sectoral Approaches

The **India** BOCW (Building and Other Construction Workers) Act was developed to provide social security, among other things, to workers in the construction sector. Employers are responsible for contributing a percentage of the value of the overall project which is then used to cover workers in times when there is no work. The National Roadmap has established priority areas for the utilization of the tax revenue which is controlled by state governments. These include life and disability, health and maternity, old age pension, primary and secondary education, and skills development. Surplus funds can be used to finance housing and other social assistance.

Addressing Decent Work Deficits for vulnerable Groups: Youth Informality

In 2012, the International Labour Conference adopted the Resolution “The Youth Employment Crisis: a Time for Action”²⁰, defining ILO action to address the global youth employment challenge. The strategy focused on: TVET²¹, skills development, school-to-work transition and skills mismatch, young entrepreneurship and self-employment. In fact, when the financial crisis happened, young people were the most affected. Informal employment is still pervasive and there is a need for a

multi-pronged approach to foster decent jobs creation for young people in order to counter the social consequences of the economic crisis. A key issue to be tackled is school-to-work transition, given that first-time workers who find themselves in the informal economy can hardly break the cycle to enter formal economy.

The formalization of youth employment requires a basic framework for the creation of decent jobs. Policies for growth and productivity should have a focus on job creation so as to facilitate entry into the formal labour market. Three different pathways interact in order to impact youth employment:

Guarantee of a first formal job experience – both through job creation and through skills development. Incentives can be used but this must be done within a legal framework and the approach must be multidisciplinary – this is crucial for youth employment.

Development of actions for awareness raising on the formalization of young people. Cultural change vis-à-vis the informal economy is indeed particularly relevant with youth.

Improve the quality of jobs. It is necessary to find a way to guarantee that access to social protection and workers’ rights, and the real and true participation of young people in dialogue is achieved.

In **Argentina**, through “*Entrenamientos para el trabajo*” the government gives young unemployed (who neither study nor work) the opportunity of carrying out a 6-months internships of 4 hours daily. Employers cover job insurance expenses and provide a mentor, while job placement offices monitor the internship. This initiative supports young workers so that they can find more easily their first job in the formal economy.

In order to contrast high levels of migration among young people as well as a general distrust in political institutions, trade unions and solidarity organizations, **Serbia** has been implemented “*The First*

²⁰ The youth employment crisis: A call for action Resolution and conclusions of the 101st Session of the International Labour Conference, Geneva, 2012 http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_185950.pdf

²¹ Technical and Vocational Education and Training

Chance” programme²² which provides subsidies to employers hiring young people, in order to solve the school-to-work transition gap. In **Bulgaria** there are also initiatives to create legal mechanisms which facilitate and simplify formal contracting between employers and young people completing their education path. In **Jamaica**, young people are offered a system of six-month internships with the possibility of being hired by the employer at the end of the term (paid 50% by the government and 50% by the employer).

The **South African** experience in addressing youth informality deserves special attention with its youth programme called *Harambee*²³. Harambee seeks to match government funds with the needs of different economic sectors through an efficient job placement scheme for the employment of young people. The key players in this programme are the government, the university and the private sector who implement a system which is quite similar to the German vocational training system. Through Harambee, 12.000 decent jobs were created in 2014 in South Africa. This has had an impact not only on the skills level of the young people who are placed – as they undergo regulated training, but also on the surrounding value chains and companies continue to invest in this programme.

A mix of all the above mentioned strategies is well synthesized by the Youth Guarantee²⁴ Programme, endorsed in 2013 by European countries in order to avoid the informalization of young unemployed people. The programme, still in the early stages, promises to provide young people with a training, an internship or a job offer within four months from the end their the last job through local employment agencies. This is done by offering contributions and incentives to employers. When we address informal youth employment, it is crucial to apply a priori strategies focusing on education and awareness rising initiatives as well as on filling

the school-to-work transition’s gap. An integrated framework of employment, education, social security, social policies is needed to provide the rescue net preventing young people from falling into informality while entering the labour market for the first time.

Formalisation of Domestic Workers

Recommendation 204²⁵ refers to domestic workers and young people as two of the most vulnerable groups affected by informality due, in part, to lack of legislation which protects them. The issues linked to these two groups are often intertwined given that young informal workers can work in the domestic sector as self-employed workers or employees.

Latin America is one of the regions which suffers from high rates of informality in the domestic sector (88% of total informal employment) and among youth. With the exception of Venezuela and Chile, where 41.7% and 18.8% of youth in the domestic sector are own-account workers respectively, domestic workers in the rest of the region are generally informal employees. The percentage of young informal workers in the domestic service sector surpasses the average for total informal workers in all countries in the region.

In 2011, ILO issued the Convention 189 on Decent Work for Domestic Workers²⁶ calling for legislative commitment at national level for the protection of this group of workers. Nine countries in the Latin American region ratified and adopted the convention, i.e. Argentina, Bolivia, Colombia, Costa Rica, Ecuador, Guyana, Nicaragua, Paraguay and Uruguay. Most of these countries have already modified their legislations on domestic work (or are in process of doing so) with the purpose of updating them according to the convention’s principles – creating equal rights for domestic workers and those who fall under general labour laws. Although enforcement is still a matter of discussion, domes-

²² For more information about Serbia’s Youth Employment Measures (from 2010): <http://ec.europa.eu/social/BlobServlet?docId=12353&langId=en>

²³ <http://harambee.co.za/harambee/>

²⁴ For more information on the European Commission’s Youth Guarantee: <http://ec.europa.eu/social/main.jsp?catId=1079>

²⁵ Chapter II, Guiding Principles, Recommendation 204, pg. 6

²⁶ For more information on ILO Convention 189 on Domestic Workers, see: http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_ILO_CODE:C189

tic workers have benefitted from significant policy transformation in the last few years.

One of the most promising practices concerning the formalization of domestic work comes from **Uruguay**, the first country in the world which ratified ILO Convention 189. This country had already become a pioneer in extending labour rights to domestic workers with a law issued in 2006 acknowledging the right to collective bargaining to domestic workers. In this way, they may have an active role in the social dialogue establishing salaries, work hours, overtime rates, leaves, and other benefits and rights. Subsequent laws focused more specifically on working conditions.

In **Argentina**, the “Régimen Especial de Contrato de Trabajo para el Personal de Casas Particulares”²⁷ entered into force in 2013. This new legislation extended the social and labour rights stated by the national Employment Contract Law to domestic workers. Moreover, as an incentive for formalization, employers may also deduct the cost of hiring domestic service from income taxes. The application of the law will likely have a significant impact on domestic workers, particularly the younger ones. **Ecuador**, after ratifying Convention 189, issued a law which punishes employers who do not regularize domestic workers with two years of jail. **Brazil**, despite not ratifying Convention 189, has also advanced in implementing such reforms increasing domestic workers’ rights.

In 2003, **South Africa** included domestic workers²⁸ in unemployment insurance funds which provide unemployment benefits but also maternal benefits. There have also been initiatives to facilitate and simplify mechanisms for private households to register domestic workers and contribute on their behalf.

