

Proyecto CEPAL-BMZ/giz “Reactivación transformadora: superando las consecuencias de la pandemia de COVID-19 en Latinoamérica y el Caribe”



Desafíos para la inclusión laboral de las y los trabajadores informales en un escenario de recuperación

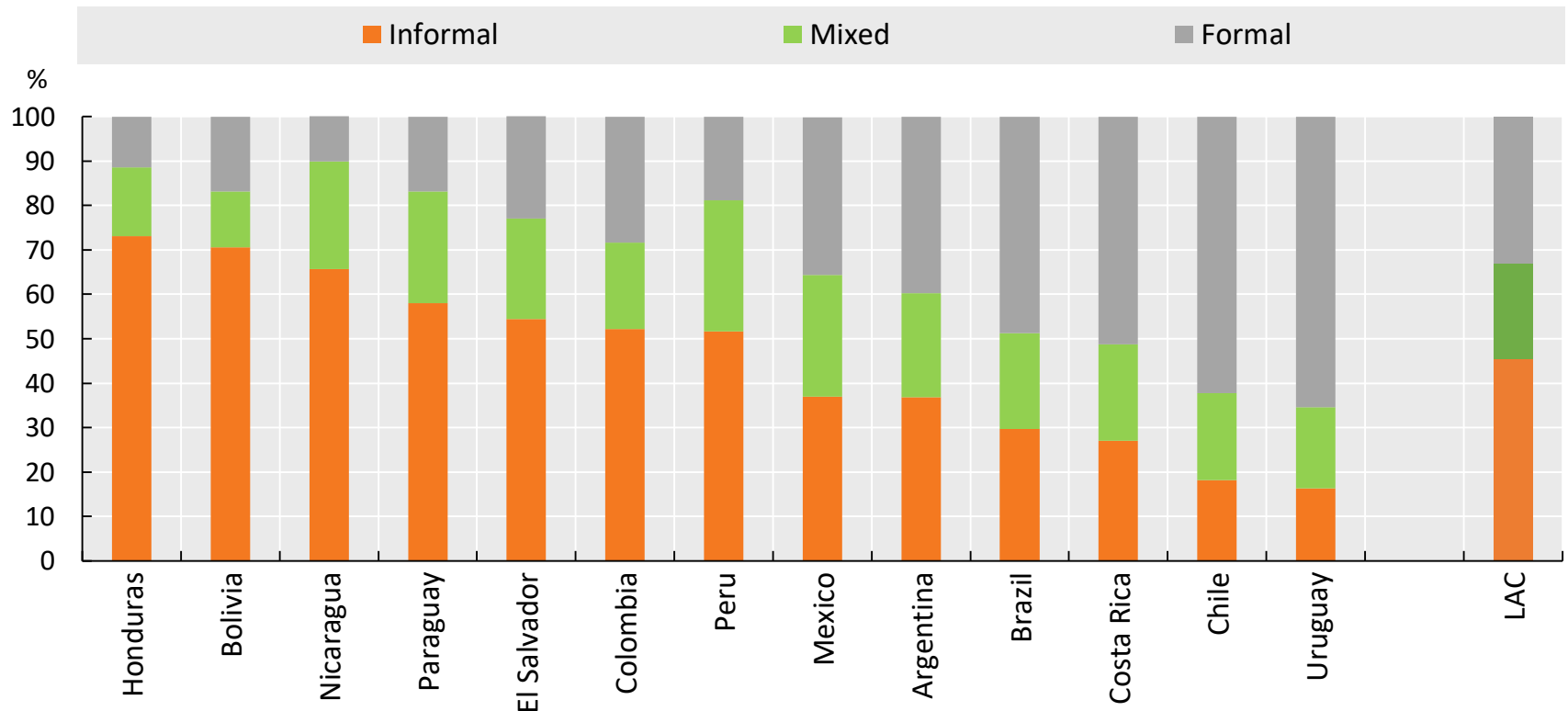
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@OECD_Centre @snietoparra

9 de junio de 2022



Informality takes different forms at the household level

Distribution of overall population, by degree of informality of households
(Households with 2 or more workers)
Percentage of population

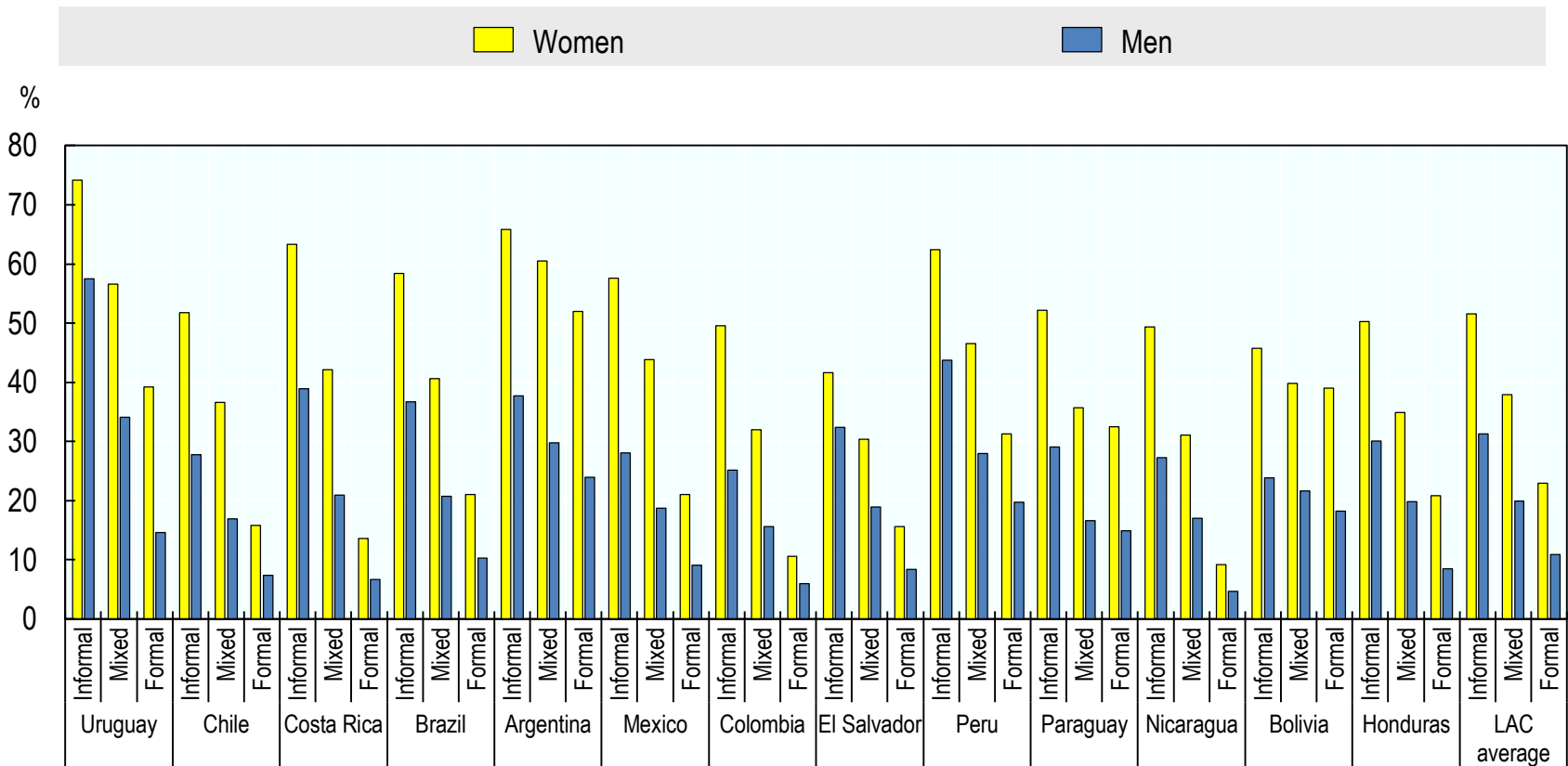


Source: OECD et al. (2021), Latin American Economic Outlook 2021: Working Together for a better Recovery, OECD Publishing, Paris based on <https://www.oecd.org/dev/key-indicators-informality-individuals-household-kiibih.htm>



