

## BRICS Knowledge Series on Transition to the Formal Economy

South-South cooperation for work formalization in the context of COVID-19

### Metadata

**Countries involved:** Brazil, China, India, South Africa, Russia

**Nominated by:** International Labour Organization, India

**Primary SDG:** 8      **SDG target:** 8.3

**Supported by:** ILO HQ (South-South Cooperation contribution through ILO's regular budget contribution to development cooperation), ILO India, ILO China, The Ministry of Human Resources and Social Security of People's Republic of China (MOHRSS), International Training Centre of the ILO (ITCILO)

**Implementing entities:** ITCILO Turin, ILO

**Project status:** Completed

**Project period:** January 2021 – December 2021

**URL of the practice:** [www.southsouthpoint.net/themes/brics/](http://www.southsouthpoint.net/themes/brics/)

### The challenges

More than 6 in 10 workers and 4 in 5 enterprises in the world operate in the [informal economy \(ILO\)](#).<sup>1</sup> Contrary to forecasts, informality has not diminished over time and is even increasing in many countries. The pandemic has underscored the fact that many women and men in the informal economy need the uninterrupted ability to earn an income to feed themselves and their families, as most of them cannot rely on income replacement or savings in times of shutdown or slowing economies. Not working and staying home for most informal workers means losing their jobs and their livelihoods. "To die from hunger or from the virus" was the all-too-real dilemma faced by many informal economy workers in the context of the COVID-19 pandemic.

### Towards a solution

To address the above challenges, the International Labour Organization (ILO) developed the BRICS Knowledge Series on Transition to Formal Economy. The series helped participants from BRICS<sup>2</sup> countries (Brazil, Russia, India, China and South Africa) understand the crucial importance of identifying current and future challenges within a broader policy framework that work as a barrier to formalization. Through the series, participants acquired and shared knowledge, including successes and lessons learned during implementation. The series was designed in the follow-up to the Indian Presidency of BRICS in 2021. This is important for this activity, as it was coordinated by the ILO New Delhi office, and it reaffirmed the importance of Indian South-South cooperation in the context of BRICS.

The past few years have seen active development cooperation between ILO and the governments and private sector from BRICS countries. BRICS countries require and expect capacity building initiatives that are tailored to their country contexts and complement their expertise. Successive BRICS summits have stressed that to implement ILO Recommendation No. 204 concerning the

<sup>1</sup> [www.ilo.org/global/topics/employment-promotion/informal-economy/lang--en/index.htm](http://www.ilo.org/global/topics/employment-promotion/informal-economy/lang--en/index.htm).

<sup>2</sup> BRICS is the association five major emerging economies: Brazil, Russia, India, China and South Africa.

Transition from the Informal to the Formal Economy requires country-specific coordinated actions and capacity building.

This innovative e-learning knowledge series was designed using a learner-centred approach with the objective of involving participants, including members of think tanks, research institutions, tripartite constituents of the ILO (governments, workers and employer organizations), the United Nations system and the South Centre. The six-week training session was highly interactive and used different methods to make the content interesting and relevant, including PowerPoint presentations, moderated discussions, role play and group work. To overcome the challenge posed by the COVID-19 pandemic, the knowledge series adopted virtual methodologies. Over 150 people participated and benefitted from the training.

A series of papers and good practices were prepared by ILO and the consultants working for the programme on formalization of the informal economy in the context of BRICS. The key document, [Informality and the potential for south-south cooperation between BRICS](#), was authored by Santosh Mehrotra, reflecting on the Indian presidency of BRICS in 2021 and the concrete recommendations that could stem from this appointment.

The main recommendations are: 1) arrive at a consensus that informality is a serious enough issue to deserve greater attention; 2) undertake an assessment and diagnostics of informality in BRICS countries and set up a technical group for mutual learning and support in this regard; 3) review and enforce national laws and regulations and other measures to ensure appropriate coverage and protection of all categories of workers and economic units; 4) adopt integrated policy frameworks, included in national development strategies or plans, that facilitate transitions to the formal economy; 5) undertake systematic reviews in respect to Covid-related measures, and how well countries supported informal enterprises and workers; and 6) ILO to prepare a project or programme that supports these activities in BRICS countries.

The involvement of ILO tripartite constituents from all BRICS countries makes the initiative sustainable given the key role they play in policy formulation regarding decent work. The knowledge series will be an annual event, rotating based on the BRICS presidency. In 2023, the knowledge series will be hosted by China.

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#### **Photos of the initiative**

BRICS

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Mais informações sobre BRICS

Pasta BRICS

### Related resources

- [Informality and the Potential for SSC between BRICS counties](#)  
Enterprise Formalization in Brazil
- Brics Space in South-South meeting point: [BRICS – South-South Meeting Point \(southsouthpoint.net\)](#)
- Road map and way forward presentation:  
[https://docs.google.com/presentation/d/1wsJutLorh-cWh2tHLx26jC\\_N-VI19WZg/edit#slide=id.p1](https://docs.google.com/presentation/d/1wsJutLorh-cWh2tHLx26jC_N-VI19WZg/edit#slide=id.p1)