In December 2014, **Namibia** has established minimum wage for domestic workers together with the obligation of having a signed contract. **India** has not ratified the Convention yet but it has recently begun a process of legislative formalization for domestic workers, although implementation remains a crucial issue due to high population density and internal migration of seasonal workers. **Montenegro** also provides a minimum wage for domestic workers, although this is lower than national minimum wage.

In conclusion, the formalization of domestic employment is a crucial step in the transition towards formal economy because in several regions most of informality concentrates in this sector and also because in many contexts young people represent a large share of domestic workers. Besides acknowledging domestic workers’ rights, also employers need to be assisted, facilitated and supported (i.e. by tax reductions) in the formalization of domestic workers.

Innovative Strategies to Support Formalization of Informal Business, and MSEs

If the formalization of Micro and Small Enterprises (MSEs) is characterized by the registration of the firm and its compliance to labour requirements and taxation – then it becomes crucial to understand why MSEs may not register or be compliant. Understanding what can drive the formalization or non-compliance of business and MSEs helps to formulate the right strategies for the transition to the formal sector.

Examples showed that it is possible for MSEs to formalize although compliance can be expensive. In that context, policy and fiscal frameworks should take into account graduated schemes to address needs at different levels and for different sizes of enterprises. Distinction must be made between skill levels and capital, among others, of different types of enterprise. One identified gap is that large enterprises are often subject to an increasing number of rules and regulations while smaller enterprises benefit from simplified regulations, but the size-trap,

²⁷ For the full legal text, see (in Spanish): <http://www.infoleg.gob.ar/infolegInternet/anexos/210000-214999/210489/norma.htm>

²⁸ For more information about the rights and protection of domestic workers in South Africa, see: <http://www.labour.gov.za/DOL/downloads/documents/useful-documents/basic-conditions-of-employment/domesticworker2012.pdf>

or fragmentation of large enterprises, can be prevented by a graduated approach and by providing the time for adaptation to new regulations.

Regulation levels may create unfair competition for those enterprises that do comply fully with the legal framework. In the construction sector, one often perceived phenomenon, in light of the high costs of complying with Occupational Safety & Health regulations, is that formal enterprises cut costs on protection (or *informalize*) because of unfair competition created by those who choose not to follow the regulations. Also, one dominating enterprise in the value chain can force their subcontractors into a

more competitive environment where they feel obligated to cut costs in particular labour costs.

Governments also benefit from facilitating the formalization of MSEs. Formalization of businesses has an effect on a wide range of national policies and regulations, like poverty reduction, the reduction of child labour, fiscal schemes, etc. The size of the informal economy and the actors within the informal economy may play a role in the decision making but the overall consensus is that informality increases costs for the government, and formalization increases productivity, purchasing power and GDP thus increasing quality of life and reducing costs for government.

What are the main causes of informality for MSEs and what strategies can be used to address them

Main Causes of Informality in MSEs	Main Strategies for the Promotion of Formalization in MSEs
Low productivity and high costs of formalization.	Increasing productivity in MSEs: SME development policies (like access to markets, finance, and technology.) Association building, cluster development, local economic development.
Complex procedures, inadequate regulation for the size and characteristics of MSEs.	Revision/adaptation of regulations, procedures and norms: Simplification of administrative procedures (and e-government) Differential regulations.
Informality as an attractive option: flexibility and independence.	Incentives to formalization: Access to social security Access to public procurement Access to financial and non-financial business development services.
Limited inspection, state and social control.	Enhancing the capacity to enforce compliance Inspection with technical assistance Unique identification numbers Effective sanction systems Institutional Coordination

Entrepreneurs make conscious decisions about formalization based on **cost-benefit** analysis so although formalization is a matter of compliance to the law, it is also important to facilitate and provide incentives to make formalisation attractive. These government incentives for informal enterprises must also be easy to access and businesses must know and understand the rules in order to be better able to comply with the law. This highlights the importance of transparency and the share of information to informal actors.

Allocation of services is key in reducing cost and is beneficial for both state and entrepreneurs. The revision of business regulations, the diversification of methods for tax payment, and multi-step approaches ease the transition to formal economy for MSEs. Social and Solidarity Economy is also an interesting vessel for enterprise development. Another tool that could be useful to the simplification of taxation and social security contributions for MSEs is skills development in the way of, for example, book-keeping skills and accounting.

Jamaica experienced a formalization process in the transportation sector, adopting a strategy which targeted illegal taxi drivers. The main reason encouraging the growth of informal taxis in Jamaica was that public transportation service provided by the government didn't satisfy customers: buses ran only until 21.00h in the evening; due to their dimension, they could not reach some areas that only small vehicles could, and they did not move quickly in the traffic. Many people started using private cars as illegal taxis, which become known as "Robots", and the informal transportation service flourished all over the country.

The increasing use of illegal vehicles posed serious challenges, not only in terms of loss of tax revenues for the government, but it was also extremely dangerous for consumers: in fact the vehicles were not covered by the proper form of insurance in case of accident, and the authorities denounced an increase in cases of rapes and assaults allegedly being committed by some of these operators. Despite several appeals made by the government to discourage the use of illegal taxis, "robots" kept on operating. The

only solution was to strengthen police controls in the streets and undergo a regularization strategy.

The formalization process was led by the Police Traffic Department: the operation started with the introduction of a compulsory certification for all taxi drivers, released by the transportation authority. Drivers not holding the document would have faced prosecution; they were subject to the seizure of the vehicle, and should have paid a severe penalty to get it back. Also insurance companies were involved in the operation: the aim was to block the operators in their attempt to renew their insurance policy. The certification attesting the regularity of the activity had one year validity and could be renewed upon the presentation of some documents demonstrating the legality of the activity (like regular tax payments and proper insurance policy).

The key factor of success of the formalization strategy was a strong enforcement conducted by the government through the introduction of severe penalties: through strict controls, most Robots became certified taxis that could operate legally. One of the challenges is that to some extent informality still exists in the transportation sector, and there is a consistent discrepancy between urban and rural areas, where some illegal taxi drivers keep on operating.

In **South Africa** the government recently implemented a large formalization program called *NI-BUS-National Informal Business Upliftment Strategy*. In this country, informal trade is always been part of the economy and it is synonymous with black or illegal economy. According to a recent report²⁹, 2.6 million people are employed in the informal sector, a number that corresponds to 12.7% of total labour force. Official unemployment is 25% according to a restricted definition, and is attested to 50% if we consider an extended definition of unemployment, including, for example, people who has stopped looking for a job.

²⁹ "Quarterly Labour Force Survey, 2nd Quarter 2015", Statistics South Africa, 2015.