Informality takes different forms at the household level - Gender

Incidence of part-time work by gender and household type



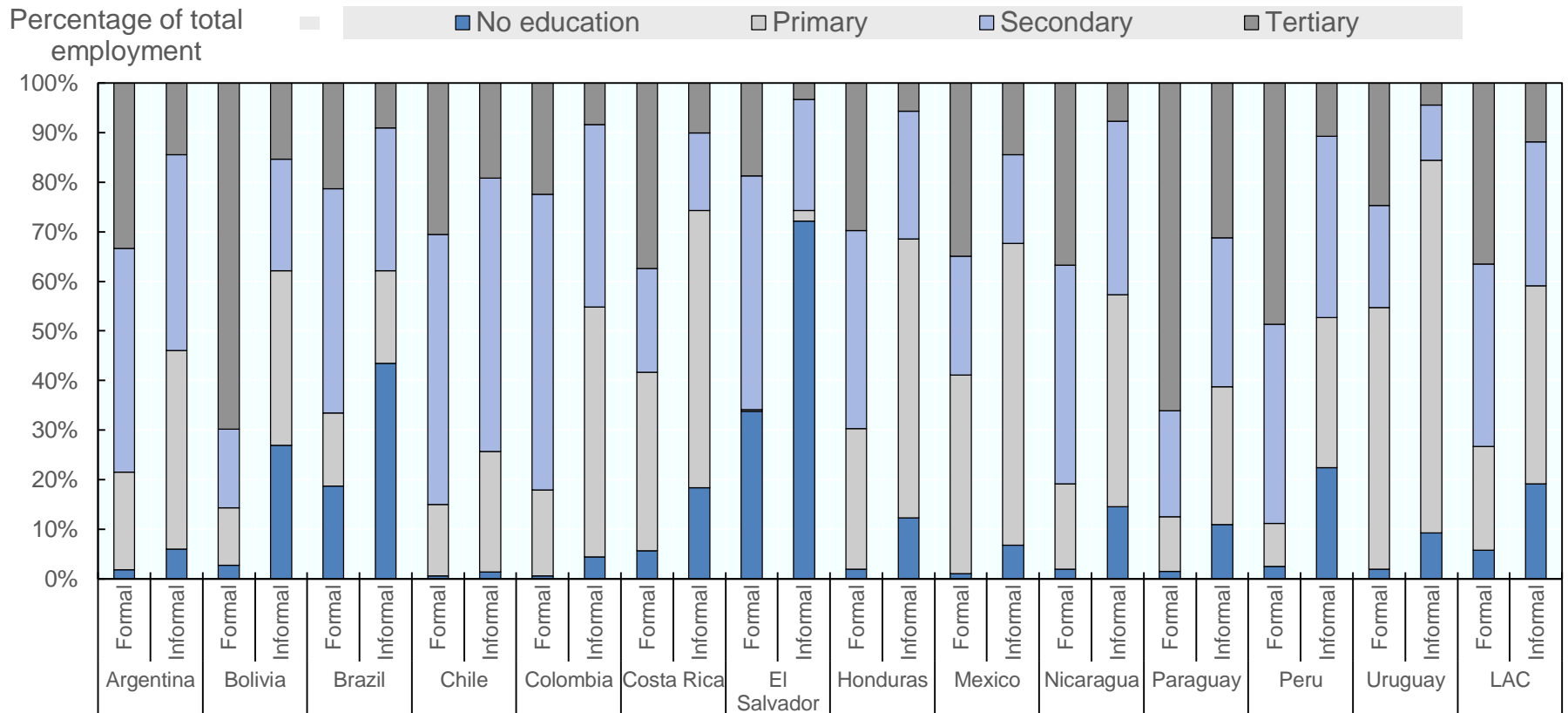
Source: The Key Indicators of Informality based on Individuals and their Households (KIIBIH).
<https://www.oecd.org/dev/key-indicators-informality-individuals-household-kiibih.htm>



Vulnerable groups are disparately exposed to informality

- Education

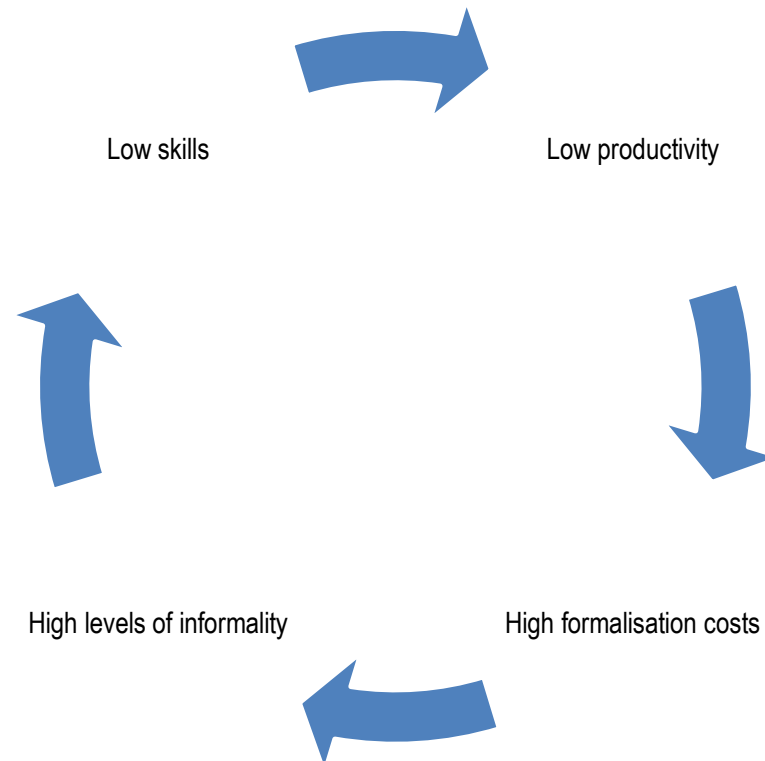
Informal employment and highest level of educational attainment





Informality is a complex and multidimensional phenomenon: cause and consequence of several factors

The circular relationship between skills, productivity and informality



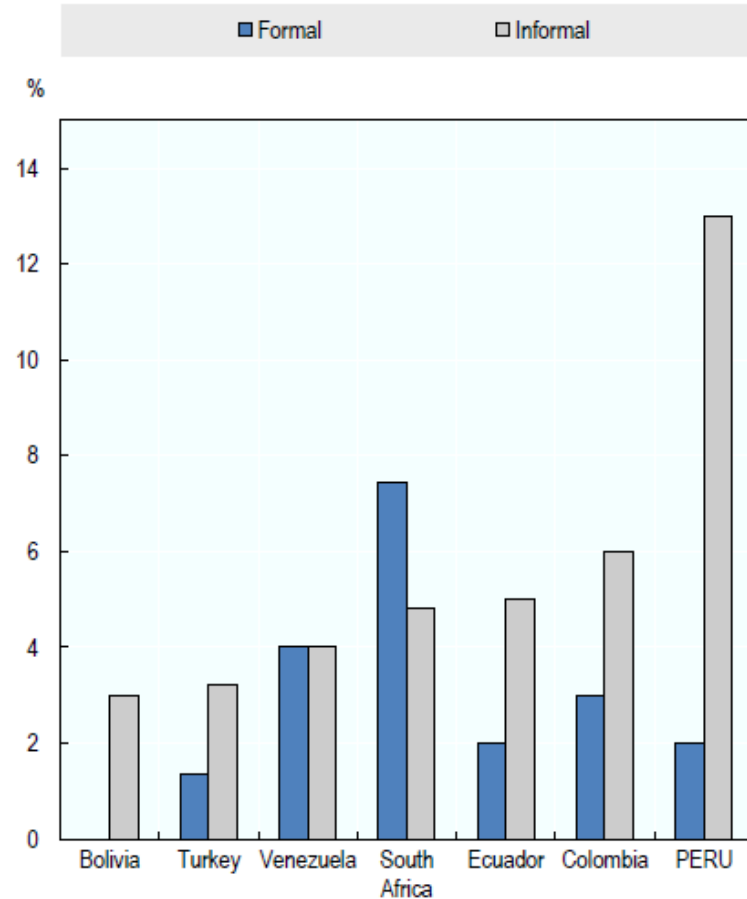
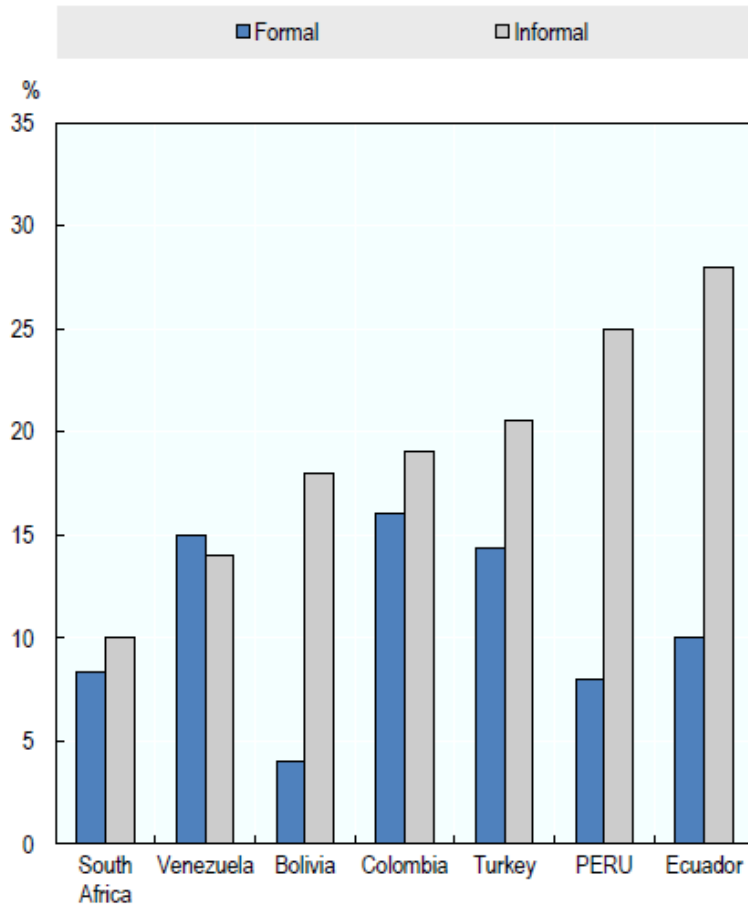


To take care of the worker and not the job position

Job-finding rates in benchmark economies, 2009-10 ($t-1$ and t)

Panel A. Unemployment to...

