



**BUSINESS**at**OECD**

Business and Industry Advisory  
Committee to the OECD

# **Breaking the Informality Trap in Latin America and the Caribbean**

Business Perspectives on Formalisation,  
Productivity, and Inclusive Growth

Vision Paper  
**June 2026**

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# Introduction

The objective of this report is to analyse the factors, implications and effects of **labour informality in Latin America and the Caribbean** from a business perspective, with the aim of providing **evidence on its impact** on the private sector, identifying **the main challenges it poses for companies** and exploring **possible public policy reforms aimed at reducing it**.

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*The report also pays special attention to the role that the OECD can play in promoting more efficient regulatory environments and strengthening public-private collaboration mechanisms.*

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The relevance of this phenomenon in Latin America and the Caribbean is particularly critical due to its **scale and persistence over time**. According to the International Labour Organization's report "[2025 Labour Overview: Latin America and the Caribbean](#)", the **labour informality rate** in the region reached **46.7%** during the first half of 2025, meaning that **almost one in two workers in Latin America and the Caribbean operates outside formal frameworks of labour protection and regulation**. However, reducing informality to an exclusively labour-related issue would be insufficient, since **it is also a problem of productivity, fiscal capacity, investment and competitiveness**.

Along these lines, the OECD's "[Latin American Economic Outlook 2025](#)" highlights the close relationship between high levels of informality and the low levels of labour productivity that characterize much of Latin America and the Caribbean. The report also warns that the region remains trapped in a "**low-productivity trap**", in which informality reduces the capacity to raise revenues, limits

access to credit and discourages investment, innovation and digital transformation. It also creates an uneven competitive environment for formal companies and weakens economies' ability to sustain more resilient, inclusive and competitive growth over the long term.

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*In this context, the private sector emerges as a key actor in addressing informality, not only because of its effects on employment, but also because of its direct impact on investment, productivity and the region's business climate.*

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In addition, the report "[Breaking Down Barriers: Tackling Investment Hurdles in Latin America](#)" by **Business at OECD (BIAC)** highlights how regulatory uncertainty, institutional weakness and asymmetries in regulatory compliance reduce incentives to operate formally and hinder the creation of stable and predictable competitive environments; in fact, according to the survey conducted by *Business at OECD* in seven countries in the region, **84% of companies identify political instability and regulatory changes as the main obstacle to investment**, while another study shows that **68% identify corruption and the lack of transparency** as obstacles to investment.

Along these lines, this report, "**Business perspectives on informality in Latin America and the Caribbean**" identifies the main structural barriers that companies face in relation to informality. It is based on a **survey conducted between March and May 2026 among business representatives from the Business at OECD (BIAC) network** with operations and investments in **Latin**

**American and Caribbean** countries within the OECD ecosystem.

The questionnaire addresses issues related to **the structural factors of informality, its impact on formal companies and competitiveness, barriers and opportunities for formalisation, the potential role of the OECD and possible recommendations.**

It also incorporates **case studies from companies and organizations** operating in the region, which provide concrete evidence on how informality affects their operations, investment decisions and growth strategies.

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***The report seeks to contribute to positioning informality in Latin America and the Caribbean not only as a labour or social phenomenon, but as one of the main structural barriers to productivity, investment, the strengthening of the business ecosystem and the region's sustainable growth.***

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Likewise, informality cannot be analysed solely from a labour or tax perspective. In many countries of the region, **factors such as corruption, weak rule of law, legal uncertainty and low institutional capacity also contribute to creating incentives to operate outside formal frameworks,** affecting business confidence and limiting the possibilities for long-term growth.

# Profile of participating companies

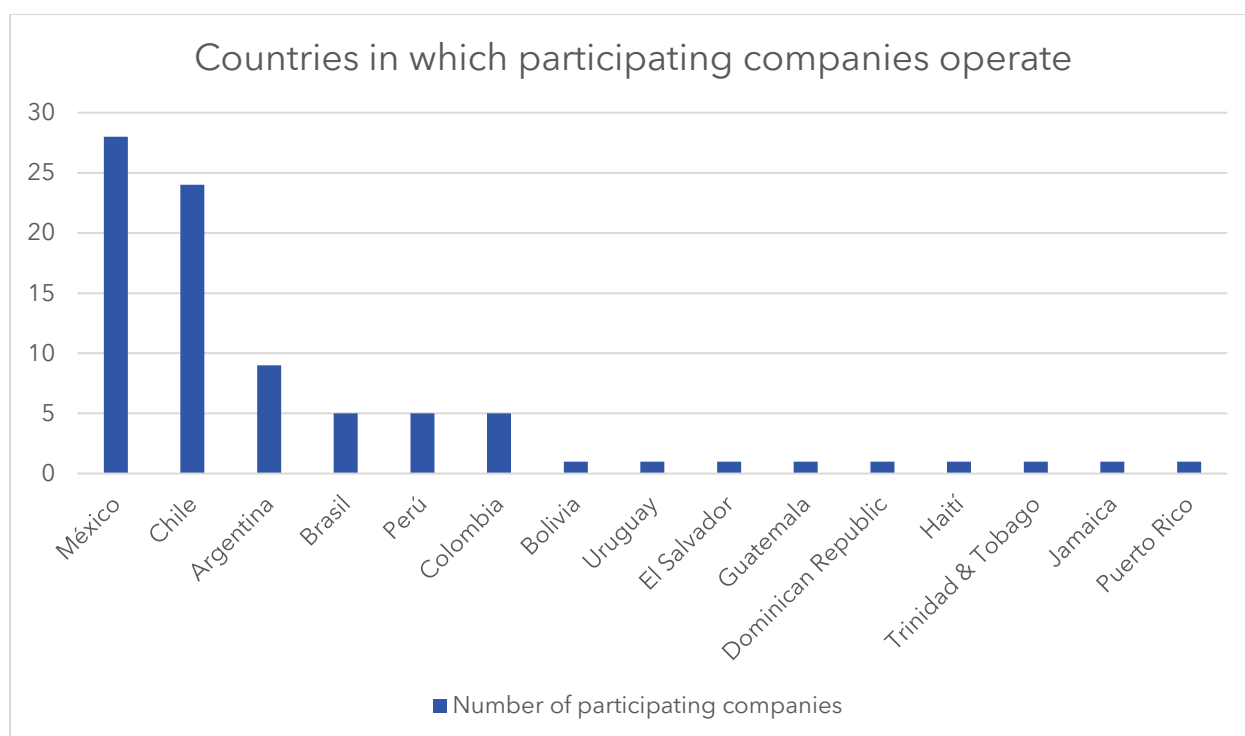
All responses were collected anonymously in order to encourage open participation and ensure the confidentiality of participants.

The survey gathered a total of **67 companies and organisations from the Business at OECD (BIAC) network**. The profile of participants represents broad diversity, both sectoral and geographic.

## Regional presence and geographic coverage:

The participating organizations and companies operate in the **seven OECD member and accession candidate countries in Latin America and the Caribbean: Chile, Colombia, Costa Rica and Mexico**

(members), as well as **Argentina, Brazil and Peru** (candidates). In addition, other participants reported operating in additional countries in the region, including **Bolivia, Uruguay, El Salvador, Guatemala, Dominican Republic, Haiti, Trinidad and Tobago, Jamaica and Puerto Rico**, reinforcing the cross-cutting and regional nature of the sample.



*Note: participants could mention several countries.*

## Sectors:

Among the sectors with the highest representation are:

- **Business associations and employers' federations:** approximately 15% of participants.
- **Professional and business services:** approximately 15%.
- **Human resources and human capital services:** approximately 10%.
- **Agribusiness and activities linked to food and agriculture:** approximately 10%.
- **Industry and manufacturing:** approximately 9%.
- **Financial services and banking:** approximately 9%.
- The sample also includes companies linked to **health and pharmaceuticals, energy and public utilities, telecommunications and digital services, construction and infrastructure, education, retail, tourism and hospitality.**

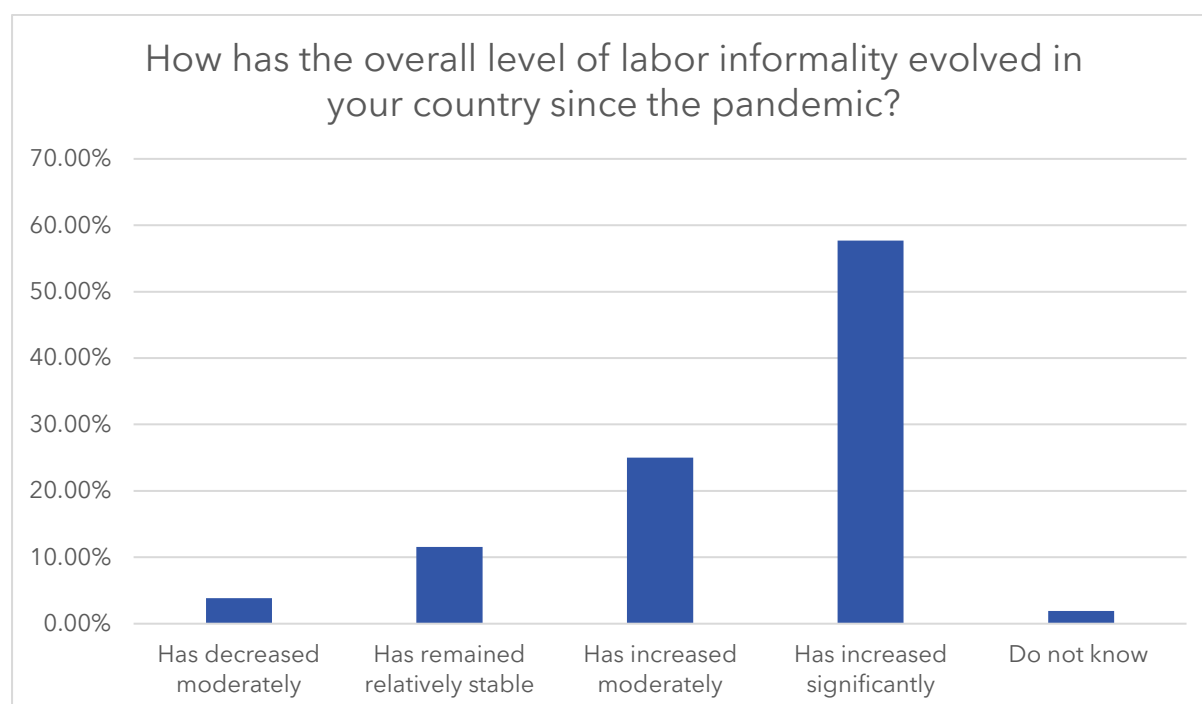
# Section 1: Structural and macroeconomic factors of informality

Respondents identify a combination of structural factors that make formality difficult and hinder progress towards greater formalisation in the region.