This is the context where NIBUS was launched in 2013. The program is intended to focus on specified groups, like women, youth and people with disabilities owning informal activities based in townships or rural areas of South Africa. Five sectors of intervention are outlined at the national level (retail, manufacturing, services, agriculture, construction, maintenance): local governments will identify their specific areas for intervention, according to their priorities and to their economic resources. The aim is to create a favorable environment for informal business to enter the mainstream economy, through the organization of business training programs and capacity building activities for informal business owners, and supporting local chambers and local business associations to facilitate the transition to formality.

This ambitious and promising strategy³⁰ is the result of a concertation among the government and social parts, like trade unions and chambers of commerce; the ILO also gave a strong contribution to elaborate the plan: this explains the coherence between the ILO strategy³¹ and the NIBUS.

In **Kenya**, the Kenya Private Sector Alliance, the MSE Authority and the Kenya Revenue Authority are working together to design a “one stop shop” for business registration. Similar experiences of simplification are reported in the **Philippines** and **Jamaica**, which, in particular, developed a “*Super Form*” for a one-stop place to register. This form is also available on line and it has resulted in increased registration numbers.

Skills Development in the Informal Economy: Apprenticeships, Training and Skills Recognition

Skills development represents an essential process for people looking to enter the labour market, be it in the formal or informal economy. However, since public institutions and education and training systems in general tend to be weak in countries with high rates of informality, informal apprenticeships constitute the most common way for young people to acquire skills and enter into employment. Informal apprenticeships may be defined as the practice by which young people acquire new skills for a trade/craft in micro/small enterprises by working side-by-side with an experienced person or master craftsperson for some form of remuneration. Informal apprenticeships are strongly embedded in an informal social structure which shapes how youth perceive informal apprenticeships, establishes the informal networks that support the functioning of apprenticeships and is reinforced through reciprocity, social sanctions, and kinship systems. Informal apprenticeship systems are widespread and large. In the Ivory Coast for example, 350,000-450,000 apprentices work in 150,000 crafts and handicrafts SMEs compared to the formal apprenticeship system which trains 3,700 apprentices.

Informal apprenticeship systems are the major employer of youth in developing countries, particularly in Africa and South Asia, and have a significant role to play in middle income and developing countries where formal training systems have insufficient capacity. However, these systems bring with them various drawbacks, such as limited or no remuneration, the development of low-quality skills, poor quality of on-job training, no off-the-job training, long hours or periods with high risks of bonded labour, low OSH standards, exploitation, child labour and poor regulation.

Despite these drawbacks, **informal apprenticeship** systems cannot be ignored. However efforts towards strict formalization may be counterproductive, because formalization is closely connected with education and training systems, which usually bring with them webs of rules that might cause people to walk away. For this reason, a step-by-step

³⁰ NIBUS was found to be a comprehensive strategy, which could probably be replicable in other countries. Some sectors like transportation, construction and trade, which are more likely to be exposed to informalization, are not concerned at the moment; however they will possibly be included in the future.

³¹ “The Informal Economy and Decent Work: A Policy Resource Guide supporting transitions to formality”, International Labour Office, 2013

approach is necessary, which should capitalize and upgrade the existing system with the help of policy and industry associations.³²

Another key entry point for skills development in the informal economy is skills recognition, also known as **Recognition of Prior Learning (RPL)**, and/or Validation of Informal and Non-Formal Learning, can be an effective way of engaging with people who do not have formal education and training but are skilled. It acknowledges the abilities and skills gained through formal or informal training, paid or unpaid work, and/or life experience. Skills recognition can have a number of benefits, from raising the self-esteem of the worker, to identifying gap training needs that may lead to further education and training, to enabling access to employment and other services that would otherwise be impossible because of the lack of formal qualifications. This can increase labour market mobility and encourage the formalisation of workers and the businesses that they work in., however, as is the case with efforts to upgrade informal apprenticeship systems, skills recognition is potentially threatening exercise for master craftsmen and small business owners who may initially resist the opportunity to have their skills assessed. Because of this, the role of industry associations and trusted intermediaries operating at a cluster or sector level is key to brokering access to workplaces and facilitating the involvement of employers. This step-by-step approach also has the advantage of not scaring the master craftsmen because it establishes a relationship based on dialogue. The final aim is to connect the informal skills with the formal system.

³² Additional resources on this subject include:

ILO, 2012. Upgrading Informal Apprenticeship: A Resource Guide for Africa: http://www.ilo.org/skills/pubs/WCMS_171393/lang-en/index.htm

ILO, 2010. Study on the Reintegration of Children Formerly Associated with Armed Forces and Groups through Informal Apprenticeship: http://www.ilo.org/skills/pubs/WCMS_158772/lang-en/index.htm

ILO, 2011. Skills for Employment, Policy Brief: Upgrading Informal Apprenticeship Systems: http://www.ilo.org/skills/pubs/WCMS_167162/lang-en/index.htm

Skills recognition and flexibility

The need for skills recognition and certification manifests similarly across countries. In **Azerbaijan**, there is a direct correlation between the need for skills certification and the level of regulation of a specific sector. In **Nepal**, **India** and the **Philippines**, lack of certification limits mobility.

Ghana has increased the flexibility of certification although interested candidates pay for their exams. A similar system exists in **Bulgaria**. In addition to tests and exams, Bulgaria has also developed an evidence-based approach to demonstrating skills. Flexibility is also demonstrated in France where a formal certificate is equivalent to a certificate of skills recognition. It is important; however, that there should be some form of quality control of the certification process.

Programmes and projects

In 2008, the ILO, the Ministry of Labour and Employment and the Delhi Government launched a programme to provide training and skills recognition to domestic workers to professionalise their work, improve their employability and income, improve their living and working conditions, and enhance dignity within the workplace and within communities.

The project included a skills mapping survey across the region, the development of training materials, the training of trainers, the training courses resulting in 500 learners trained in certified, the establishment of a Vocational Training Partner (VTP) network and the development of a “skills card” for domestic workers.

The skills card system is designed to promote a reliable way for households to hire domestic workers. It provides domestic workers with a portable record of their qualifications, certified skills, and other important identity and skills related information.

In **Niger**, the national crafts association (Fédération Nationale des Artisans (FNAN)) covers 64% of local crafts associations. FNAN has developed pilot programmes for skills development and certi-

fication in areas like car mechanics, plumbing, radio and electronics, modern jewellery, etc. Complementary training for apprentices and master craftspeople is available in accredited training centres – all of which is followed by formal assessment. The training period can vary from 2 to 3 years. FNAN has established “training officer” positions within the organization. These people are responsible for assessing training needs and monitoring the quality of training.

In **Bangladesh**, the new National Skills Development Policy (2012) identified opportunities to introduce new competency-based qualifications and recognition of prior learning systems targeting the informal economy. Through a partnership between the ILO, UNICEF and a large NGO BRAC, 500 master crafts persons were trained in competency based training and on-the-job training techniques and certified through an RPL process which then allowed a further 10,000 informal apprentices to receive national certification under the scheme in Motor Cycle Servicing and RMG Machine Operator. The scheme also saw the introduction of a new Code of Practice for informal apprentices and recognition of the new certificates as formal apprenticeship pathways by the Bangladesh Bureau of Manpower Employment and Training.