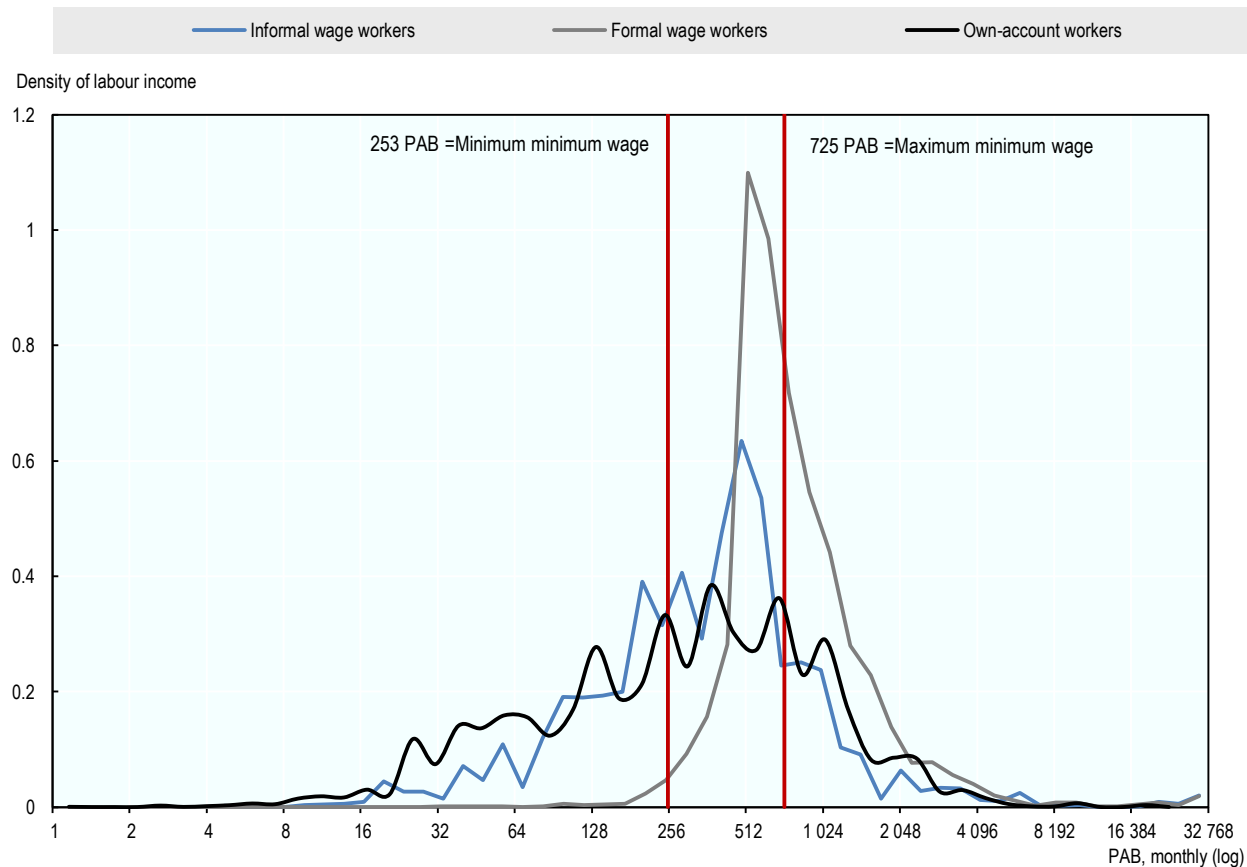
Panel B. OLF to...