## Evolution of informality since the pandemic:

In line with several international reports, **the pandemic represented a significant setback in formalisation processes in Latin America and the Caribbean.**

The results of the survey show that, for a significant share of the companies consulted, **informality has remained stable or even accelerated** since the health crisis, especially in contexts marked by lower economic growth, regulatory pressure and institutional weakness, as mentioned above.



- **58%** of participants consider that **informality has increased significantly in their respective markets.**
- While another **25%** perceive a **moderate increase.**
- By contrast, only **12%** consider that levels of informality have remained relatively **stable**, and only **4%** perceive a **moderate decrease.**

Overall, **84% of respondents identify an increase in labour informality since 2020 and no participant reported a significant reduction.**

Along the same lines, participants revealed that **the labour market segments most affected by the level of informality** since the pandemic are:

- **84%** micro and small enterprises
- **49%** self-employed workers and independent contractors
- **45%** low-skilled workers
- **33%** young people and first-time labor market entrants
- **33%** rural areas or informal urban sectors
- **17%** platform workers or workers in the collaborative economy

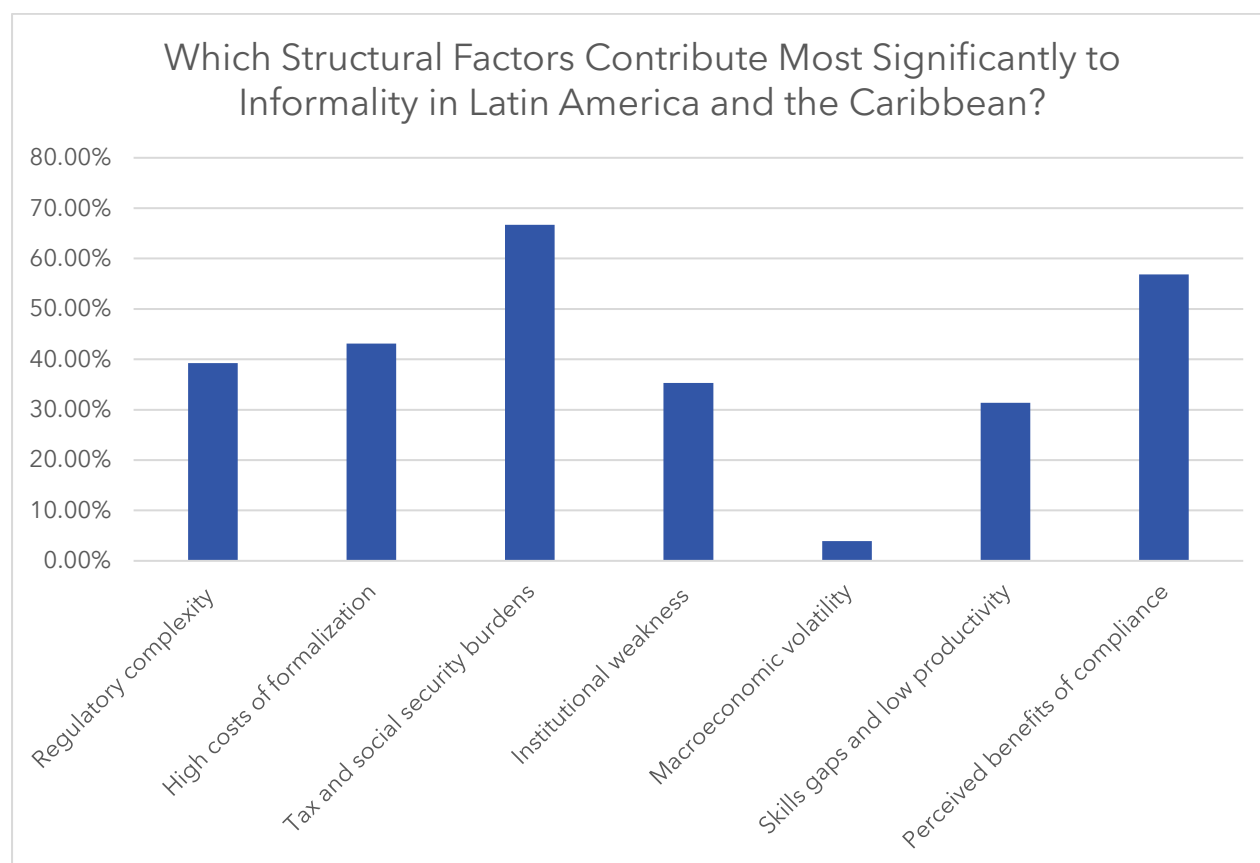
These results suggest that, from a business perspective, **the pandemic** not only deepened pre-existing vulnerabilities in labor markets in Latin America and the Caribbean but also **accelerated dynamics of informalisation across different sectors of the economy**. This perception is consistent with [recent ILO reports](#), which identify **a higher incidence of informality among especially vulnerable labour market segments**, including self-employed workers, low-productivity activities and sectors with lower levels of labour and social protection.

The responses also offer an opportunity to reflect on the importance of business support policies implemented during the pandemic. The regional experience suggests that **the availability of temporary mechanisms for financing, liquidity and employment preservation for micro and small enterprises** may have influenced the ability of economic units to remain within the formal economy in the years following the crisis.

## Factors that make formalisation of businesses difficult:

After identifying the evolution of informality levels since the pandemic and the most vulnerable segments, this report also identifies the structural and public policy factors that hinder progress towards formalisation.

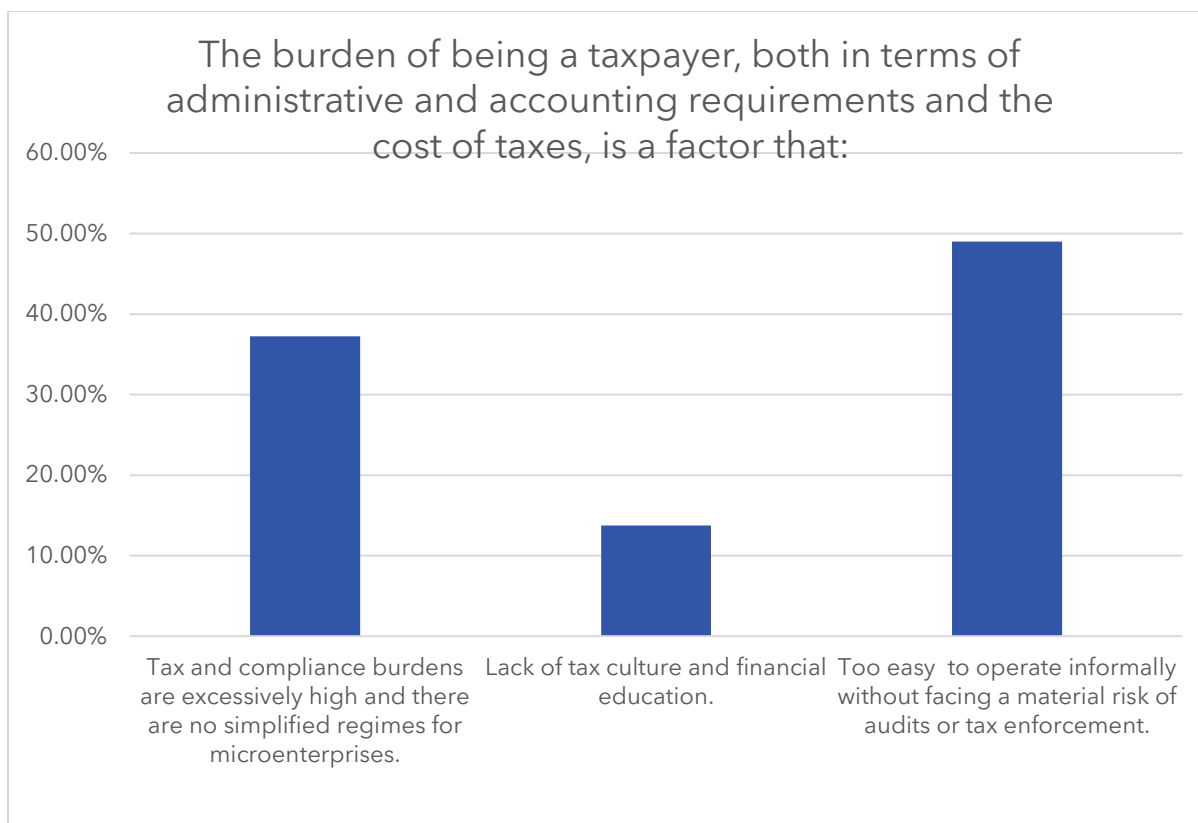
The survey responses suggest that, from a business perspective, **the decision to operate formally remains strongly conditioned by the relationship between regulatory costs, economic incentives and enforcement capacity.**



- **67%** identify **tax and social security burdens**.
- **57%**, **the lack of perceived benefits from compliance**.
- **43%**, **the high costs of formal business registration**.
- **49%**, **regulatory complexity and fragmentation**.
- Other factors that hinder progress towards formalisation include **institutional weakness, low levels of productivity and lack of labor skills**.

Nevertheless, the findings highlight that **the core of the problem continues to lie in the lack of incentives to move towards formalisation**.

The responses also suggest a relationship between companies' productivity constraints and their ability to enter and remain in the formal economy. Other key difficulties are **the administrative and fiscal difficulties faced by companies**, which may have direct implications for formalisation processes.



- **49%** consider that the problem lies in the fact that it is **relatively easy to remain in informality without a material risk of audit or tax enforcement**.
- While **37%** link it to **very high burdens and the absence of simplified models for microenterprises**.
- Only **14%** associate it mainly with **deficits in tax culture or education**.
- **No company** indicated that it has **no impact**.

These results show that, from a business perspective, the problem of informality is **less associated with cultural factors and more linked to an incentive structure in which the high costs of formality coexist with a perception of low probability of effective enforcement or sanction**.

### **Regulatory quality, legal certainty and business confidence:**

The survey reveals a particularly critical perception of the regulatory environment and institutional predictability. In line with the findings of the [“Breaking Down Barriers: Tackling Investment Hurdles in Latin America”](#) report by **Business at OECD (BIAC)**, companies consider that regulatory complexity, regulatory volatility and the lack of legal certainty not only discourage formalisation, but also erode business confidence and reduce the ability to plan long-term investments.