Incentives, Compliance and Enforcement

Recommendation 204³³ speaks about compliance, incentives and enforcement as a combination of preventive measures, law implementation and effective sanctions to tackle tax evasion and promote labour regulation as well as social rights for workers. These measures are strictly connected to the promotion of anti-corruption efforts and good governance.

When speaking about compliance and enforcement it is necessary to investigate the contextual drivers and features of informality. Some of the drivers for informal/undeclared work include for instance cash payments, administrative burdens for contract

formalization, high contribution costs to social security and taxes, low wages which do not need to be declared. The contextual characteristics of undeclared work may include underground work, work from home, fake self-employment, sub-contracting and cross-border dimensions, especially in Europe where there is a steady flow of workers from one country to another.

Given the complex features of informality, action must be taken in several sectors, such as business services, finance, infrastructure, markets, technology, education and skills programs and property rights.³⁴ Accordingly, tackling this issue must be based on clear and effective policy outlining incentive, preventive, and enforcement measures. Blanket policies are not always successful. For instance, in Spain, in the late 2000s, general regularization was offered to employers who had not declared their workers. They were given 3 months to register their employees, but the results of the initiative showed that only 100 000 workers were declared, whereas as many as 50 000 new workers enter the work force yearly.

Country experiences discussed with regards to this topic come mainly from Europe and Latin America and can be grouped into two broad types of action:

Incentive actions: based on actively promoting the setting up of new self-employment activities or hiring workers formally, and on the simplification of red tape

Preventive/curative actions: raising awareness together with fostering the strength of direct labour inspections.

As far as concerns active incentives for new businesses are concerned, the best practices come from Europe and specifically from the UK, Spain and Belgium. For instance, in the *UK* and *Spain* the unemployed can set up a self-employment activity, without losing their unemployment benefit for the first months after they ceased their past job – a measure set up to avoid unemployed people entering in to informal employment.

³³ Ch. VI Recommendation 204, pg. 16

³⁴ See Recommendation 204, pg. 16

In **Belgium**, unemployment benefits are guaranteed also to the long term unemployed who occasionally work in specific sectors (i.e. gardening or caring), placed by a local employment agency and directly paid by users through cheques or vouchers (including social protection contributions for the worker) bought in authorized local shops or local institutions. The voucher system has also been introduced in other European countries like **France** and **Italy**, with the main objective of formalizing workers occasionally employed in the domestic or agriculture sectors and not with the primal aim of preventing unemployed people from entering informal economy. While, in France, where it is supported by an online registration and accounting system both for workers and employers, the tool has considerably increased the regularization of domestic workers, in Italy it has not been so successful. In fact, the specific characteristics of Italian vouchers in many cases allow employers to keep employing workers informally, using the voucher as a mere expedient in case of labour inspection controls. A way to contrast the manoeuvrability of vouchers (exemplified by the Italian case) has been implemented in *Serbia*, where, before employing a worker by cheque, a contract between the two parties needs to be signed.

With regards to the simplification of administrative processes, the most emblematic examples come from Latin America. In 2013, **Chile** launched “Your business in a day”³⁵ an on-line platform which works as one one-stop shop allowing new entrepreneurs to set up their activity in reduced time, skipping all the bureaucratic burdens. In the same years, **Colombia** has adopted an anti-red tape decree which support business service centres, while **Argentina** has implemented programmes for tax simplification, e-government and one-stop shops in local offices. Argentina has also introduced a PNRT³⁶ (National Labour Regularization Plan) and the INDI (Digital Inspector) authority. In December 2014, the “E-Social Programme” for the online registration of new business was launched

in **Brazil**, aiming at the creation of a digital record of tax liabilities, social security and labour and has been implemented since September 2015.

Finally, concerning preventive/curative actions for raising public awareness on informality and labour inspection, in **Colombia** and **Argentina** networks disseminating information about the benefits of formal economy, as well as raising awareness about tax and social security obligations have been established. Recently, the campaign “*Mexico with decent work*” was launched to better implement and enhance labour inspection in **Mexico**, involving 32 federal inspectors and 895 labour inspectors who carried out over 139,000 inspections at 106,000 workplaces. In 2013, **Spain** launched a web page for anonymous complaints denouncing conditions of informal employment but out of 43.000 complaints, only 3000 actually concerned undeclared work. Recently, **Uruguay** has also engaged in an SMS campaign promoting formal employment and fighting informality in the domestic sector, accompanied by an increasing and intensification of household labour inspections.

The simplification of administrative procedures and digitalization are necessary in order to promote formalization among new entrepreneurs and also the formalization of occasional workers. One-stop shops for new businesses are important in this sense, as are online registries which allow workers and employers to easily access work pages. Moreover, inspection and enforcement must be linked to cooperation with employers and workers in order to be fully effective. Although there is no one-size fits all solution, an integrated approach among different policy frameworks is necessary for implementation, while awareness-raising is also a key ingredient of coordinated action.

³⁵ Chile, “Your Business in One Day” (in Spanish): www.tuempresaenundia.cl

³⁶ For more information about Argentina’s PNRT, see (in Spanish): <http://www.trabajo.gob.ar/inspeccion/pnrt/>

Rural Informality and the Role of Local Economic Development

Local governance has received increasing attention in recent decades. Local authorities and organizations represent the first and sometimes only, contact for informal production units and informal workers seeking to formalize and obtain services and economic support. Many countries have decentralized to respond to calls for greater responsiveness and efficiency in policy making and service delivery. While LED has received greater recognition, it also faces capacity challenges. There are a number of interrelated tasks relevant to formalization found at the local level. Among them: business permit and licensing, employment and labour protection, agricultural support and extension, public employment, health services (including OSH), education and vocational training. Local participatory councils have been established to advice policymaking, including tripartite councils. The local government structure of the Philippines was used to illustrate local functions that may be related to formalization. Below are relevant examples of policies and programmes in different countries.

To encourage business registration:

- simplifying local registration procedures and unifying registries (e.g. business, tax and worker registration); reducing and simplifying local taxes for micro enterprises such as use of floor space or utility bills as a transparent basis for tax computation
- simplifying post-registration requirements such as site inspections, to encourage formal firms to stay formal and renew their registration
- providing incentives that are conditional on formalization, such as government contracts (for school uniforms, furniture, small construction works), business advice and marketing support

To facilitate creation of formal jobs and business opportunities:

National and subnational governments establish policies to encourage investors to source skills and products locally. This way, opportunities for formal job creation and business growth are expanded.