Informality and minimum wage: heterogeneity across LAC countries

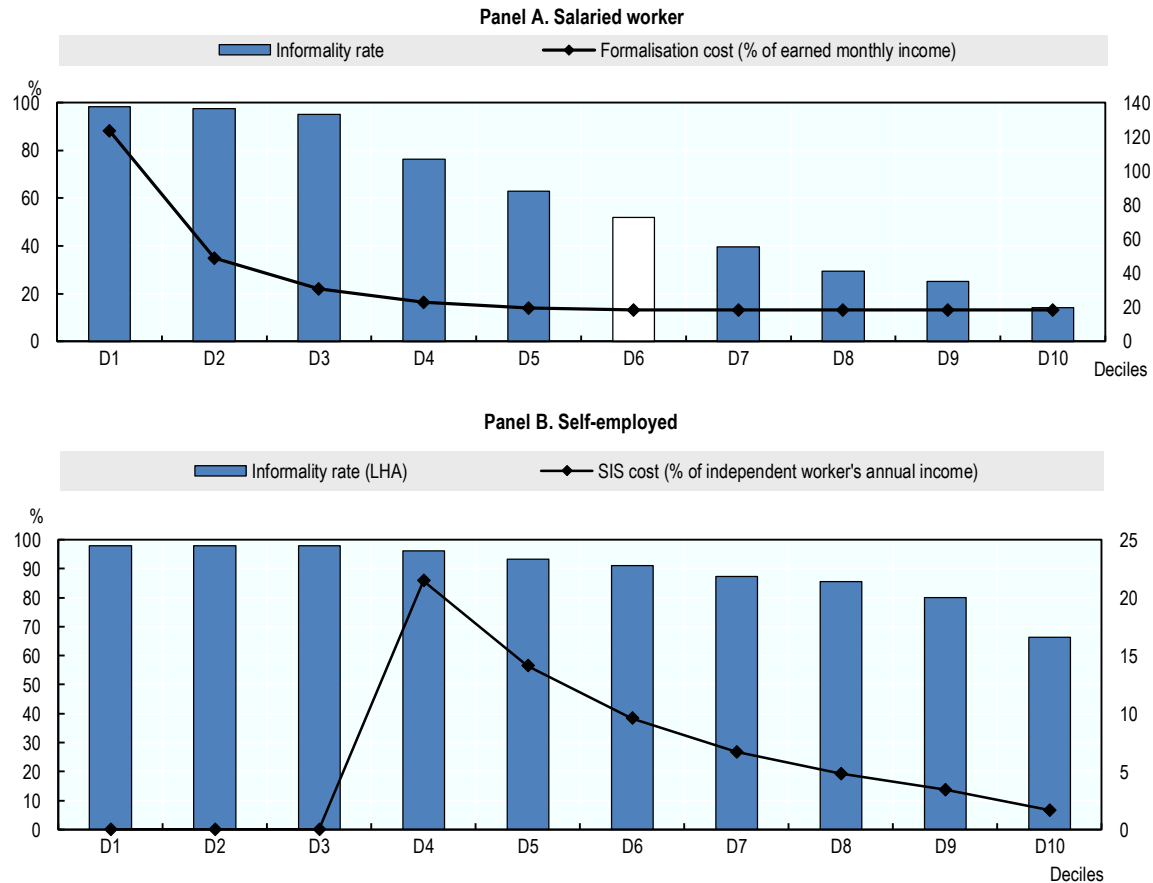
Informality and earning in Panama





Labour costs differ across countries and labour status

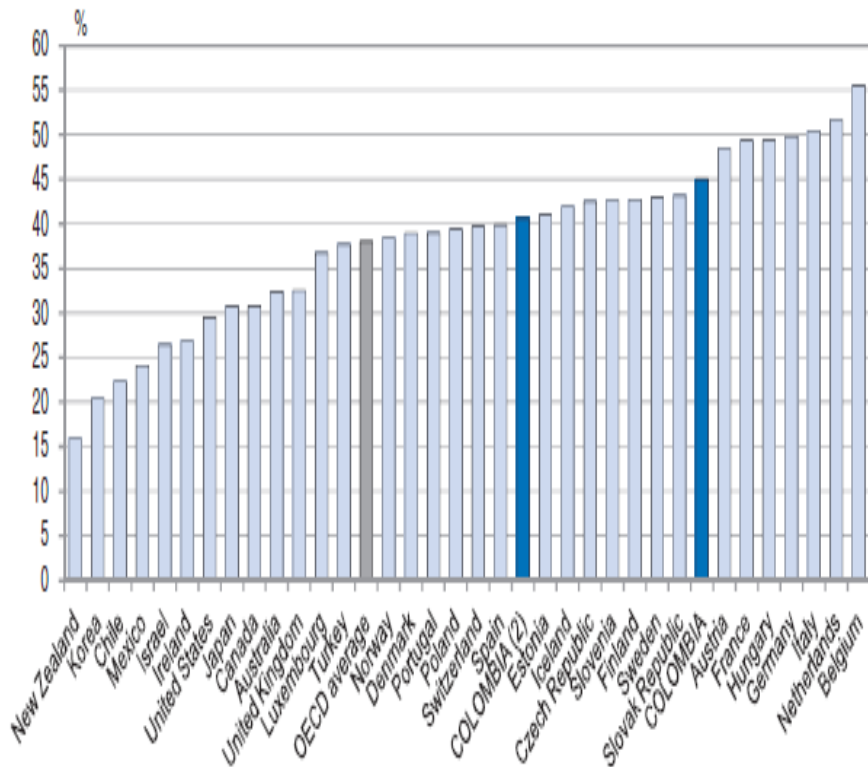
Informality and formalisation costs in Peru



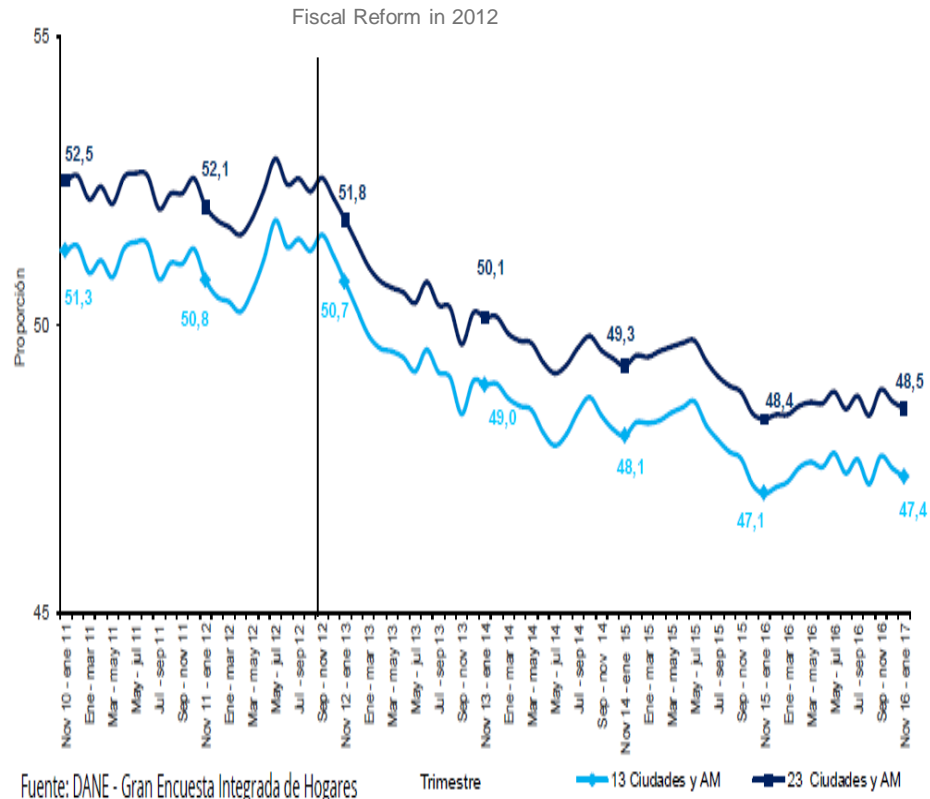


Non-wage labour costs (NWLC) in Colombia

Non-wage labour costs (NWLC) As per cent of labour costs



Informality rates Colombia (%)

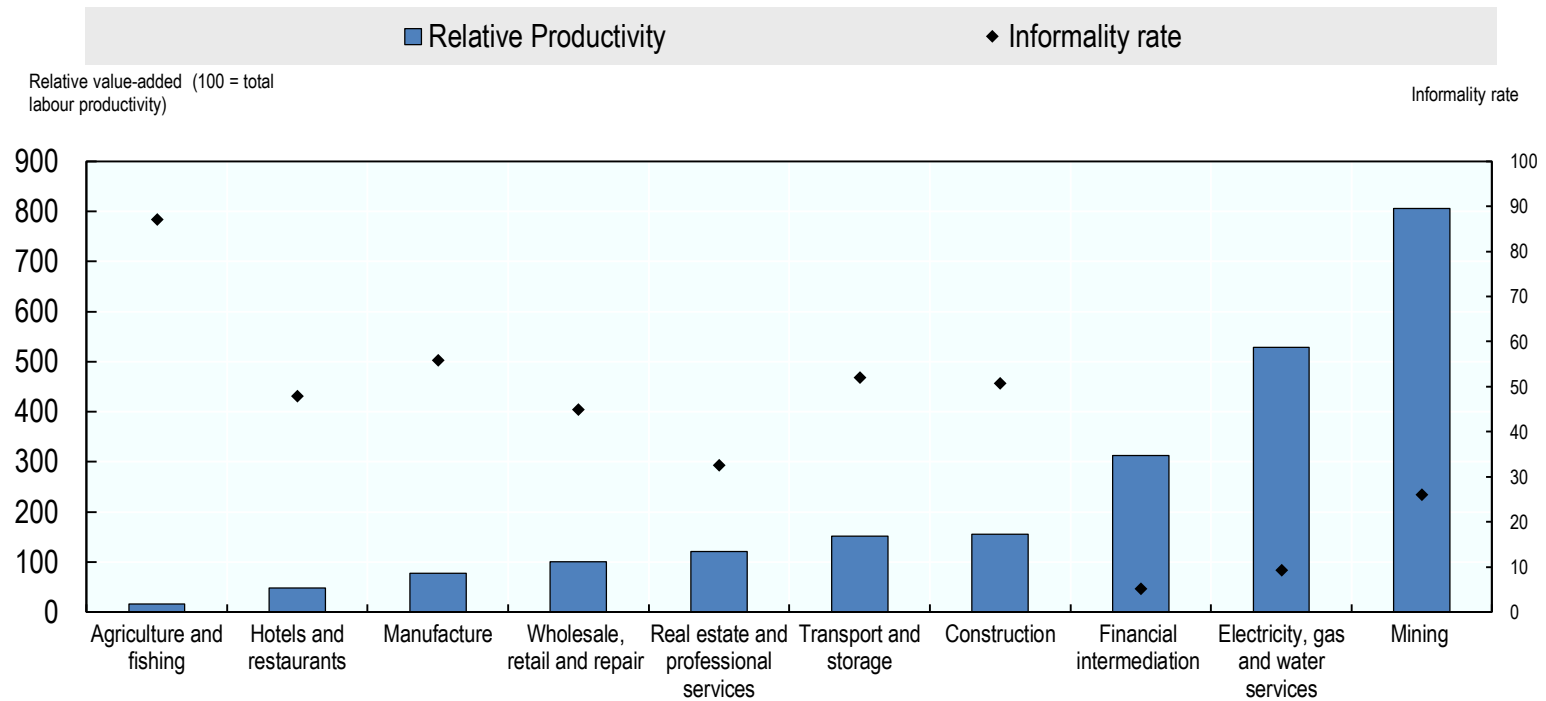


Source: OECD Tax Database; OECD estimates and DANE.