*To what extent do complex or frequently changing regulations discourage formal economic activity in your sector?*

- **48%** state that **complex or changing regulations discourage formal economic activity** to a large extent, **28%** to a very large extent and **18%** to a moderate extent.
- Only **6%** say that regulatory change affects it only to a small extent or not at all.

In parallel, the question of how **the predictability and legal certainty of the regulatory environment** affect formal companies in Latin America and the Caribbean receives mostly moderate or low assessments:

- **49%** "moderate", **29%** "low" and **10%** "very low".
- Compared with only **12%** between "high" and "very high".

*How would you assess the predictability and legal certainty of the regulatory environment affecting formal businesses in LAC?*

The results reflect broader concern about **regulatory quality and predictability**. The same logic appears in relation to the labor market:

- **29%** state that **labor regulations and social security systems strongly discourage formalisation**, while **53%** say that they discourage it **to some extent**.
- Compared with only **8%** who perceive **some incentive**.

*In your experience, how do labour regulations and social security systems influence firms' incentives to operate formally?*

From a business perspective, **the challenge is not to choose between social protection and formalisation, but to prevent poorly designed regulatory frameworks and labor costs from widening the gap between the two.**

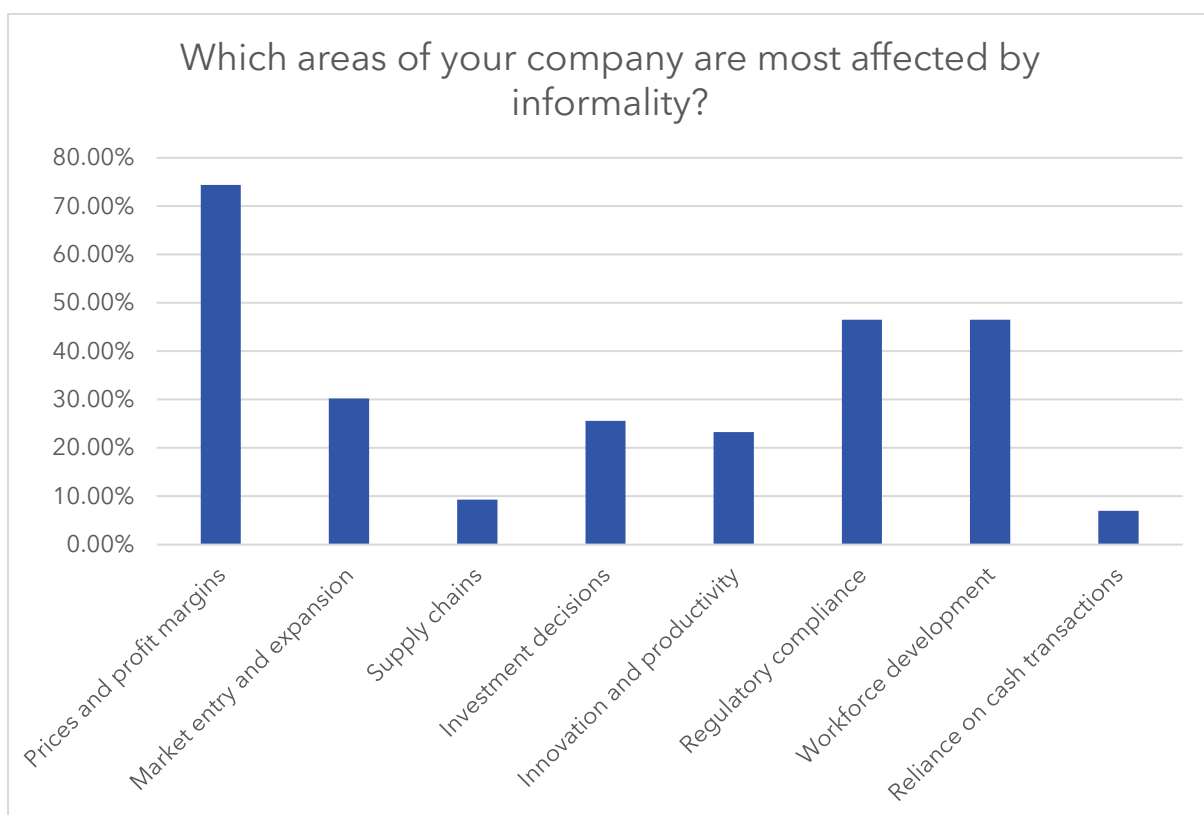
## Section 2: The impact of informality on formal businesses and competitiveness

This section analyses how informality directly impacts the activities of formal businesses and influences competitiveness, investment, and the functioning of the business environment across Latin America and the Caribbean.

Beyond its social and labor market implications, respondents associate informality with competitive distortions, higher operating costs, and a deterioration in the predictability required for firms to invest and pursue sustainable growth.

### *Pressure on profit margins, operations, and productivity:*

The survey findings indicate **that businesses perceive informality as having direct and significant effects across multiple dimensions of their economic activity, particularly through the creation of unfair competitive conditions, increased cost pressures, reduced investment capacity, and lower productivity.**



- **74%** of respondents **identify pressure on prices and profit margins as the principal impact of informality.**
- **47%** report **adverse effects on regulatory compliance and reputational risks**, while an equal proportion (**47%**) highlight its impact **on employment and workforce development.**
- **30%** consider informality to be **a barrier to market entry and expansion**, whereas **26%** associate it with investment decisions and **23%** with **innovation and productivity.**
- To a lesser extent, **9%** cite **impacts on supply chains**, and **7%** point to **increased dependence on cash-based transactions.**

### **Competitive distortions and their impact on investment and compliance:**

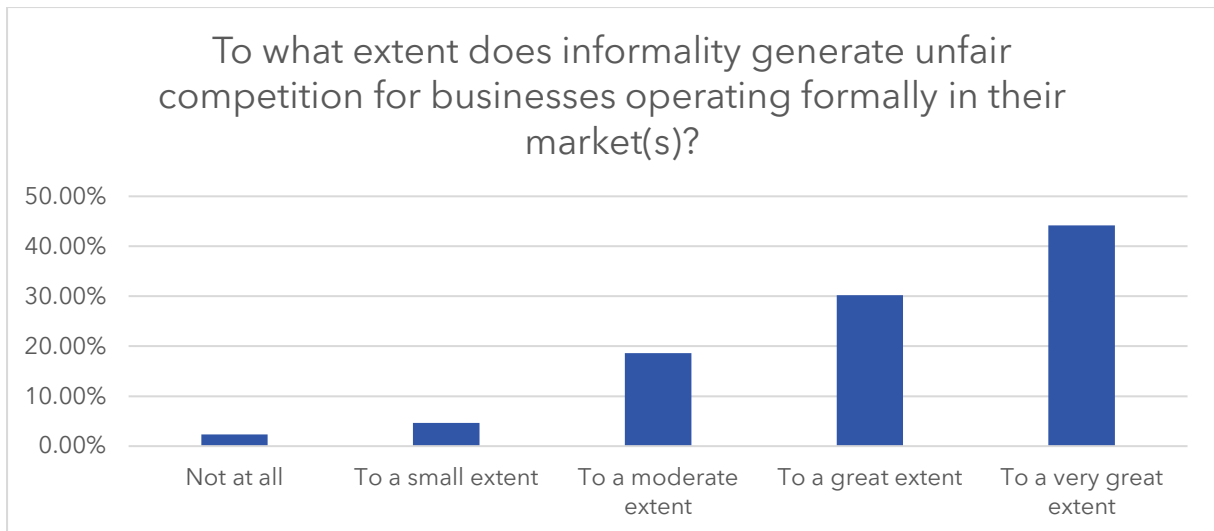
From a competitive perspective, the survey responses reveal a clear perception that **informality generates significant market distortions and undermines the conditions for fair competition faced by businesses operating within the formal economy.**

- **44%** of respondents consider that the **unfair competition arising from informality affects formal businesses to a very great extent**, while **30%** believe it **does so to a great extent** and **19%** to a **moderate** extent. Only a small minority perceive the impact as limited or non-existent.

It is important to note that the unfair competition generated by informality not only undermines the profitability of businesses that comply with their legal and regulatory obligations, but also constrains the growth

potential of responsible firms, discourages innovation, and hinders the creation of high-quality formal employment.

The survey also points to adverse effects on market entry and expansion, as well as on investment decisions, innovation, and productivity. Among these dimensions, the most significant strategic consequence identified by respondents is its impact on investment.



*How does informality affect long-term investment and growth prospects in the LAC region?*

- **34% of respondents** state that **informality significantly discourages long-term investment**, while **50%** believe that it has a **moderate disincentive effect on investment**.
- Only **16%** consider its impact to be **limited**, and notably, **no respondent indicated that informality contributes positively** by enhancing flexibility within the business environment.

**Furthermore, the results suggest that the effects of informality extend beyond strictly competitive and financial dynamics**, also affecting areas related to corporate compliance, sustainability, and companies' reputational management.

*Does informality pose risks to responsible business conduct and ESG commitments?*