Strategies to increase local sourcing and local economic development have included the following:

- targeting investments with track record in local sourcing and linking them with local suppliers, e.g. **Malaysia** has targeted retail investors, such as TESCO, and successfully linked them to local food processing companies thereby raising value added activities in the agro processing sector
- preparing the local workforce through skills development in partnership with investors; e.g. **Chile** developed training programmes in agriculture and mining in partnership with industry associations
- policies that allow collective marketing by fragmented local suppliers; **Indonesia** created a policy of exempting rubber producer groups from getting expensive trade licenses through a simpler certification of community groups that wish to sell directly to rubber companies

To extend the reach of worker protection and social security:

- Local labour offices administer functions related to formalization, including registering workers and work contracts, advising on labour and social security law, and implementing employment services; e.g. in Marikina, **Philippines**, the labour office is the city government's arm in implementing conciliation and mediation procedures to settle labor disputes in the city
- Local banks and cooperatives in some countries are engaged to administer social security contributions as they are within better reach of microenterprises (e.g. in **Costa Rica**, cooperatives are engaged to collect social security contributions).

STREET (UK) offers loans, advice and business support to self-employed people and micro enterprises that wish to formalize their businesses. It monitors client's progress in each of 12 areas within a 12-month period, where any three criteria have to be achieved (e.g. switching from part-time to full-time contract, becoming VAT registered, keeping basic records, moving from home to business premises, moving from cash revenues to mostly invoiced revenues).³⁷

- Community-based primary health units and agricultural extension workers in **Thailand** are trained in occupational safety and health so that they can advise farmers and home-based workers; primary health care centers take note of occupations in clients' health intake form in order to analyze relationships between ailments or accidents being treated and the patients' occupation.

In the field of social dialogue:

- Local councils are formal venues for participation in key policy and investment decisions:
 - **Hungary's** tripartite regional councils were closely involved in reviewing the use of government subsidies (which were locally managed) for active labour market policies during the unemployment crisis in the 1990s, thereby preventing serious social conflicts
 - In **Brazil**, the municipal health council of Belo Horizonte plays an important role in giving a voice to the users of the public health system.
- Traditional local justice bodies (such as council of elders) were trained by trade unions to handle mediation in subcontracting cases (**Philippines**), apart from the typical domestic disputes; USAID and DFID had long running programmes which trained traditional justice and dispute mediators in several countries in

handling cases before they get to the formal courts.

The functions of local and subnational authorities can be harnessed to facilitate formalization. Strategies for local economic development can create formal job and income opportunities. A degree of horizontal integration (among different local entities, especially social partners) and vertical coordination (coherence with national priorities) should however be ensured.

LED in a multi-level governance context

According to **Moldova**, local governments do not have the financial capability to manage the formalization process of small and medium enterprises, because financial resources are managed by the central power; however in the future local governments should increase their power and receive more financial resources from taxes.

Also in **Bulgaria** local budget and policies are managed by the central government that collects 90% of total taxes, also because it is a very small country.

In **Kenya** the previous 5 provinces have recently been transformed into 47 counties. Counties could collaborate to achieve different targets and exchange information, and can form local economic blocks.

In **Nepal**, every entity that exists at the national level also exists locally.

Matching industrial needs and local skills

Jamaica Government has a national training institute that monitor professional skills required by enterprises: according to these needs, a proper university education or specific courses are organized and offered to local population.

³⁷ <http://www.eurofound.europa.eu/observatories/emcc/case-studies/tackling-undeclared-work-in-europe/street-uk-united-kingdom>

Freedom of Association, Collective Bargaining, and Organizing Workers in the Informal Economy

Chapter VII of Recommendation 204 states that informal economy workers should be able to enjoy freedom of association, that is to say be represented by workers' or employers' organizations, have a right to collective bargaining, and be a part of the social dialogue for the transition to the formal economy. One of the characteristics of the paragraph is the strong vocabulary used to highlight the role of social dialogue in formalization and the right to capacity-building for informal workers and their representatives, in line with the ILO rights-based approach. Moreover, Chapter VII is based on the 1998 ILO Declaration of Rights of Workers³⁸ and on two other fundamental ILO conventions: C.87 on the Freedom of Association and Protection of the Right to Organize³⁹ (not ratified by Brazil, India, Kenya, Nepal) and C.98 on the Right to Organize and Collective Bargaining⁴⁰ (not ratified by India and Mexico).

The R204 clearly points out the role of tripartite mechanisms in designing, implementing and evaluating policies and programmes of relevance to the informal economy, including its formalization. It stresses also the need to organize workers and economic units in the informal economy to give them a voice when it stresses that Members should consult with and promote active participation of the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

The big challenge that trade unions face in organizing informal workers towards formalization depends, firstly, on reaching workers and, secondly, on convincing them about the advantages of unionization and of formal employment taking into account that most informal workers are in a very vulnerable and unbalanced labour relation with their employers. Therefore, it is crucial to find new ways of communication and fruitful interaction (i.e. through social media but also through workplace training activities for activists and leaders) and also new structures for organization that may be multi-sectoral or sector-based.

After organizing informal workers, the key step for trade unions consists in actively participating in the tripartite dialogue with social partners. In this way Trade Unions can aim for lobbying the legislative process, expanding the coverage of social security to traditionally excluded categories of workers and/or amending the laws in order to include all the different labour relations.

Some countries have made more progress than others in organizing and including informal workers. TUC Ghana is deeply committed for many years now in organizing informal economy workers and securing their representation through tripartite mechanisms. Meanwhile, in **Jamaica**, informal workers are organized in cooperatives, while in **Namibia**; trade unions are not yet involved in the organization of informal workers which are usually grouped into "informal sector associations" including also small entrepreneurs.

Currently, **Argentina** does not have any association for informal workers and there is an ongoing debate among tripartite representatives on whether organizing informal workers in specific informal workers-based trade unions might be a way to dangerously institutionalize informality. In fact, the organization of informal workers should be only a transitory device, given that the ultimate objective remains formalization.

In **India**, SEWA (Self-Employed Women Association) did a lot for organising informal sector workers under its umbrella. But given the variety of informality in India (in terms of sectors, workers

³⁸ For more information on the Declaration on Fundamental Principles and Rights at Work: <http://www.ilo.org/declaration/lang-en/index.htm>

³⁹ Convention 87 on Freedom of Association and Protection of the Right to Organize: http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312232

⁴⁰ Convention 98 on the Right to Organise and Collective Bargaining: http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_ILO_CODE:C098

groups and difficulties regarding the identification of informal workers) a one-size-fits-all solution is not deemed effective.

The difficulty of identification of informal workers makes the situation tricky also for trade unions in Eastern Europe, such as in **Serbia** and in **Moldova**. In particular, Moldovan trade unions are still not well organized and therefore do not have enough experience to reach and catch informal workers.

The variety of experiences presented highlights the fact that a sector-based approach of trade unions towards informal workers would be the most suitable solution. In any case, unionizing informal workers does not have to be perceived as an institutionalization of informality but should be only a transitory process.

Given that being employed informally can be a deterrent in determining a worker's willingness to unionize (i.e. fear of losing the job) it is again through a coordinated action of all social partners that an opportune environment can be set up in order to support workers' unionization.