Productivity and informality at the economic sectors levels

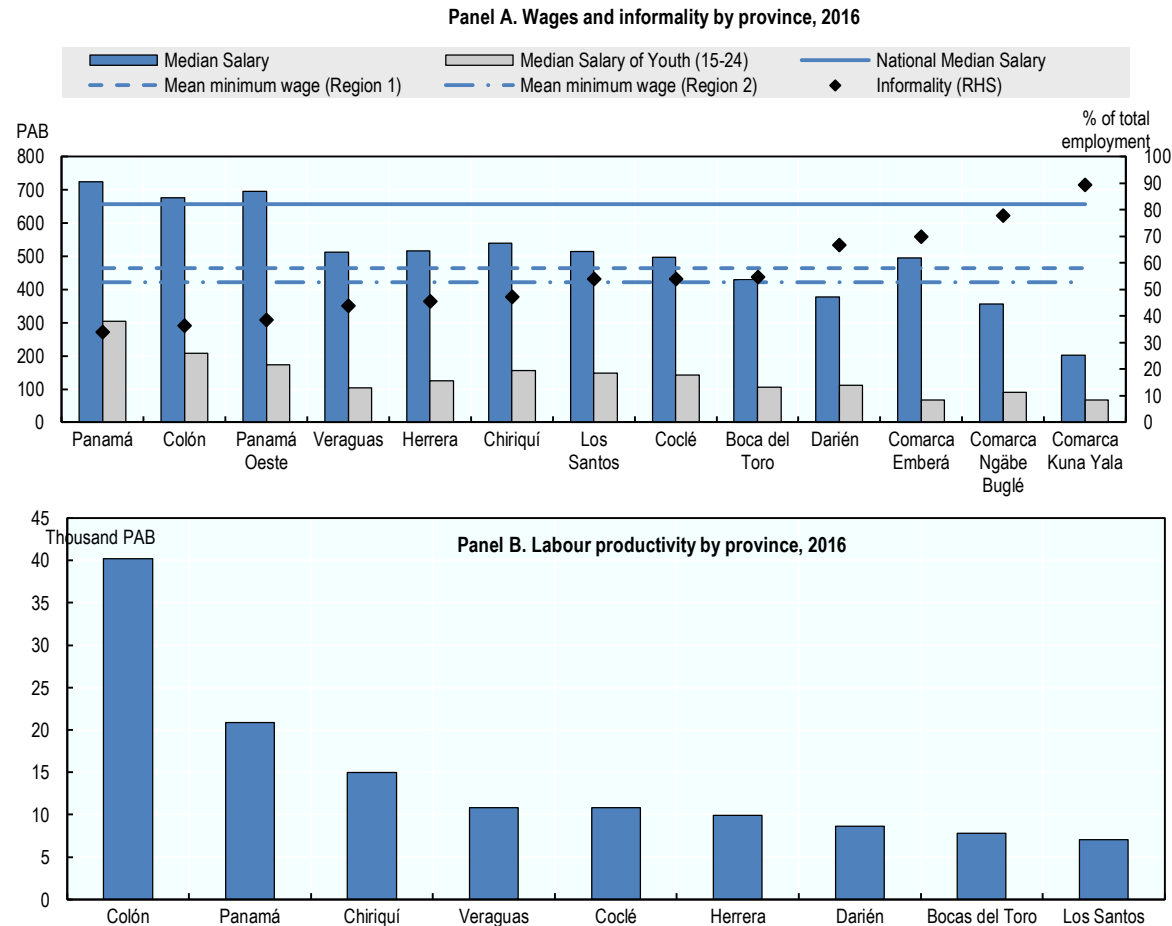
Relative productivity and labour informality in Panama





Wages and informality at the sub-national level

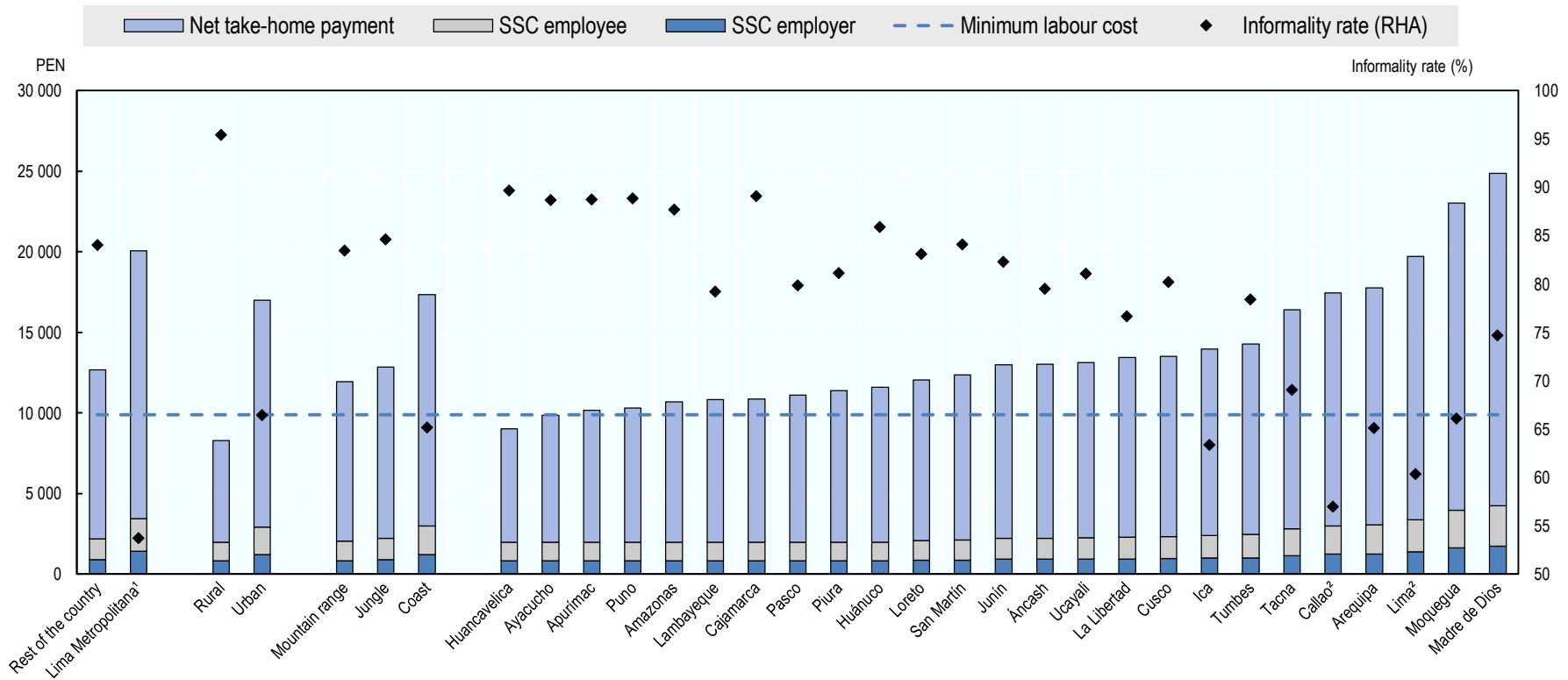
Informality, wages and productivity by province in Peru





Labour costs and informality at the sub-national level

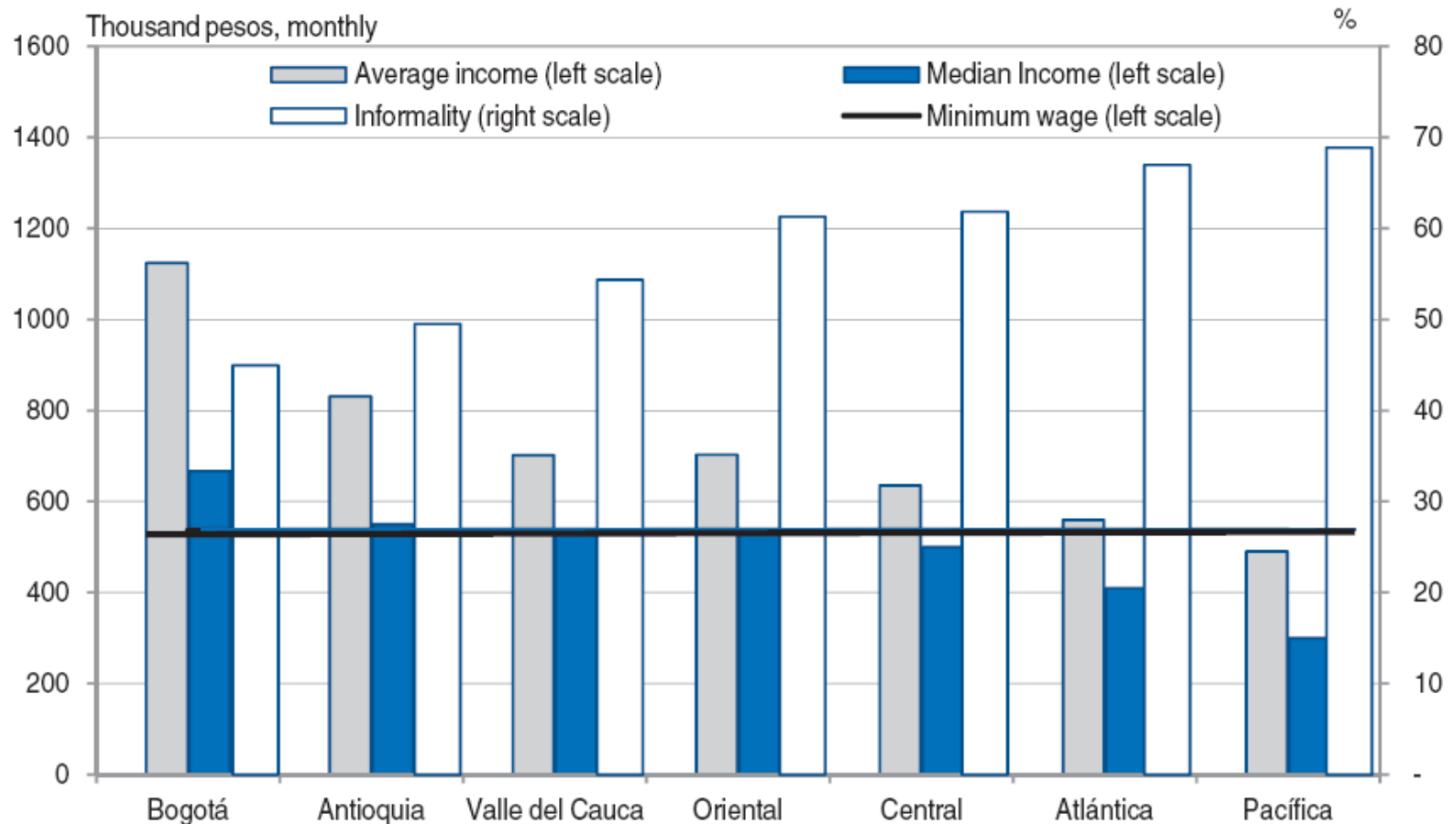
Total labour costs by geographic location in Peru, 2014