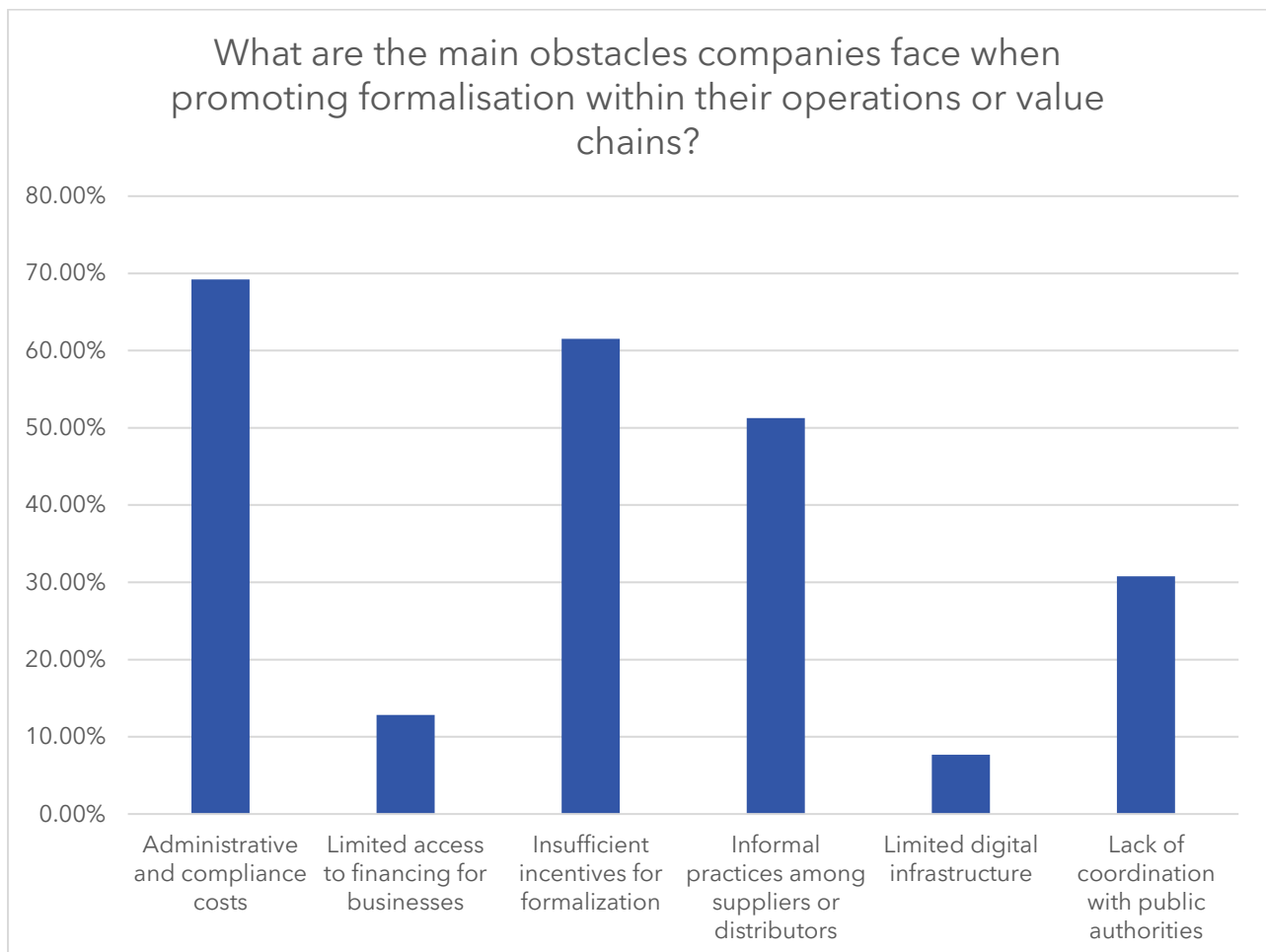
- **27% of respondents consider that informality poses risks to responsible business conduct and ESG commitments to a great extent**, while an additional **27%** believe that it does so to a **very great extent**.
- **25%** assess its impact as moderate.
- **Only 20%** believe that its impact is minimal.

In other words, nearly four-fifths of respondents identify a connection between informality, corporate compliance, and business agendas related to sustainability and due diligence.

## Section 3: Barriers and opportunities for formalisation

This third section shifts the analysis from diagnosis to the concrete mechanisms of implementation. The survey findings indicate that, from a business perspective, the **barriers to formalisation continue to be**

**concentrated in regulatory, administrative, and economic incentive-related factors that affect both firms' direct operations and the functioning of their value chains.**



- The **69%** identify **administrative and compliance costs** as one of the principal barriers to advancing formalisation, while **62%** point to the **lack of incentives to operate formally** and **51%** highlight **informal practices among suppliers and distributors**.
- A second tier of challenges relates to **coordination with public authorities**, cited by **31%** of respondents.
- In addition, **13%** identify **limited access to financing for businesses** as a barrier to formalisation.
- Finally, some respondents highlight **limited digital infrastructure** as an additional and significant obstacle to formalisation.

The findings suggest that a substantial part of the formalisation challenge depends on the ability of public policies to correct incentive structures that continue to favor informality, simplify regulatory compliance requirements, and strengthen trust in institutions as well as in the tangible benefits of operating within the formal economy.

## Formalisation as a shared strategy:

The findings reflect a preference for a **public policy** approach that combines **proportionality, simplification, and operational support** for businesses and workers throughout the formalisation process.

The qualitative responses reinforce this diagnosis:

- In the open-ended responses concerning data and monitoring, respondents repeatedly emphasized the need to **integrate databases, improve territorial and sectoral measurement, reduce the use of cash, and monitor the time and costs associated with administrative procedures.**
- Likewise, businesses reiterated the **need to advance toward more effective tax incentives, administrative**

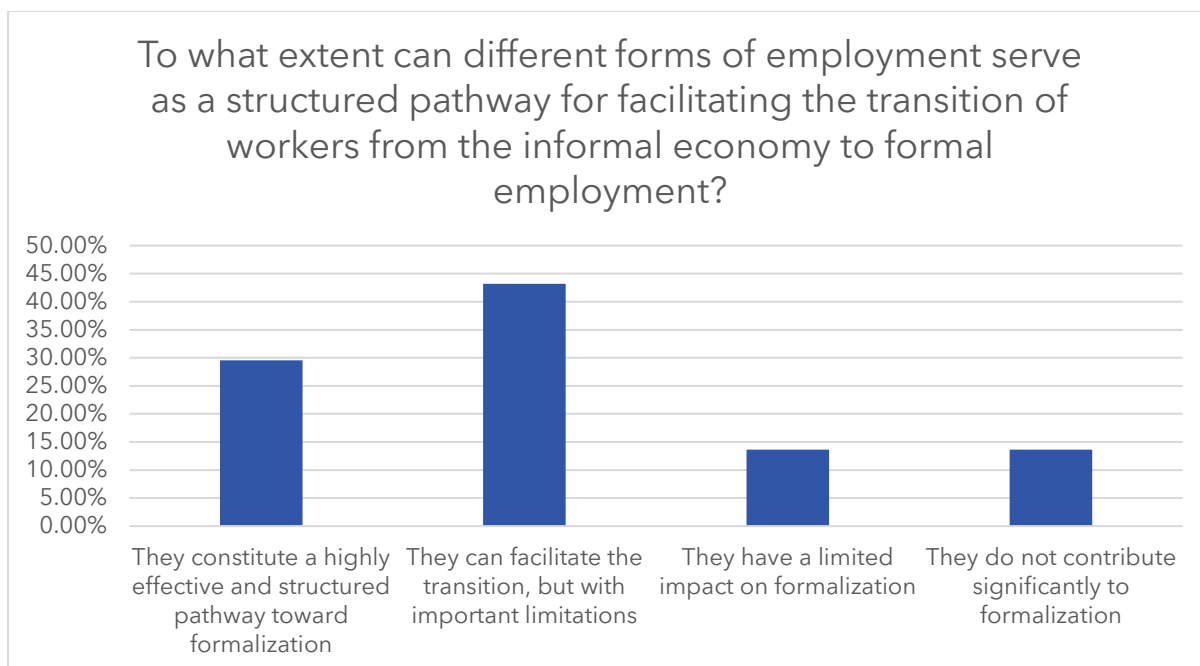
**simplification, improved access to financing for SMEs, stronger mechanisms for public-private cooperation, and the digitalization of processes to reinforce all of the above measures.**

*Does your company actively promote formalisation among suppliers, contractors, or partners?*

- **72%** of respondents state that their **company actively promotes formalisation** among suppliers, contractors, or business partners as part of a core corporate policy.
- Another **15%** do so in a **limited or occasional manner.**

Formalisation, therefore, is not viewed solely as a demand directed at governments, but also as a practice that is increasingly being integrated into value chain strategies and responsible business management frameworks.

**The findings also indicate that businesses perceive certain forms of employment, such as agency work, subcontracting, and digital platforms, as potential mechanisms for facilitating the transition toward formality, albeit with important limitations.**



- While **29%** of respondents consider that these forms of employment **can constitute a structured and effective pathway toward formalisation, 43%** maintain that they **can facilitate the transition, but only when accompanied by clear regulatory frameworks, appropriate incentives, and labor protection mechanisms.**

The findings therefore suggest that the private sector does not perceive these arrangements as substitutes for formality, but rather as potential instruments for progressive integration into formal employment when operating within predictable and effective regulatory environments.

Furthermore, formalisation tends to be more sustainable when accompanied by measures aimed at strengthening businesses. Access to financing, skills development, technological adoption, and integration into value chains can contribute to increasing the incentives to operate within the formal economy, particularly in the case of micro and small enterprises.

### **Digitalization as a tool for formalisation:**

In this context, **digitalization emerges as one of the principal enablers** for reducing operational barriers and facilitating formalisation processes, although businesses do not perceive it as a standalone solution.

- **32%** of respondents consider that **digital tools and e-government systems facilitate formalisation to a great extent**, while **18%** believe they do so **to a very great extent.**
- Another **29%** attribute to them a **moderate effect.**
- Only **21%** consider their contribution to be **limited.**

The open-ended responses point in the same direction. Participants emphasize the **need to strengthen digital government agencies, improve interoperability among registries, expand electronic payment systems.**

## Section 4: The role of the OECD in formalisation efforts

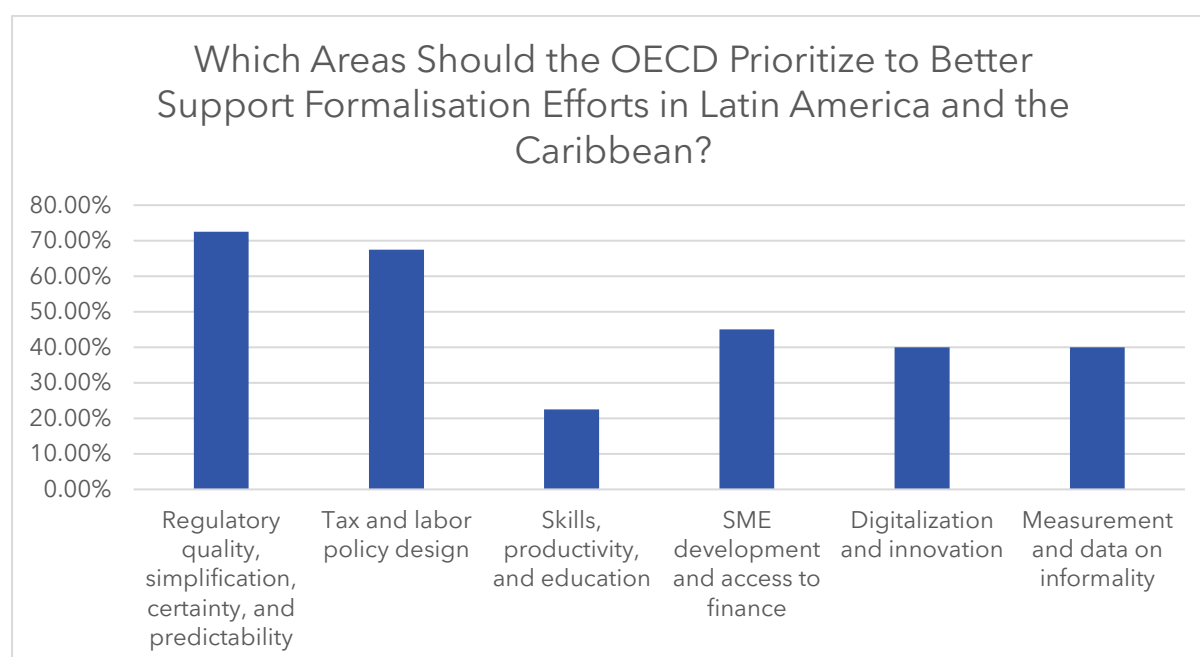
The following section indicates that businesses **perceive the OECD as a relevant actor in advancing formalisation processes across Latin America and the Caribbean**, particularly in areas related to regulatory quality, regulatory simplification, and institutional strengthening. Beyond its

technical expertise, the **OECD** is associated with the development of standards, predictability, and public policy frameworks aimed at improving the business environment and reducing structural barriers to formalisation. Specifically, respondents highlight the following:

### *How valuable are OECD standards, tools, and policy frameworks in addressing informality in the LAC context?*

- **33%** assign the OECD a **“high”** value and **10%** a **“very high”** value, reflecting a **predominantly positive perception of its capacity to drive regulatory improvements and strengthen formalisation efforts.**
- Another **33%** assign it a **“moderate”** value.
- By contrast, only **23%** rate its contribution as either **“no value”** or **“limited value.”**

### *The priorities identified by businesses further reinforce this perception:*



- **73%** call on the **OECD** to focus on **regulatory quality, simplification, certainty, and predictability**.
- **68%** identify **tax and labor policy design** as a priority area.
- This is followed by **SME development and access to finance**, cited by **45%** of respondents, while both **digitalization and innovation** and **measurement and data on informality** are mentioned by **40%** each.
- **Capabilities, productivity, and education** rank lower, at **23%**, not because they are considered unimportant, but because the most immediate bottlenecks are perceived to be regulatory and institutional in nature.

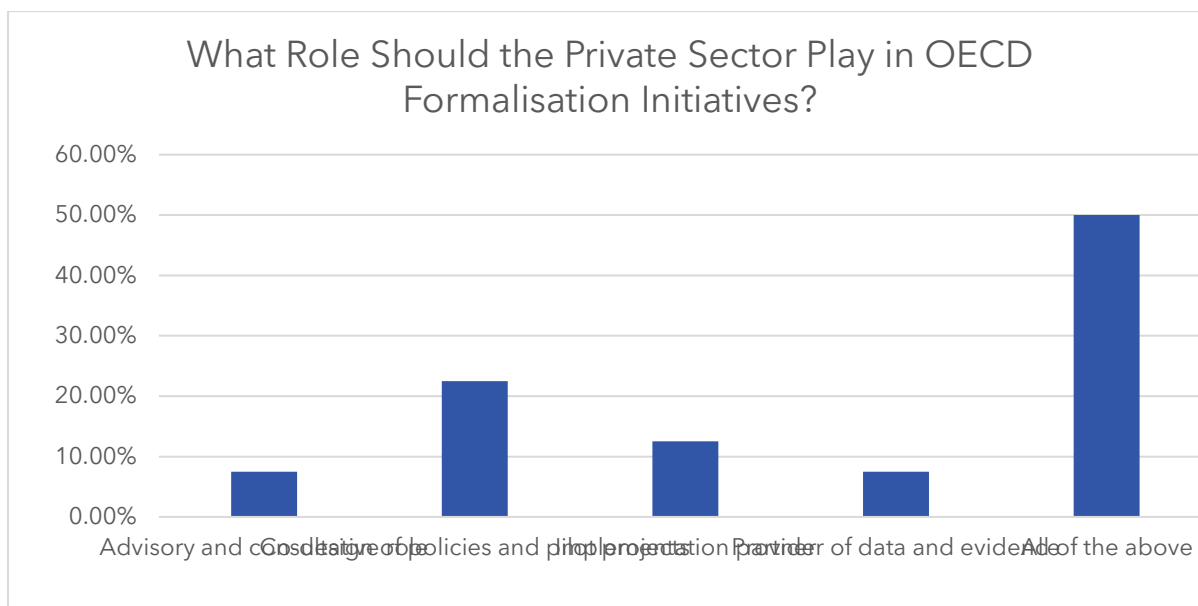
Furthermore, the qualitative responses highlight how the **OECD's work has served as a technical reference for advancing formalisation efforts**, with Chile frequently cited as an example. According to respondents, various OECD initiatives have contributed to consolidating an agenda centered on simplification, digitalization of compliance processes, and regulatory proportionality as means of addressing informality among small businesses and microenterprises. In particular, respondents highlight the following **OECD outputs**:

- **Tax Administration 3.0 (OECD, 2020)**: This report introduced the concept of *compliance by design*, whereby tax compliance is progressively embedded within taxpayers' natural operating systems, reducing reliance on subsequent administrative procedures or the individual compliance capacity of small business owners. Chile's regime for market vendors under **Law No. 21,745** reflects this logic: electronic payment service providers act as withholding agents and declare the substitute VAT tax of 1.5% on behalf of vendors, thereby reducing administrative

frictions at a point where compliance has historically been difficult to enforce.

- **Towards Seamless Taxation: Supporting SMEs to Get Tax Right (OECD, 2022)**: This report by the Forum on Tax Administration systematized approaches for integrating tax obligations into the technological systems already used by SMEs and small taxpayers, with the objective of reducing administrative burdens and improving compliance. Chile's **SII Circular No. 64 (November 2025)** on the special tax regime for market vendors aligns with this approach by simplifying compliance requirements and transferring part of the operational burden to electronic payment providers. Complementing this framework, **SII Exempt Resolution No. 193 (December 2025)**, which established a registry for small taxpayers engaged in subsistence activities, also points toward a more proportionate tax framework for smaller-scale economic activities.
- **SME Policy Index: Latin America and the Caribbean 2024 (OECD/CAF/SELA)**: This index comparatively assessed SME policy frameworks across nine Latin American countries, including Chile, and underscored the importance of advancing legislative simplification, reducing administrative burdens, promoting digitalization, and improving the operating environment for SMEs. In this regard, the measures adopted by Chile concerning differentiated tax regimes and specific registries for small taxpayers are **consistent with a broader agenda of simplification and regulatory proportionality aimed at facilitating formalisation**.

Regarding the existing **public-private dialogue** with the **OECD**, the survey reflects a favorable assessment:



- **50%** of respondents **believe that businesses should simultaneously perform advisory, co-design, implementation, and data and evidence-provision functions** within OECD-led formalisation initiatives.
- In addition, **23%** **specifically prioritize the co-design of policies and pilot projects, suggesting a demand for more operational cooperation mechanisms oriented toward practical implementation.**

### *How effective is current public-private dialogue in shaping policies that address informality?*

- **38%** consider it **effective**.
- **28%** consider it **very effective**.
- **8%** consider it **extremely effective**.
- By contrast, **28%** regard it as **of little or no effectiveness**.

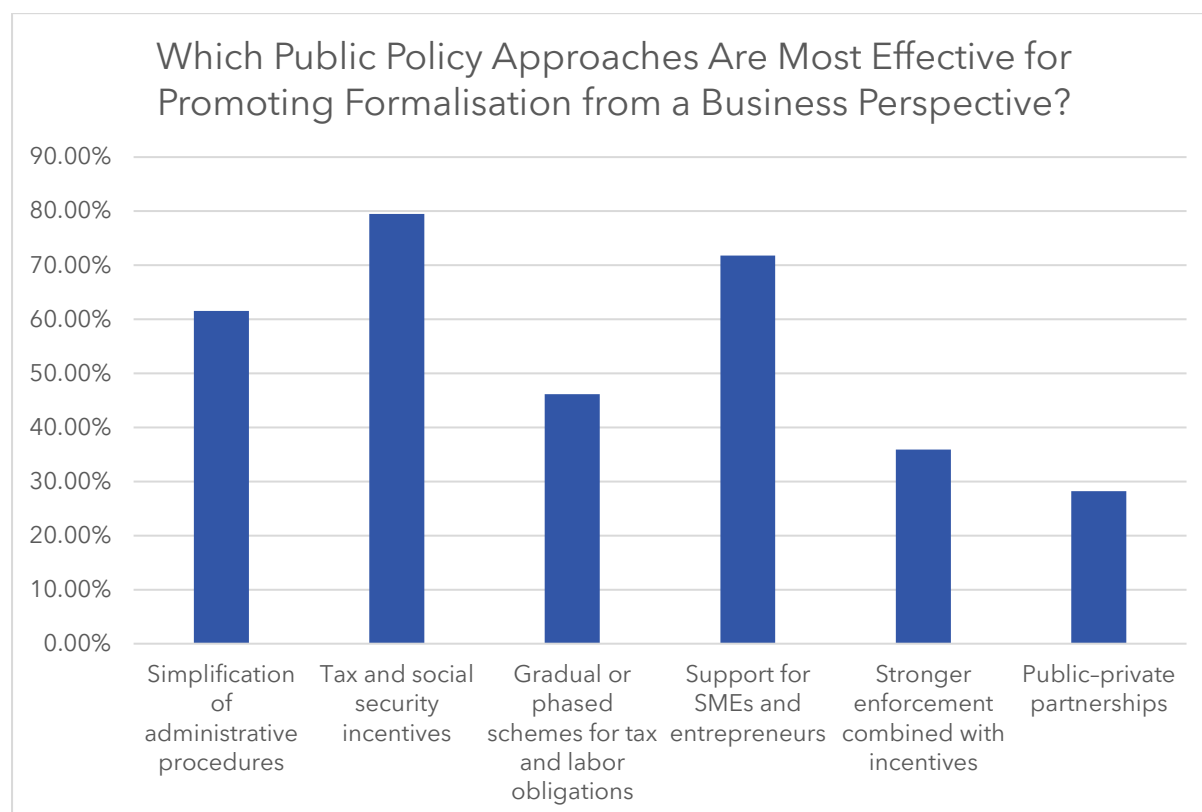
**Overall, the findings suggest that businesses perceive the OECD not only as a technical actor, but also as a platform capable of promoting more predictable, efficient, and formalisation-friendly regulatory frameworks.** Business perceptions indicate that areas such as regulatory quality, administrative simplification, the design of tax and labor incentives, digitalization, and institutional

strengthening are viewed as domains in which the **OECD** can generate a particularly significant impact on competitiveness and the business environment. At the same time, the responses reflect a clear expectation for more operational instruments, more effective public-private dialogue, and reforms with genuine implementation capacity across the region's markets.