Role of Trade Unions in the Transition to Formal Economy

Trade unions can play an essential role in this transition from informal to formal economy. Because they tend to be a body strictly embedded in the social structure of a country, trade unions are able to catch workers' feelings and needs, and propose a specific context-based solution. They represent also a hope for poor – often informal – workers who do to have any rights. We report below the experiences of trade unions in three different countries across the globe.

In **Macedonia** – as for all Ex-Jugo countries – informality has represented a solution for social problems for many people. This is true especially for young people, since youth unemployment stands at 26-28%. When they want to start working, they try to find a job first in the formal sector. If they are unsuccessful, then they try in the informal sector. For this reason, informal employment is very high – reaching 22.5%, in line with the other Ex-Jugo countries. In particular, the situation is problematic

in the construction sector – 43% of the total employment is informal. In this context, trade unions – which are a Federation in Macedonia – have acted as social partners with the government and employers. In cooperation with ILO and the government, trade unions proposed and implemented a “decent work” programme in order to fight informal employment. However, this programme turned out to show only a moderate capacity of tackling the problem, despite having achieved important goals. Shortcomings are:

- Lack of a precise definition of informal economy
- The collection of data disaggregated only by gender, and not for other purposes.

Nevertheless, the milestone reached is the law for a minimum wage, which was published 2 years ago. The minimum wage was bargained at the national level and amounts to €150. The possible threat of a firing-response by employers prevented the trade unions from asking a higher wage. The law sanctions employers if they ask back in cash part of the minimum wage given to workers.

Construction sector appears to be problematic also in Argentina, showing the highest rate of unregistered work. In addition to this, workers were scarcely represented. This sector is peculiar because it combines a short-term activity with a long-hiring job. Workers are not qualified and move from place to place. Trade unions seized this opportunity and chose the solution of the collective bargaining. They proposed to regulate the activities with a body (an association) representing every actor – workers, chamber of commerce, employers. All the parties have to reach an agreement within the body. The effect of the collective agreement, if approved by government, is for everybody. Professional associations were created. Those associations are in charge of registration of both workers and sites, and have also the authority to check the compliance with the law. Construction companies cannot work if not registered. If employers do not respect it, he/she is sanctioned. The presence of the trade unions forces employers to be committed. Workers have their salary through bank accounts. In this way

unfair competitiveness is also eliminated from the market.

In **Bulgaria** government has fought informal employment with sanctions, and results seem to be satisfying: in 2010 16.6% of workers had no contract, while in 2014 this percentage fell to 6.4%. However, if we look at data more closely, we can see how informal employment has not decreased but only transformed: in 2010, 10.8% of workers had a contract with hidden clauses; in 2014 those workers increased to 44%. There is a widespread culture of tolerance of informal work in Bulgaria that must be fought differently. Informal economy stands still at 31.7% of the total economy. The minimum wage is the lowest in EU, amounting to €184. 40.1% of people is at risk of poverty, and 19.5% of households do not have sufficient disposable income in terms of living standards. In this dramatic context, the Confederation of Independent trade unions have been able to reach several achievements:

- The minimum social insurance threshold for social branches in 2003, which generated additionally over 206€ million of social contributions paid by employers.
- The social security fraud law in 2015.
- The one-day labour contract in agriculture: it cannot be signed for more than 90 times per year; it allows workers to receive salary and contributions even though the contract in any occurrence.
- The campaign “My First Workplace” targeting new graduates: labour rights and information on labour market were brought in schools.
- The possibility for membership in the Confederation, guaranteeing workers’ rights.

Role of Employers Organizations in the Promotion of Sustainable Enterprises

Employers’ organizations are recognized as key stakeholders to facilitate the transition from the informal to the formal economy as stated in R204 given the specific interests that they represent and the crucial role they play in lobbying for the formulation and implementation of specific employment policies, including an enabling environment for sustainable enterprises, at national level.

The definition of a common strategy by employers’ organizations requires overcoming general conceptions about informality. Some employers’ organizations are concerned about unfair competition and refuse to partner with informal enterprises, while others stem from the informal environment.

Key messages touch upon i) reducing, where appropriate, the barriers to the transition to the formal economy and take measures to promote anticorruption efforts and good governance; or ii) providing incentives for, and promote the advantages of, effective transition to the formal economy, including improved access to business services, finance, infrastructure, markets, technology, education and skills programmes, and property rights.

Trade unions cannot be left behind in the lobbying process, they need to be involved in employers’ organizations’ strategies for formalization. Banking systems may constitute an adverse and counterbalancing power in the formalization strategy run by employers’ organizations (i.e. banks refuse to lower the interest rates to entrepreneurs) and employers’ organizations must think of innovative ways to collaborate with these financial institutions in order to support the development of sustainable enterprises. The media constitute an important and accessible tool for raising public awareness about informality.

Three mainstream strategies promoting formalization have been identified and exemplified by three specific country experiences:

- Entrepreneurship and skills development (Mexico);
- Enabling business environment (Bulgaria);
- Raising awareness (Montenegro).

Coparmex, the **Mexican** employers' association has been working for a number of years on entrepreneurship and skills development. In 2013, a programme Educación Duál⁴¹, inspired by the German model of vocational training, was introduced. This programme, which seeks to address school-to-work transition and aims at reducing youth unemployment, is a result of the collaboration among Mexican government, Coparmex, Germany and the main German employers' organization all of which have contributed funds and expertise. This dual education system requires time spent at school and time spent at work in order to ensure minimum standards of education for young people and to develop their technical skills. Given the variety of business sizes in Mexico (i.e. from micro to big enterprises) and fruitful collaboration with the university, the dual education model has been sustainable and effective, creating around 10.000 jobs since 2013.

The Bulgarian Chamber of Commerce, given the micro, small and medium size of businesses in **Bulgaria**, has been focusing on creating a favourable environment for increasing micro-enterprises' competitiveness. Although supporting the establishment of national minimum wage and a minimum social security floor, this organization has been calling for a reduction of regulation and taxation in order ensure a more flexible labour market.

The Employers' Organization of **Montenegro** provides an example of an awareness-raising strategy which aims at increasing lobbying power. The Montenegrin employers' association carried out an EESE⁴² assessment and published a position paper addressing informal economy identifying five "**business killers**". These "business killers" are:

- Informal economy,
- Burdensome regulatory framework,
- Corruption,
- Skills mismatch, and
- Difficult access to finance for small businesses.

Similarly to Montenegro and following the same methodology, the **Moldovan** employers' organization has highlighted seven "obstacles to business", among which political instability is crucial.

Whatever the strategy being put in place by an employers' organization and its scope of action is, this must be connected to the size of the enterprise or to the group of enterprises it is looking to support. It should be both targeted and inclusive reaching micro, small, medium and large enterprises. Finally, political stability and good governance are key factors for ensuring the continuity of initiatives and the implementation of formalization measures.