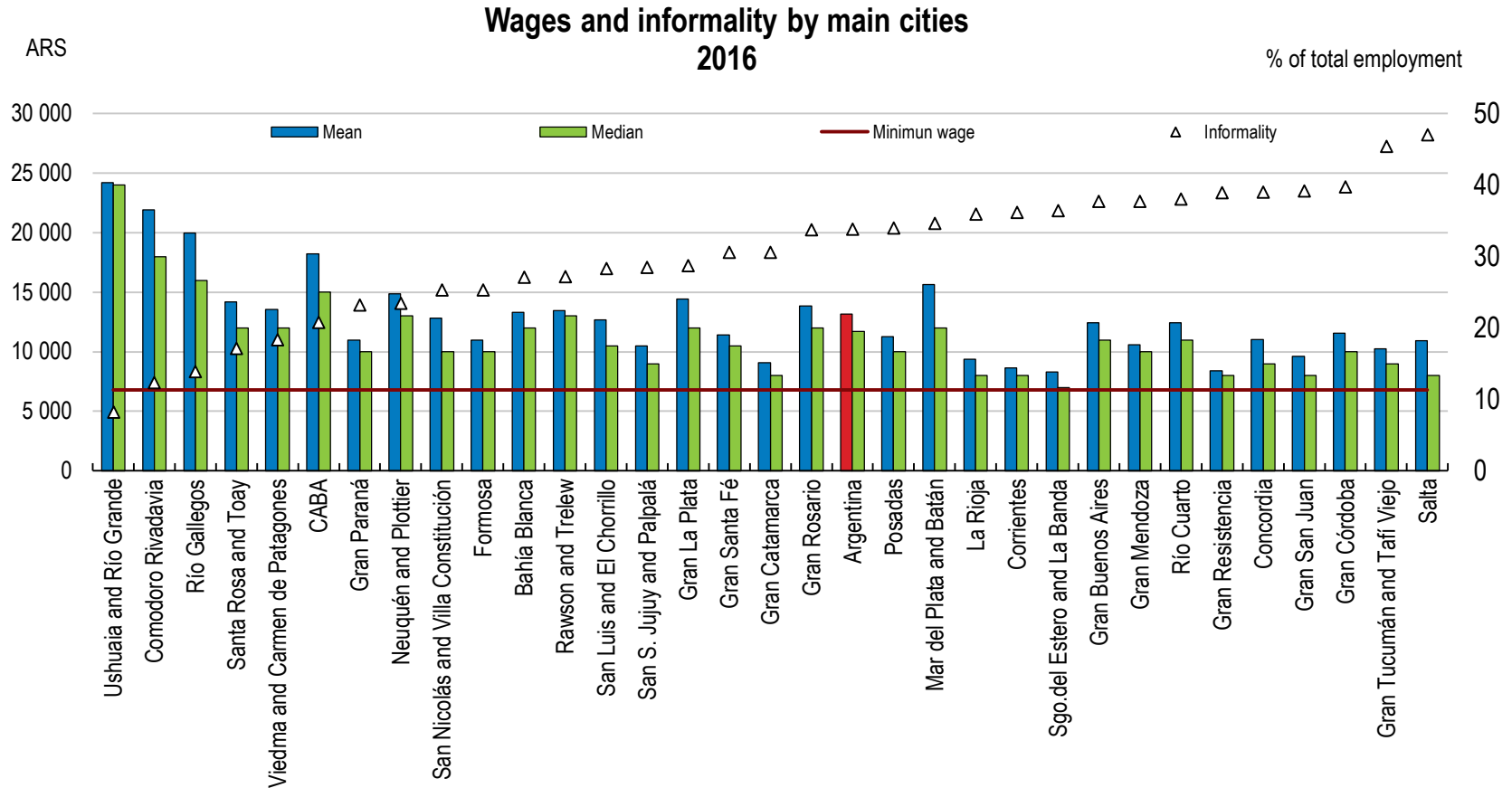
Minimum wage, informality and regional development

Minimum wages, salaries and informality in Colombia at the sub-national level





In Argentina, minimum wage below average wage at the sub-national level



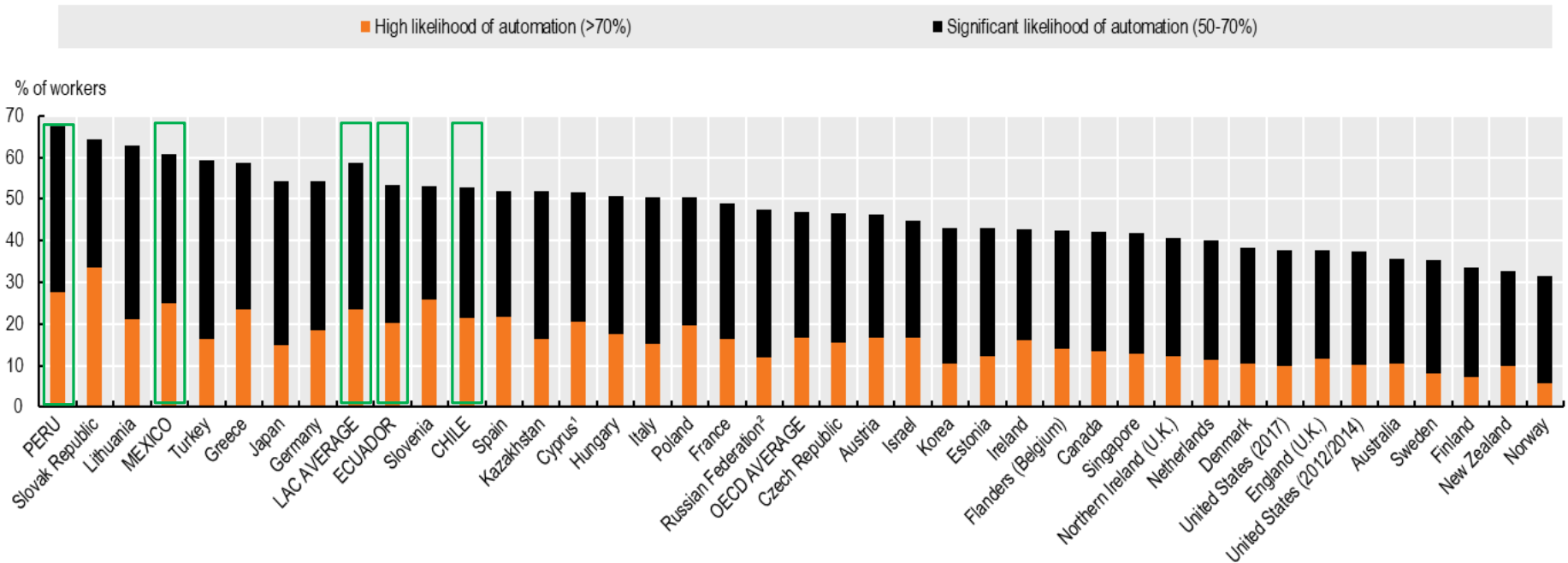
Notes: A worker is considered informal if s/he is a wage worker and is not contributing to the pension system. Data are representative of urban centres of more than 100.000 inhabitants.

Source: Ministry of Labour, Employment and Social Security based on Encuesta Permanente de Hogares (EPH), INDEC (2016) and EPH for third trimester of 2016 (INDEC).