## Business priorities for advancing formalisation:

The responses reveal a clear preference for public policy approaches centred on

simplification, incentives, and the reduction of compliance costs, rather than strategies based exclusively on stricter controls or sanctions. Among the **measures considered most effective by businesses**, the following stand out:



- **Tax and regulatory incentives for operating formally: 80%**
- **Support for micro and small enterprises: 72%**
- **Administrative simplification and the reduction of regulatory burdens: 61%**
- To a lesser extent, respondents highlight **gradual transition schemes, enhanced enforcement mechanisms, and public-private partnerships**.

Overall, the findings suggest that the **private sector views formalisation as a process that requires a combination of incentives, simplification, and institutional strengthening**, rather than relying solely on increased enforcement mechanisms. In this context, the OECD can also play a relevant role in identifying and disseminating policies that enhance the productivity and competitiveness of micro and small enterprises, thereby fostering more sustainable formalisation processes over time.

## Recommendations to the OECD for addressing informality:

Rather than pointing to a single solution, the responses highlight the need to advance frameworks that reduce competitive distortions, enhance predictability, and make formality more accessible and functional for businesses and workers. The following recommendations emerge from the survey findings:

### Recommendation 1: Recognize the structural barriers to formalisation

The findings reflect a consistent perception that the principal barriers to formalisation remain structural, particularly those associated with compliance costs, tax burdens, regulatory complexity, the rule of law, and legal certainty. Businesses also identify a combination of a limited perception of the benefits associated with formality and insufficient enforcement capacity, which ultimately weakens incentives to operate within the formal economy.

- In this context, the **OECD can contribute by strengthening agendas focused on regulatory quality, administrative simplification, the promotion of the rule of law, and institutional strengthening**, thereby making formality **more accessible, predictable, and competitive**.

### Recommendation 2: Increase visibility of the economic and competitive costs of informality

The findings show that businesses perceive informality not only as a social or labor-market phenomenon, but also as a source of competitive distortions that directly affect prices, profit margins, investment, and productivity. The survey also highlights concerns regarding unfair competition, regulatory compliance and reputational risks, as well as the impact of informality on firms' ability to plan long-term investments.

- In this context, the **OECD can contribute by strengthening the evidence base and increasing awareness of the economic impact of informality on the business environment, value chains, and regional competitiveness**.

### Recommendation 3: Promote digital tools to facilitate formalisation

Businesses identify digitalization as one of the principal enablers for reducing administrative costs, simplifying procedures, and increasing the traceability of economic activities. Open-ended responses repeatedly highlight the need for interoperability among registries, digital payment systems, integrated platforms, and monitoring and tracking tools.

- In this area, the **OECD can support the exchange of best practices and the strengthening of digital capabilities that facilitate more agile, accessible, and efficient formalisation processes**.

### Recommendation 4: Strengthen formalisation strategies in value chains and SMEs

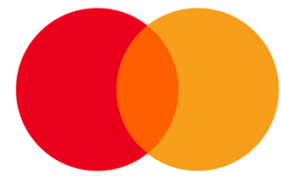
The findings indicate that formalisation is increasingly being integrated into business strategies involving suppliers, contractors, and value chains. At the same time, businesses identify persistent barriers faced by micro and small enterprises, particularly those related to administrative costs, compliance capacity, and access to finance.

- In this context, the **OECD can contribute to promoting formalisation strategies that incorporate supplier development, SME strengthening, and responsible business management practices adapted to the operational realities of the region**.

### **Recommendation 5: Reinforce public-private dialogue and practical implementation**

Businesses view existing public-private dialogue mechanisms relatively positively. However, the responses also reflect a clear expectation for more operational and results-oriented mechanisms. The survey further reveals a consistent demand for greater institutional coordination, improved implementation capacity, and regulatory frameworks that are more predictable and functional.

- In this regard, **the OECD can play a relevant role as a platform for cooperation, facilitating dialogue, the exchange of best practices, and the monitoring of formalisation policies across the region.**



# Company Case Study 1: MASTERCARD

## About the company

Mastercard is a company with a presence in more than 220 countries and territories and enables transactions in over 150 currencies, allowing it to act as a critical infrastructure for global trade and economic integration. Its network processes USD 10.6 trillion in global payment volume and supports approximately 3.7 billion cards in circulation worldwide.

In Latin America and the Caribbean, Mastercard actively contributes to expanding digital payment acceptance and developing more inclusive financial ecosystems. Its network serves as a key enabler of formal commerce by allowing businesses of all sizes—including micro and small businesses—to access electronic payment methods, build transaction histories and progressively integrate into the formal financial system.

## Initiatives to promote formalisation

Mastercard promotes formalisation in Latin America through three interdependent areas aligned with the OECD's focus on digitalisation, reducing administrative friction and fostering inclusive growth:

### 2.1 Expanding digital acceptance and the digitalisation of businesses

Mastercard promotes formalisation by expanding low-cost digital acceptance infrastructure, such as interoperable QR codes and Tap on Phone solutions, which allow microbusinesses to join the formal system without requiring significant investment. In

collaboration with governments and local acquirers, the company has expanded acceptance in traditionally informal sectors—such as transport, markets and street trading—including interoperable QR initiatives in Brazil and Argentina and the digitalisation of transport payments in Bogotá and Mexico City. This approach lowers barriers to entry, improves transaction traceability and establishes a solid foundation for financial inclusion and the transition towards formality.

### 2.2 Data-driven formalisation and access to credit

Mastercard contributes to formalisation by transforming payment data into a financial inclusion tool, enabling small businesses that adopt digital payments to generate verifiable records of economic activity. Financial institutions can use this data to offer microcredit, working capital and insurance, helping to overcome one of the main structural barriers in Latin America. Initiatives such as Mastercard Strive, implemented in markets including Mexico and Colombia, have demonstrated how digitalisation and the use of data can facilitate access to formal financing and accelerate the transition of microenterprises towards formality.

### 2.3 Integrating payments into public policies (GovTech)

Mastercard promotes the integration of payment infrastructure into public policies aimed at formalisation by collaborating with governments on the digitalisation of payments to citizens and revenue collection. In countries such as Brazil and Chile, electronic payment solutions not only make it possible to channel transfers more efficiently,

but also support progress towards models in which the payment system facilitates tax compliance through the recording and traceability of transactions. This approach, aligned with the OECD-promoted principle of “compliance by design”, reduces the administrative burden on microbusinesses by embedding compliance directly into the flow of economic activity.

## Barriers to addressing informality

Based on Mastercard’s experience in Latin America, some of the barriers to formalisation can be addressed through the design of payment systems and the regulatory frameworks that determine the economic incentives to operate within or outside the formal system.

The digitalisation of payments is not a standalone solution, but it can help expand formalisation. However, its effectiveness depends on the specific context of each country, including its political economy, institutional capabilities and its own formalisation objectives.

The lessons observed across the region highlight the importance of advancing evidence-based public policies at the intersection of formalisation, tax policy and digital payments. Transaction traceability plays a central role as a foundation for access to credit, efficient revenue collection and the measurement of economic activity.

## Relevance of the OECD in this area

As outlined in this document, the OECD’s work and analytical rigour have provided a basis for advancing formalisation in Latin America. The OECD’s evidence-based work has undoubtedly provided a clear technical

compass for addressing informality among small businesses.

From a medium- and long-term perspective, this credibility and understanding of the region will support the development of measures tailored to each market, in accordance with its particular stage in the digitalisation process.

## Recommendations to the OECD

### *5.1 Promote proportionate regulatory frameworks and gradual pathways towards formalisation*

One of the main priorities for advancing formalisation in Latin America is to design regulatory and tax frameworks that are proportionate to the operational realities of micro and small enterprises. In this regard, it is essential to promote systems that reduce compliance costs and simplify interactions with tax authorities, preventing formalisation from resulting in an abrupt increase in obligations and administrative burdens.

In line with the best practices promoted by the OECD, an approach based on a “formalisation ladder” would make it possible to design gradual pathways towards incorporation into the formal economy, under which requirements evolve progressively as the level of economic activity grows. Such frameworks not only reduce disincentives to formalisation, but also help align economic incentives with participation in the formal system.

### *5.2 Integrate payment infrastructure into public policies for formalisation*

Integrating electronic payment infrastructure into the design of public policies represents a structural opportunity to facilitate formalisation efficiently and at scale. In particular, digital payment systems can serve not only as channels for processing

transactions, but also as enablers of key fiscal policy functions, such as simplified tax collection and the recording of economic activity.

For example, solutions incorporating mechanisms such as automated tax withholding or real-time payment reconciliation can significantly reduce the administrative burden on small businesses. This approach, consistent with the OECD-promoted principle of “compliance by design”, shifts compliance from an ex post process to a component embedded directly within the economic flow.

### ***5.3 Promote the digitalisation of payments as a structural tool for economic development***

Beyond the adoption of technology, the evidence-based digitalisation of payments can serve as an enabler of formalisation. To achieve this, it is essential to promote frameworks that prioritise the inclusion of smaller businesses in the digital economy, where a significant share of economic activity takes place. This can facilitate access to credit and other financial services.

From a public policy perspective, this approach requires an integrated vision that recognises the role of digital payments not merely as a means of payment, but as a key infrastructure connecting formalisation, financial inclusion and economic growth.



## Company Case Study 2: VISA

### About the company

Visa is a world leader in digital payments, facilitating transactions between consumers, merchants, financial institutions and government entities across more than 200 countries and territories. Our mission is to connect the world through the most innovative, convenient, reliable and secure payments network, enabling individuals, businesses and economies to thrive. We believe that economies that include everyone, everywhere, uplift everyone, everywhere and see access as foundational to the future of money movement.

Notice: While Visa did not participate in the BIAC survey, we welcome the opportunity to share a case study highlighting the role of digital payments in reducing the informal economy.

### Business initiatives to promote formalisation

According to the [OECD's SME Policy Index for Latin American and the Caribbean 2024](#), 99.5% of firms in the Latin America (LAC) region are small and medium businesses (SMBs), which are responsible for 60% of formal productive employment. There are 93 million SMBs in Latin America and the Caribbean, 57% of which are informal and 70% of which are independent. The SMB segment is expansive and crucial to the economies of LAC, yet these businesses grapple with numerous challenges that can create challenges to their success and survival.

Visa's enables the broader payments ecosystem—including issuers, acquirers, fintechs, and regulators—to support SMBs to grow sustainably.