⁴¹ For more information on the dual education system in Mexico, see (in Spanish): <http://www.conalep.edu.mx/academicos/Paginas/mmfd.aspx>

⁴² The Enabling Environment for Sustainable Enterprise (hereafter "EESE") Toolkit is a resource for Employers' Organisations and other business membership organizations wishing to assess the environment in which businesses start-up and grow. It has been designed to guide and support Employers' Organizations in their efforts to better understand the EESE and to enhance their contribution to government reform efforts through advocacy and dialogue - <http://eese-toolkit.itcilo.org/>

GKSF Main Conclusions and Ways forward

Follow-up actions to implement R204

The follow-up strategy for the implementation of R204, adopted by ILO's Governing Body in November 2015, outlined four main pillars for action by the Office:

- Promotional awareness-raising and advocacy campaign.
- Capacity building of tripartite constituents.

- Knowledge development and dissemination.
- International cooperation and partnerships.

Participants to the GKSF reflected the opportunity of the forum to discuss follow-up actions to be undertaken at country level. The following are a summary of their reflexions and inputs.

1. Promotional Awareness-Raising and Advocacy Campaign

Actions by the office

1. The Office will dedicate efforts to the promotion of R204 during the 2016–21 period, in particular in different national, regional and international forums including tripartite bodies or working groups, inter-ministerial coordination task forces, social partners, social dialogue institutions, United Nations (UN) country teams and other relevant partners at country level; and to regional institutions.
2. The office will develop a systematic awareness-raising and advocacy campaign in order to promote a common understanding of how the guidance contained in Recommendation No. 204 can be used and acted on in different contexts.
3. Different promotional products and means of promotion and advocacy for distinct audiences will be developed in different languages and formats and disseminated through the relevant networks as well as through the national and international institutions concerned with the transition to the formal economy
4. A web page on the ILO website will be dedicated to the Recommendation and its implementation

For the participants to the GKSF, promotional awareness-raising and advocacy is the responsibility of all actors who should be tasked with specific roles. Target groups and objectives for these campaigns should include:

- Advocacy aimed at workers, employers, decision makers and academics for long-term impact.
- Increasing the general understanding of the informal economy and transition to formal economy including the R204 for wider public.
- Capacity building and development as well as dissemination of the knowledge among Trade Unions, Employers' organizations and other actors are necessary so that they can be a stronger vessel for formalization.

In order to be effective, participants agreed that tripartite constituents should be involved from the beginning in the development **of a road map for implementation of R204**. Government, as well as workers' and employers' organizations at national level should be involved in the roll-out of an umbrella campaign that would reflect an integrated

approach while more targeted campaigns, led by workers and employers, are useful for different target groups. It was recommended that local actors would also be made aware of the conclusions and other general discussions concerning the informal economy (small and medium-sized enterprises and decent and productive employment creation and the Recurrent Discussion on Social Protection) in order to best cross reference adopted tripartite consensus relevant to formalization at local level.

Some of the key messages to relay are that transitioning is important for inclusive growth and development and at all times workers' rights should be guaranteed without diminishing access to livelihoods.

Awareness raising campaigns should focus on the positive side of formality, using positive words such as "*With transition, we all win*" - "*Formalization is easy*" "*Step out of the shadow*" "*Envelopes are for letters*."⁴³ Promotional materials can include oral communication through conferences, campaigns, or through other media like leaflets, videos, posters, websites, and more innovative methods like applications for smart phones and easy self-assessment tools.

⁴³ Participants' contributions during the Forum.

2. Capacity Building of Tripartite Constituents

Actions by the office Country level support

1. Development of a specific tool for advocacy on Recommendation No. 204, for use in the design of new DWCPs.
2. Expansion and update of technical and advisory services and capacity-building activities, to support constituents in designing, implementing and monitoring strategies to facilitate the transition to the formal economy according to national circumstances and priorities, with an emphasis on integrated interventions and institutional coordination required
3. At least 10 champion countries to be identified to develop and implement integrated policy frameworks to facilitate the transition to the formal economy,
4. Policy advice and technical cooperation support in specific policy areas and/or for specific categories of workers and economic units for the transition to the formal economy.
5. With regard to data collection, the Office will develop a tailored technical assistance package to enable some countries in selected regions to adapt their current questionnaires and practices in their household or establishment surveys

Regional and global knowledge sharing and capacity building

1. Transition to formal economy will be put as regular discussion point, as appropriate, in the agenda of the next cycles of ILO Regional Meetings and other ILO forums
2. Tailored regional capacity-building activities to meet the specific needs of different regions, constituents and sectors with respect to R204 will be organised -, at least one tripartite capacity-building workshop will be offered in each region, every biennium during the period 2016–21. In addition the Turin centre will offer starting from 2016, regular standards courses on the transition to formal economy tackling different issues (measurement of informality and monitoring and evaluation; formulation of integrated policy framework, local strategies for formalisation of employment and enterprises; workers and employers role in the transition to formality ...)
3. In order to fulfil the demand for sharing interregional experience and knowledge on the transition to the formal economy: 1) the academy on formalisation of informal economy at the Turin Centre, to be held once per biennium (next in November 2016) ; 2) an e-platform for the exchange of good practice on the transition to the formal economy and on the implementation of the Recommendation created and managed by Turin centre; and 3) development and integration of dedicated modules on R204 and the transition to the formal economy into regular annual courses at the Centre, such as those on social security or employment policy.

Participants also reflected on the country level interventions with regards to capacity building of stakeholders active in the transition to formal economy. Identifying what products and tools exist at country level is a starting point for assessing social partner's needs in terms of capacity building for the implementation of R204.

Many countries reported capacity building initiatives targeted to specific subjects; however, these need to be better integrated to facilitate the transition to formality.

Trade unions have tools to organize workers in the informal economy, but these should be mainstreamed in the process of transition to formality. Employers' organizations support capacity building at the local level as well as for informal enterprises. It is important to consolidate such initiatives around integrated capacity development programmes. Participants in particular employers insisted on the

importance of innovations in dealing with the transition to formal economy hence knowledge development and dissemination initiatives must be as innovative as possible; and the roles and responsibilities of each actor should be delineated to foster accountability.

Countries reported existent bodies at national and district level where capacity building can take place. In Nepal, for example, some tripartite bodies at national level perform this function.

Training of trainers is also seen important to better capacitate stakeholders who are involved at different levels. Finally a consensus was reached among workers' and employers' organizations about bringing down awareness raising and capacity building initiatives to local level governments, communities and other stakeholders. Local economies are where formalisation processes happen in practical term.