In selected LAC countries, more than 20% of jobs are at high risk of automation

Percentage of workers by risk of automation (task analysis) in selected OECD and LAC countries



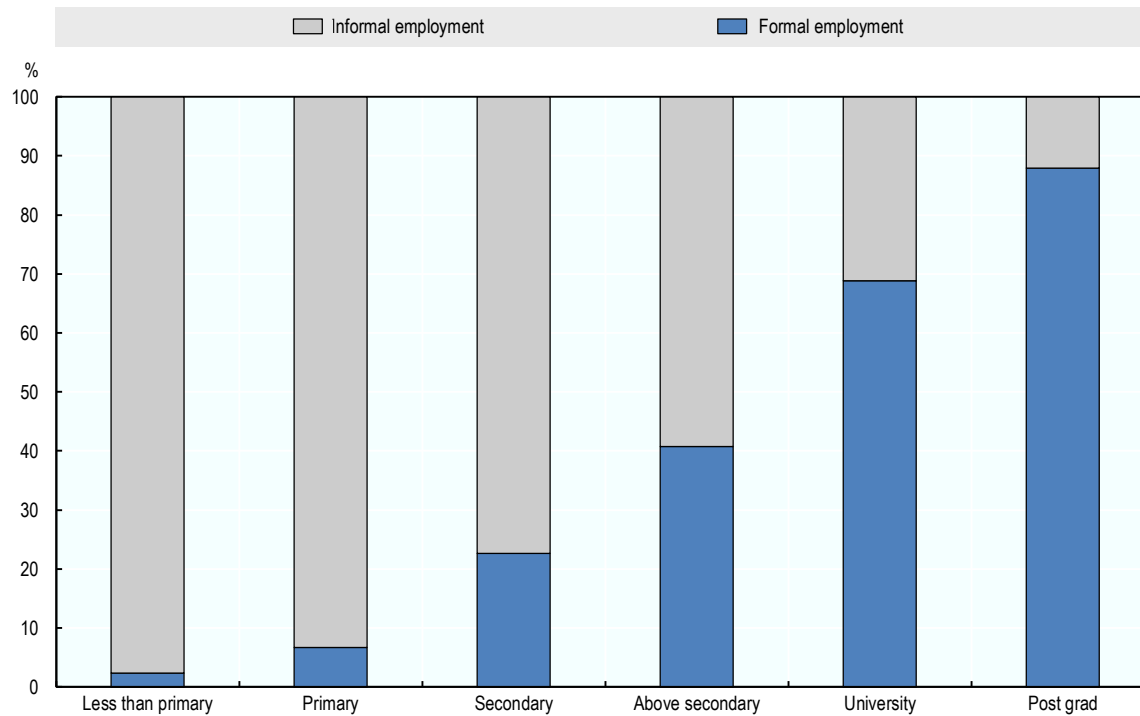
Notes: Occupations are at high risk of automation if their likelihood to be automated is at least 70%. Occupations are at risk of significant change if their likelihood to be automated is 50% to 70%. Estimates based on Nedelkoska and Quintini (2018). Values for OECD countries are simple averages.

Source: Latin American Economic Outlook 2020 <https://doi.org/10.1787/e6e864fb-en> based on OECD (2019), *Skills Matter: Additional Results from the Survey of Adult Skills*, OECD Skills Studies; OECD/PIAAC (2018), *Survey of Adult Skills* (database), www.oecd.org/skills/piaac/data/.



Promoting the right skills

Informal and formal employment by level of education in Peru, 2014



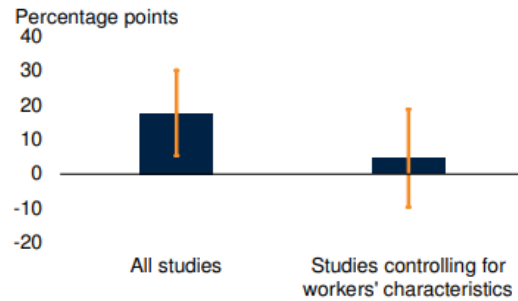


Meta-data analysis on developing countries

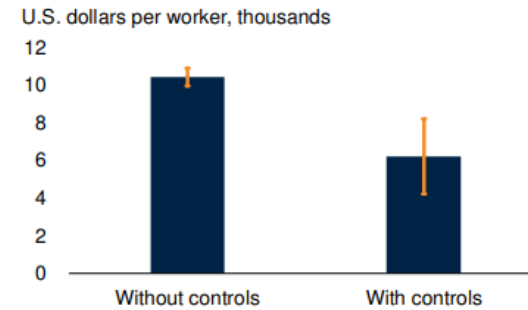
FIGURE 4.2 Features of informal firms and workers

Informal workers tend to be less well-paid and employed in the agricultural or services sectors. Informal firms are less productive than their formal-sector peers.

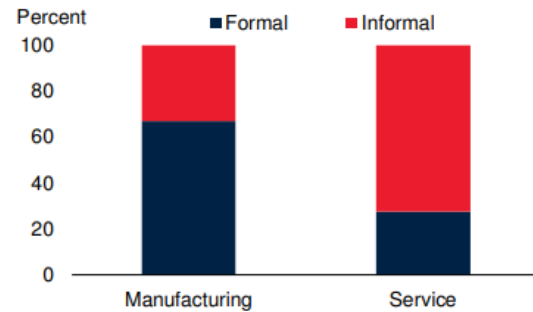
A. Wage premium for formal employment over informal employment



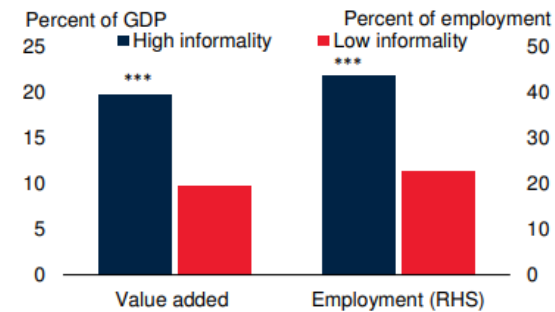
B. Labor productivity differential between firms in formal and informal sectors



C. Sectoral distribution of informal firms



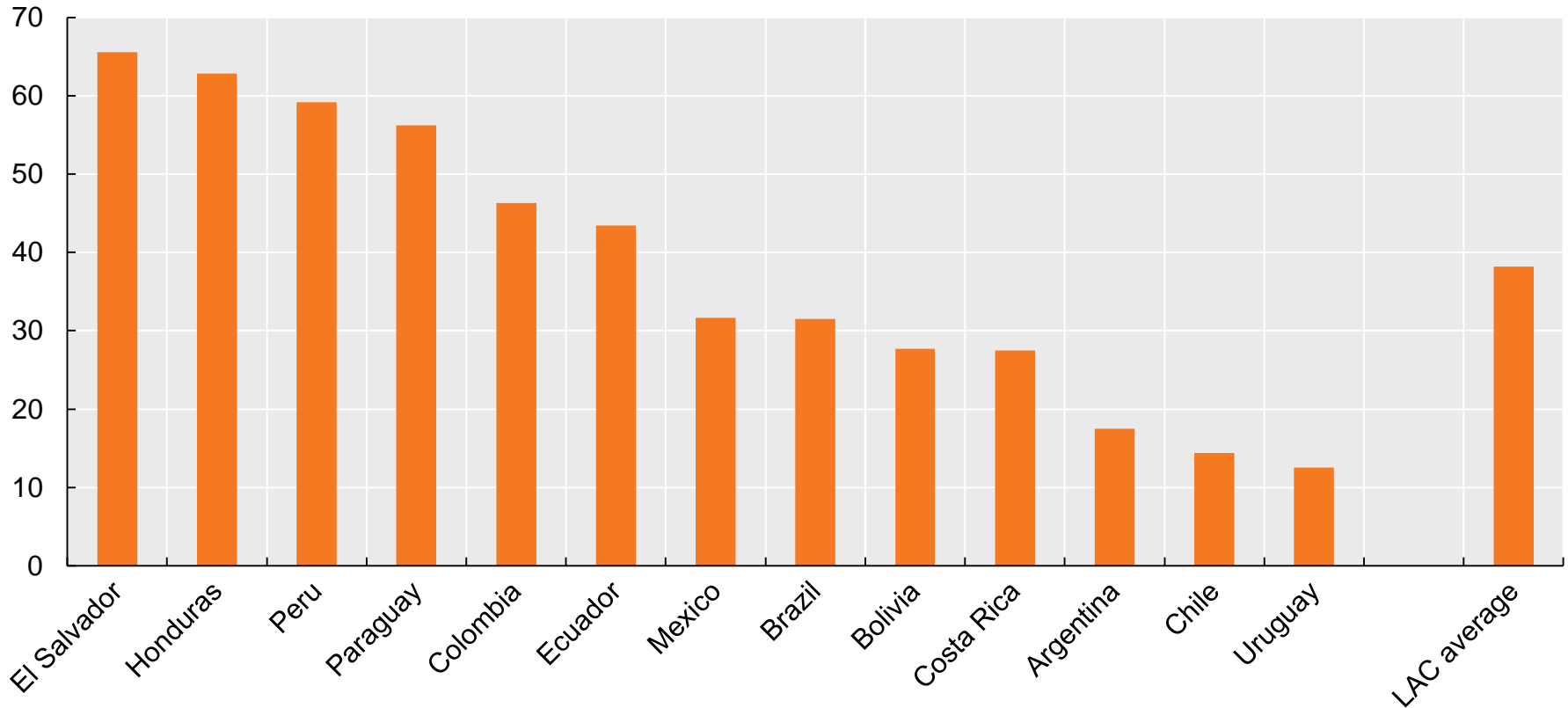
D. Agricultural sector and informality





There is a growing need to rethink social assistance programmes

Workers without labour-based social insurance and main social assistance schemes (%)

