

Editorial

Six years ahead of the 2030 deadline for the Sustainable Development Goals (SDGs), the prospects of ending poverty in all its forms everywhere (Goal 1), or ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all (Goal 4) remain daunting. Progress on the formalisation agenda (Goal 8.3) is also slow.

This stems, in part, from the protracted difficulty for governments to significantly and sustainably address the vulnerability of workers in informal employment. Today, nearly 60% of all workers in the world remain informal, most of them maintained in poverty by low-paying jobs and very limited access to skill development and social protection.

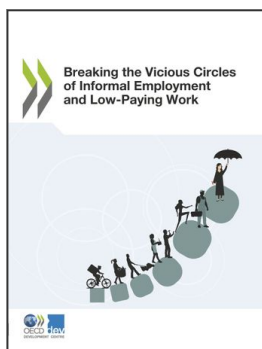
One major achievement of this report is to disassemble the mechanics of those deleterious links between informality, poverty and low skills, by showing the many ways in which vulnerability is being passed on from one generation to the next: poor, informally working parents are often unable to dedicate enough time or money to the schooling of their children; they need their working hands for the household; and they do not have the social networks to help them obtain a good job. What policy makers are confronted with, therefore, are combined, vicious, inter-temporal circles of informality and low-paying work.

Policy makers can break those circles, this report argues. Tailored solutions for skill development, as well as recognising the skills of informal workers, can go a long way in closing the gap between formal job offers and the abundant informal workforce. Taking better account of the different needs of informal workers when investing in social protection can also enhance the benefits considerably. For the poorest and their children, the best strategy is to ensure that they are adequately covered by labour laws; to include them in available non-contributory social protection schemes; and to subsidise their participation in contributory schemes. For the better-off informal workers, wider incentives to participate in contributory schemes are needed, but also better compliance with tax and other relevant regulations.

We hope that this report, and the original database that underpins it, will help governments shed new light on the informality challenge at home, and identify their own policy solutions to address the double burden of informality and low-paying work which the majority of workers in developing and emerging economies have been carrying.

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