Visa approaches SMB enablement through three core pillars:

**1. Expanding Digital Acceptance:** Visa supports the expansion of digital acceptance through solutions such as Tap to Phone, contactless payments, and POS enablement initiatives. These tools allow merchants (particularly micro and small businesses) to accept electronic payments easily and at lower cost, integrating them into formal, traceable commerce ecosystems.

**2. Security and Trust:** Visa invests in advanced fraud prevention, cybersecurity, and risk management capabilities that enable merchants to operate with greater confidence. Secure payment environments are critical to increasing adoption, especially in e-commerce and digital transactions.

**3. User Experience and Digitalization:** By improving the speed, convenience, and reliability of payments—including innovations such as contactless and Click to Pay—Visa helps drive higher usage and transaction frequency, supporting merchant growth and customer retention.

**4. Tailored benefits to small businesses:** Visa Business cards further strengthen this value proposition by offering a suite of embedded benefits tailored to the needs of small and medium-sized businesses. These products provide purchase protection, travel and business insurance coverage, and value-added services such as online reputation monitoring and business support tools. These features help SMBs mitigate operational risks, protect their transactions, and enhance their digital presence—capabilities that typically go beyond those available through consumer cards. By bundling financial functionality with practical business services, Visa Business cards create a compelling incentive for small businesses to formalize their financial activity while gaining access to tools that support resilience, credibility, and growth.

By enabling secure and efficient digital payments, Visa contributes to a virtuous cycle for SMB growth:

- Greater visibility → Increased transaction activity → Improved access to credit → Progressive formalisation

This ecosystem-driven approach allows small businesses to transition organically from cash-based operations to participation in the formal economy.

## Concrete Examples

Visa has implemented a range of initiatives in Latin America aimed at encouraging the formalisation of small and micro businesses by expanding access to digital payments and business tools. Through various programs Visa focuses on enabling merchants to accept electronic payments (for example through mobile-based “Tap to Phone” solutions), which helps integrate informal firms into traceable, formal commerce ecosystems. At the same time, partnerships with banks, fintechs, and development organizations provide small businesses with access to digital skills training and financial education—key barriers to formalisation. Complementing these efforts, Visa’s broader strategy in the region emphasizes tailored payment solutions, data-driven credit assessment, and inclusive financial products that allow small enterprises to improve cash-flow management, comply more easily with financial systems, and ultimately transition from cash-based informality to participation in the formal economy.

Through a modular and flexible portfolio of innovative solutions and services, Visa aims to address unique needs of SMBs—from making payments seamlessly and monitoring expenses to accessing funding and managing cash flow—equipping them with the resources they need to run and scale their businesses with efficiency, agility, and trust in today’s interconnected digital economy. An important element of this value proposition is Visa’s new partnership with Uplinq, the first global credit assessment and scoring platform for small business lenders. This collaboration enables

issuers in Latin America and the Caribbean to enhance SMB credit assessment by leveraging Uplinq’s advanced AI and data-driven underwriting models. [Together, Visa and Uplinq will open new pathways for SMB growth](#), expanding access to credit and ensuring SMBs have ready access to the affordable working capital they need.

## Informality barriers

Small businesses in Latin America often remain informal due to a combination of structural, regulatory, and financial barriers that raise the costs and risks of entering the formal economy. High costs of business registration, complex and fragmented regulations, and burdensome tax and social security requirements can discourage firms, particularly microenterprises—from formalizing, especially when compliance processes are time-consuming and difficult to navigate. Access constraints also play a significant role: many small firms lack access to bank accounts, digital payment systems, and affordable credit, which limits their ability to operate transparently and benefit from formal financial services. Continued informality can lead to less market access and legal protections, as well as less options to be eligible for government programs. Together, these factors create a cycle in which small firms remain cash-based and excluded from formal economic systems, making it harder for them to grow, invest, and integrate into broader value chains.

## Relevance of the OECD

The OECD can play a valuable role in addressing informality among small businesses in Latin America by supporting governments with data, policy frameworks, and best practices aimed at improving the business environment. Through initiatives such as the SME Policy Index for Latin America and the Caribbean, the OECD evaluates national policies across key areas—including regulatory frameworks, access to finance, digitalization, and market integration—and provides evidence-based recommendations

to strengthen SME development and formalisation pathways. By benchmarking countries and identifying gaps, the OECD can help policymakers design reforms that reduce administrative burdens, simplify business registration, and improve access to financial services—factors that are critical to incentivizing formal participation.

## Recommendations to the OECD

The OECD should facilitate regional policy dialogue and cooperation, allowing governments and the private sector to share successful approaches such as digital one-stop shops, improved tax systems, and targeted SME support programs. Its analytical work on informality highlights the need for policies that lower formalisation costs, expand social protection, and improve productivity, while its guidance on digitalization and tax administration modernization supports better compliance and reduces barriers for small firms.

A well-designed regulatory environment is critical to unlocking the full potential of SMBs. Examples in the region include:

- Argentina: Reduction of tax asymmetries, lowering compliance costs and encouraging digital payments adoption, and,
- Uruguay: VAT incentives for electronic payments, particularly in SMB-intensive sectors.

These measures demonstrate how smart regulation can accelerate adoption, investment, and formalisation.

Overall, by combining research, policy guidance, and international coordination, the OECD can help create more enabling ecosystems in which small businesses can transition from informality to sustainable participation in the formal economy.



**COPARMEX**

## **Company Case Study 3: COPARMEX**

### **About the organization**

The **Employers' Confederation of the Mexican Republic (COPARMEX)** is an independent, non-partisan business organization founded in **1929** that represents and brings together companies of all sizes and sectors in Mexico.

COPARMEX represents more than **36,000 employers across Mexico** through its network of **71 Business Centers** and **14 National Federations**. Its members generate a significant share of formal employment and productive value in the country. Among its main sectors are **construction, agriculture, tourism, industry, commerce, technology, innovation, energy, transport, sustainability, labor relations, safety and health at work and economic rights**.

COPARMEX currently brings together more than **36,000 affiliated companies**, which account for nearly **30% of Mexico's GDP** and represent approximately **4.8 million formal jobs**. Through its Business Centers and National Federations, it is present in all states of the country and acts as an institutional voice for the Mexican private sector.

### **Initiatives to promote formalisation**

COPARMEX considers that informality is one of the main obstacles to economic growth, productivity and development in Mexico. The Confederation promotes an agenda for improving the business environment as an essential condition for promoting solutions that incentivize formal labor inclusion.

As part of this effort, COPARMEX created the **Commission on Informality**, a specialized body responsible for studying, diagnosing and proposing solutions to address informality and promote access to formal employment. Its work focuses on generating proposals on the economy, taxation and labor inclusion.

COPARMEX has promoted a formalisation strategy based on dialogue with workers, employers and authorities. This includes initiatives to promote the **decent work agenda**, the fight against informality, the reduction of regulatory burdens and the promotion of policies aimed at facilitating access to formal employment. In addition, through its structures and technical commissions, the organization has identified a series of priorities to move towards formality, including administrative simplification, reducing the tax burden on formal businesses, strengthening social protection and improving access to financing and digitalization for productive units with the greatest barriers to entering the formal economy.

The initiative seeks to respond to the barriers that many SMEs face in accessing information, financing, training, digitalization and technical support, identified during the dialogue processes promoted by COPARMEX. Its objective is to support **more than 100,000 MSMEs** throughout the country through accessible and personalized solutions that contribute to their growth and competitiveness.

In a complementary way, **COPARMEX** has promoted **digital and biometric identity mechanisms**, as well as initiatives to expand the use of direct electronic payment methods. Among these actions, the company highlights participation in the **"Mercado Pago Digital"** project, aimed at promoting the digitalization of economic transactions and reducing barriers to access to the formal financial system.

## Main learnings

COPARMEX's experience has shown that **informality is a multidimensional phenomenon that cannot be addressed exclusively through tax enforcement or regulatory compliance mechanisms**. On the contrary, it requires a **comprehensive strategy** that combines **simplification, adequate incentives, strengthening of productivity, access to social protection, digitalization, financial inclusion and institutional strengthening**. It also emphasizes that **social dialogue** has been essential to understanding the complexity of the phenomenon from different perspectives, building trust among the actors involved and reaching agreements oriented towards concrete solutions.

## Barriers to addressing informality

COPARMEX's experience has shown that informality is a structural and multidimensional phenomenon that limits **productivity, competitiveness and social inclusion in the country**.

- 1. Costs associated with formality:** Labor, tax and regulatory obligations, combined with the costs of administrative compliance and the time required to carry out procedures, represent significant obstacles for informal businesses that are considering formalisation, limited access to resources for many micro and small economic units.
- 2. Regulatory complexity and fragmentation of government processes:** Entrepreneurs must interact with multiple institutions, requirements and procedures, which generate high transaction costs and uncertainty regarding regulatory compliance.
- 3. Limitations in offering comprehensive support throughout the formalisation process:** From an institutional perspective, supervision, guidance and service provision capacity varies significantly across levels of government.
- 4. Unequal competition between formal and informal companies:** Companies that comply with their labor, tax and regulatory obligations frequently face competitive pressures derived from actors that operate outside these obligations, generating distortions in markets.
- 5. Informality as a limitation on development opportunities for workers and formal businesses:** Those who face greater difficulties in accessing financing, training, digitalization and technical support are precisely the economic units that tend to remain outside the formal economy.

Finally, **COPARMEX** has identified that one of the greatest challenges consists of **transforming the perception of formality**. As long as it continues to be seen primarily as a source of obligations, and not as a way to access opportunities for growth, productivity, financing, protection and business development, progress will necessarily remain limited.

## Relevance of the OECD

The **OECD has contributed significantly** to transforming the understanding of informality, moving from an approach focused exclusively on regulatory and tax compliance towards **a broader vision** that links it to productivity, social protection, institutional quality and sustainable economic growth. This perspective is particularly relevant for **Mexico**, where approximately **55% of workers are employed in informal conditions**, one of the highest levels among OECD member countries.

For **COPARMEX**, one of the OECD's main contributions has been **to show that informality is not only a consequence of non-compliance with regulations**, but also **a reflection of structural gaps** in productivity, access to services, financing, business

capabilities and social protection coverage. The **OECD** has documented how informal firms tend to remain small, with limited access to training, financing and services that support growth and productivity, creating a vicious circle of low productivity and informality.

The **OECD recommendations** have been particularly valuable in supporting comprehensive public policy approaches that combine regulatory simplification, institutional strengthening, financial inclusion, expansion of social protection and productive development. Among the most useful analytical tools are:

- The **OECD Economic Surveys: Mexico**;
- The **Economic Outlook for Latin America (Latin American Economic Outlook)**;
- Regulatory policy indicators;
- The recent report **Expanding Social Protection and Addressing Informality in Latin America**.