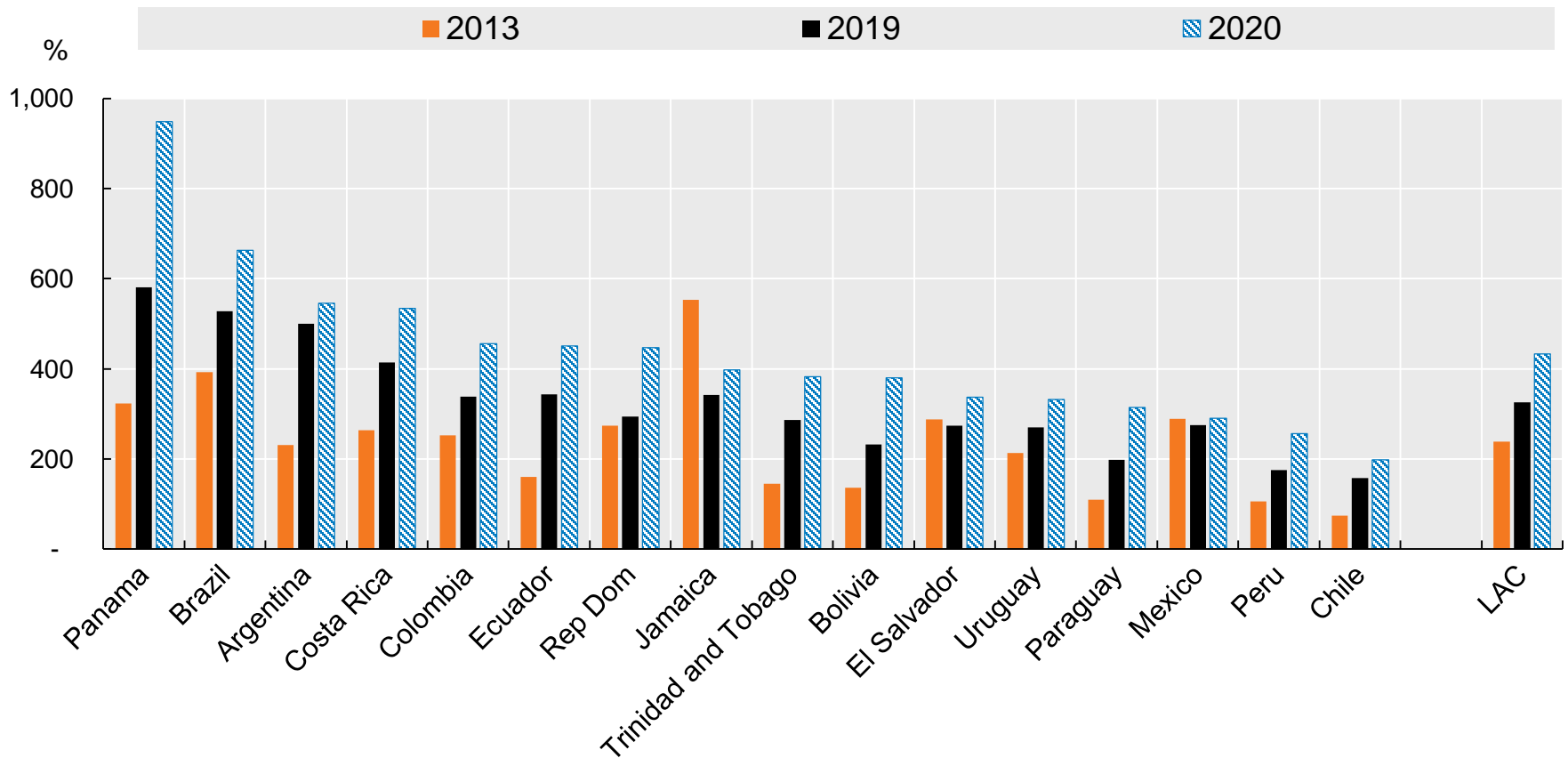


Based on official data (household surveys)



Public debt has grown and fiscal space is limited

Public debt relative to tax revenue

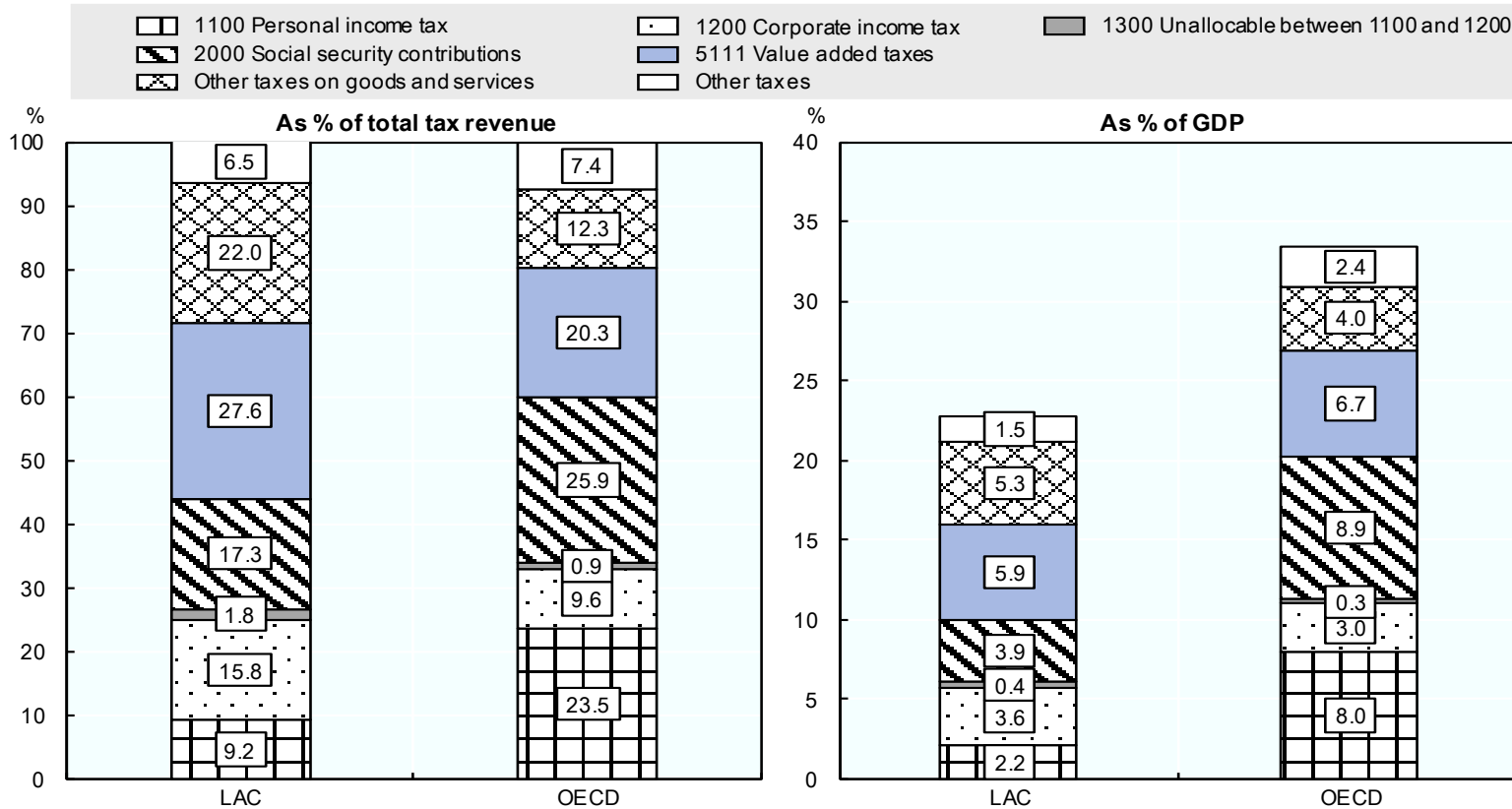




On average, tax revenues are low and the tax structure does little to reduce inequalities

→ Towards new taxation systems in LAC

Tax structure LAC vs OECD



Muchas gracias

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