3. Knowledge Development and Dissemination

Actions by the office

1. The follow-up strategy proposes new, policy-oriented research and tools development in four streams of work: (a) focus on the transition to the formal economy in key policy areas or for specific target groups covered by Recommendation No. 204; (b) analysis of policy combinations and interactions as well as institutional mechanisms that have an overall positive impact on the formalization of the economy; (c) data collection and monitoring; and (d) impact assessment. In all streams, emphasis will be placed on innovative strategies, gender-sensitive analysis will be conducted and due attention will be paid to proposing a range of options that can be adapted to the diversity of country circumstances.
2. The knowledge products that will be developed during the course of the plan of action will include a wide range of technical and policy briefs, an update of policy resource guides and good practice toolkits, comparative research and impact assessment tools. Selected examples of products to be developed by units across the Office are given in the appendix. These will be widely disseminated in various languages, including through the capacity-building initiatives

The development of knowledge of what works in different contexts and the dissemination of that knowledge are essential to support national dialogue processes and action. While a number of member States have a proven record of developing effective legal and policy frameworks for formalization, many others have only recently embarked on similar paths or are starting to consider the possibility of doing so. There is considerable demand from member States for evidence-based practical knowledge about what works and does not work in facilitating the transition to the formal economy. One of the key issues with knowledge development and dissemination with regards to the transition to formality is the lack of quantitative information about the informal economy and informal employment. How can this knowledge be produced? How can it be used for policy making? It is clear that tripartite mechanisms and forums are affordable and methods for understanding drivers and trends available.

Tripartite mechanisms are crucial for the development and implementation of integrated strategies. Participants stressed the importance to apply social dialogue at all levels in the knowledge dissemina-

tion and development process. It is possible only if employers and workers' organizations are efficient in representing workers and economic units in the informal economy – providing these actors with a voice. In order to achieve that yet challenging objective, capacity building and knowledge development and dissemination are necessary as are human and financial resources.

If the transition to formality is a policy objective, it must be allocated a budget. Understanding the role of national actors, such as the Ministry of Finance and its task of allocating resources is also useful for the development and good implementation of these strategies. Good governance and efficient coordination between the various government stakeholders and social partners were also identified as key component of the success of any formalisation strategies.

In order to ensure that the targets are met, all stakeholders must be held accountable and assessments of changes and results carried out. Tools for understanding drivers are therefore not stand-alone; they must be accompanied with tools for monitoring progress and assessing impact.

4. Partnerships and international cooperation

The resolution requests the Office to promote cooperation and partnerships with relevant international organizations to support the development of policies and initiatives to facilitate the transition from the informal to the formal economy.

Actions by the office

1. The Office follow-up to the 2030 Agenda will duly integrate Recommendation No. 204 as a core instrument to frame and support the implementation of goal 8.
2. The ILO will play a lead role in raising awareness of the new Recommendation and promoting partnerships within the multilateral system for facilitating the transition to the formal economy (UN agencies, WB...). The constitution of an international multi-stakeholder advisory board for advocacy and support to action on the transition to the formal economy and Recommendation No. 204, modelled on the experience and lessons learned from a similar initiative on social protection, will be explored.
3. Through its engagement in the Group of 20 (G20) process, in particular in the Working Group on Employment, the ILO is supporting the focus on informal employment, particularly in relation to the quality of jobs and youth employment. The G20 Meeting of ministers of employment and labour in September 2015 considered a quantitative target, committing to reduce the share of young people most at risk of being left behind in the labour market by 15 per cent by 2025, including the option of focusing on the incidence of informal employment among young people, a particularly relevant target group for G20 emerging economies. On the same occasion, the Business 20 and the Labour 20 issued a joint statement, in which the transition to the formal economy and implementation of Recommendation No. 204 were cited as key priorities for social partners. The ILO will continue to provide technical support to the above activities, as appropriate.

Ways Forward

The participants at the Global Knowledge Sharing Forum on the Transition to Formal Economy valued the opportunity to share experiences and good practices.

- They highlighted the importance of an **integrated approach** and the need to think globally while acting locally to tackle the informal economy.
- Commitment from all key actors is necessary through processes of **social dialogue**, continued knowledge sharing, awareness raising and capacity building

**Think globally while
acting locally to tackle the
informal economy**

The ILO and the Turin Centre will continue to provide support for the implementation of Recommendation 204 and the promotion of the transition to formal economy, highlighting the core principles for action, meaning human rights, social dialogue, improving living and working conditions for all. The ILO will provide support via country activities linked to Outcome 6 on formalization (office target for the coming biennium), the plan to facilitate the dissemination, knowledge and capacity building and partnership work towards the implementation of Recommendation 204, and via the champion country initiative where the ILO will provide technical assistance over 6 years to support and learn more about the transition to formal economy. The Turin Centre will continue to develop capacity development products and provide the space for capacity development, knowledge sharing, awareness raising and partnerships.

In conclusion, participants highlighted the need to prioritize the interventions, design effective integrated strategies for the transition to formality and apply practical tools. The momentum created by the adoption of R204 comes with a change of mindset with regard to the confidence that transition to formal economy is feasible through social dialogue.

Annexes

Annex 1: GKSF Agenda

	Monday 23/11/2015	Tuesday 24/11/2015	Wednesday 25/11/2015
	HIGH LEVEL MEETING		
09.00 - 10.30	8:30 Registration Opening : Keynotes from ILO From the adoption of R204 to its implementation: <i>Follow-up strategy for action</i>	Knowledge exploration on informal economy: <i>Country profiles</i>	Rights and
11.00 - 13.00	<i>Group picture</i> Panel Implementation of R204 : Perspectives from ILO constituents (W, E, G)	Building national diagnostic capacities to support effective policies for transition to formal economy	Short tech Data collec diagnostic t related to in analysis Improving formalizing Freedom o bargaining informal ec
14.00 - 15.30	Panel <i>Transition to formal economy:</i> In the new framework of the 2030 Agenda for Sustainable Development (SDG 8) Building Partnerships and international cooperation to promote R204	How to facilitate transition to formal economy? Integrated policy framework. Mainstreaming transition to formal economy into employment and development policies	Legal and p Country ex
15.45 - 16.45	Transition to formal economy - Ways forward	Sharing regional experiences - overview from: Africa Americas Asia Europe	Skills devel apprentices
16.45 - 17.30	GKSF Programmes and objectives		Extending workers Addressing vulnerable young peop

	Thursday 26/11/2015	Friday 27/11/2015
social protection	Addressing youth informality	<i>What comes next? What are the gaps and how to address them</i>
Technical presentations	Short technical presentations	Forum Conclusions & Follow-up : <i>Building regional and national partnerships for transition to formal economy</i> Closure
Protection, monitoring and tool : Labour market indicators Informal Economy and	Role of employers organizations to promote sustainable enterprises	
Working conditions and employment	Innovative strategies to support formalization of informal businesses, and micro and small enterprises	
Trade union, association, collective and organizing workers in the economy	Addressing decent work deficits for informal workers in rural areas (LED, VCD)	
Policy frameworks	Incentives, compliance and enforcement	
Country experiences (practices)	Country experiences (practices)	
Development : upgrading informal employment	Innovations in labour inspection for the informal economy	
Social protection to informal	Formalization of micro and small enterprises and enterprises in the informal economy	
Addressing decent work deficits for groups (domestic workers, etc...)	Addressing undeclared work in selected contexts	

Annex 2: Participants List

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Transition to formal economy - A global knowledge sharing forum – GKSF

Transición a la economía formal - Foro mundial para el intercambio de conocimientos - GKSF

23 – 27/11/2015



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Annex 3: Group Photo