These instruments make it possible to identify structural barriers, compare Mexico's performance against international standards and assess policies that have shown positive results in other countries.

## Recommendations to the OECD

**COPARMEX** considers that the OECD can play an even more relevant role in promoting formalisation in Latin America by strengthening cooperation, dialogue, evidence-generation and consensus-building mechanisms. Among the main recommendations are:

- 1. Continue to make informality visible as one of the main challenges** for inclusive growth, productivity, competitiveness and social cohesion in the region.
- 2. Strengthen the exchange** of experiences, good practices and lessons learned among member and partner countries.
- 3. Develop comparable indicators, diagnostic tools and monitoring mechanisms** that make it possible to measure real progress.
- 4. Promote comprehensive approaches** that combine regulatory simplification, institutional strengthening, financial inclusion, social protection, digitalization and productive development.
- 5. Consolidate permanent spaces for regional dialogue** among governments, business organizations, workers, academia, civil society and international organizations.
- 6. Strengthen support and follow-up mechanisms** for countries implementing formalisation strategies.
- 7. Identify, document and disseminate successful models** that promote the incorporation of workers, independent workers, microenterprises and small businesses into the formal economy.
- 8. Promote digital tools, reliable identity systems and financial inclusion mechanisms** that reduce transaction costs and facilitate formalisation.
- 9. Maintain high-level dialogue spaces between the OECD and business organizations affiliated with Business at OECD (BIAC)**, in order to incorporate the private sector's perspective into the design and evaluation of public policies.

For **COPARMEX**, formalisation should be understood as a pathway to incorporate more people and companies into the benefits of development, facilitating access to opportunities for growth, financing, training, innovation and social protection. In this sense, the OECD can continue to play a relevant role by promoting policies and cooperation mechanisms that contribute to more inclusive and sustainable development.

# Company Case Study 4: RANDSTAD

## About the organization

### our global business in 2025.

total revenue € 23,077 million  
(2024: € 24,122 million) revenue per market in %



#### north america

- revenue € 4,402 million
- 7,010 corporate staff
- 67,900 talent (avg. weekly)
- 655 outlets

#### southern europe, uk & latin america

- revenue € 3,356 million
- 4,210 corporate staff
- 68,100 talent (avg. weekly)
- 795 outlets

- revenue € 1,962 million
- 2,990 corporate staff
- 63,800 talent (avg. weekly)
- 396 outlets

- revenue € 2,241 million
- 3,300 corporate staff
- 55,100 talent (avg. weekly)
- 299 outlets

- revenue € 1,483 million
- 3,090 corporate staff
- 45,300 talent (avg. weekly)
- 295 outlets

#### northern europe

- revenue € 2,345 million
- 3,910 corporate staff
- 45,800 talent (avg. weekly)
- 455 outlets

- revenue € 1,437 million
- 2,020 corporate staff
- 35,600 talent (avg. weekly)
- 286 outlets

- revenue € 1,493 million
- 1,980 corporate staff
- 22,900 talent (avg. weekly)
- 374 outlets

- revenue € 1,421 million
- 2,420 corporate staff
- 30,700 talent (avg. weekly)
- 310 outlets

#### asia pacific

- revenue € 2,277 million
- 5,460 corporate staff
- 122,700 talent (avg. weekly)
- 167 outlets

Randstad is the world's leading talent company and has a vision of becoming the most equitable and specialized talent company in the world. Founded in 1960 and headquartered in Diemen, the Netherlands, the company operates with the objective of connecting talent and companies through talent solutions, recruitment, temporary employment, selection and permanent placement, outplacement and professional development.

The company has a large-scale global presence and is currently the world leader in talent services. In 2025, it recorded revenues of €23.077 billion and supported more than 560,900 people each week. It also carried out approximately 250,000 permanent placements, trained more than 532,200 workers and had 41,500 internal employees.

In Latin America, Randstad has operations in Argentina, Brazil, Chile, Mexico and Uruguay. In Argentina, where it has operated for more than four decades, with an internal team of around 500 employees and allocated an average of 15,000 workers per day during 2025. In Brazil, where it has operated since 2011, it has more than 900 employees distributed across the country and covers more than 100,000 positions during 2025.

## Initiatives to promote formalisation

Randstad promotes labor formalisation through a combination of formal labor intermediation mechanisms, labor inclusion programs and public-private partnerships aimed at expanding access to registered employment. As a formal employer, Randstad guarantees workers access to labor and social protection rights, while facilitating their incorporation into permanent employment. It also promotes inclusion, labor training, capacity building and employability, especially for young people, women and other groups facing greater barriers to accessing the formal labor market.

**Randstad Argentina:** Labor informality is one of the persistent structural challenges in Argentina's labor market. Historically, the informality rate in Argentina has ranged between 30% and 41%, functioning in many cases as a mechanism for absorbing employment in recurrent cycles of economic crisis. In this context, Randstad Argentina considers that labor intermediation companies play a strategic role in promoting formalisation by becoming the first formal employment experience for thousands of people and by ensuring, from day one, access to social security and the main benefits associated with formal employment. Randstad sees its activity as a bridge towards labor formalisation.

- 1. Absorption of initial risk.** Many companies, especially **small and medium-sized enterprises (SMEs)**, hesitate to hire staff on a permanent basis for fear of making a mistake in the candidate's profile. As Randstad absorbs this risk, it prevents the worker from remaining solely in the applicant pool.
- 2. Networking/Referral.** Together with the lack of experience, the greatest barrier to entry into the formal and registered labor market for young people and first-time job

seekers is the opportunity to connect their CV with relevant information in the formal sector.

- 3. Transition to permanency.** Around **40% of people assigned to client companies are ultimately hired** by the user company/client once the project or demand peak ends, becoming a powerful mechanism for entering the formal and registered labor market.

- 4. Generation of equal opportunities.** Global Talent Opportunity companies, such as Randstad, apply corporate hiring standards that help neutralize discrimination biases that are common in the traditional labor market.

In Argentina, informality reached **43% during the fourth quarter of 2025**, affecting approximately **5,8 million people**. Among the main factors identified are high non-wage labor costs, labor litigation, macroeconomic instability and the lack of regulatory frameworks adapted to new forms of work.

In response to these challenges, Randstad has developed various initiatives aimed at expanding access to formal and registered employment. Through public-private partnerships and collaboration with civil society organizations, the company promotes labor inclusion programs targeted at vulnerable populations. These include:

- 1.** Work carried out together with the **Government of the City of Buenos Aires** and civil society organizations **Barrio Mugica**, which since 2018 has enabled more than 700 job interviews, delivered 45 employability workshops and facilitated the incorporation of 170 people into formal employment.
- 2.** In addition, its corporate volunteering program benefited more than 6,000 people during 2025 through capacity-building and employability activities.

3. Meanwhile, initiatives such as employment fairs and university fairs bring job opportunities closer to talent.

For Randstad, formal labor intermediation is a tool for equity that transforms situations of vulnerability into registered employment and contributes to expanding access to decent work opportunities through selection processes based on talent and free from bias.

**Randstad Brazil:** In Brazil, informality continues to represent one of the main challenges in the labor market. According to official figures, the informality rate reaches

equivalent to approximately **39,2 million people**. Of these, around **19 million work without employer registration (CNPJ)** and around **13.8 million work in the private sector without a formal labor contract**. This context limits access for millions of workers to social protection, labor stability and professional development opportunities.

Against this backdrop, Randstad Brazil considers that labor intermediation companies can play a key role in promoting formalisation:

1. Through strict compliance with the Consolidation of Labor Laws (CLT), the company guarantees workers access to labor rights from day one, including social security coverage, access to retirement, unemployment insurance and other benefits that protect both the worker and their family.
2. It also acts as an entry point into the formal labor market for thousands of people seeking stability and opportunities for professional development, complementing this process through ongoing training programs that contribute to transforming temporary jobs into sustainable career paths.

Randstad Brazil's formalisation strategy also incorporates initiatives with a direct impact on the communities in which it operates:

1. These include programs aimed at young people and individuals seeking their first job, designed to facilitate their entry into the formal labor market through contracts that fully guarantee the labor rights established under Brazilian legislation.
2. Similarly, the company promotes actions that help provide economic stability and legal predictability for workers and heads of household, fostering labor environments that respect rights such as maternity leave and the social protection associated with formal employment.
3. Finally, Randstad Brazil promotes diversity and inclusion policies aimed at eliminating bias in recruitment and selection processes.

These initiatives seek to expand access for groups traditionally underrepresented in quality jobs with opportunities for professional development, reinforcing the role of formalisation as a tool for economic inclusion and social mobility.

## Recommendations to the OECD

Randstad considers that the standards, recommendations and analytical frameworks promoted by the OECD can play a relevant role in reducing labor informality and improving the business environment in Latin America.

**Randstad Argentina:** In the case of Argentina, the OECD accession process represents an opportunity to promote reforms aimed at strengthening macroeconomic stability, improving regulatory quality, increasing legal certainty and promoting investment that generates formal employment.

To consolidate and complement the Labor Modernization Law (Law 27.802 / 2026), it proposes the following segmented impact proposals:

- 1. Young people:** Implement a dual education system (German model) to resolve the mismatch between the world of work and education, and sustain temporary employment subsidies for first-time jobs. It seems “first job” remains valid, while also strengthening school completion.
- 2. Women:** Strengthen and expand care infrastructure, including publicly accessible or corporate childcare centers, and promote formal regulations for part-time, remote and domestic work, without loss of social security rights.
- 3. Low-skilled workers/operators:** Develop reskilling and training programs in trades, technologies and energy-transition roles, such as lithium, Vaca Muerta and agrotech, directly linking social plans to mandatory training for entry into the private sector.
- 4. Reskilling transition and flexible security:** Provide subsidies for hiring, with a gradual reduction in employer contributions linked to training, use of AI applied to the sector, transition objectives for the worker in their current job or in the job that AI is making obsolete.
- 5. Self-employed workers and platform economy:** Further develop figures such as the “Monotributo Tech” or simplified regimes that provide medical coverage, pension coverage, without undermining the dependent-worker relationship.

**Randstad Brazil:** Similarly, the OECD can contribute to strengthening practices of transparency, integrity and institutional modernization that favor formalisation and improve the functioning of labor markets. In Brazil, where the country maintains a close relationship with the Organization and has received several recommendations since its 2022 accession, OECD frameworks are perceived as useful tools to promote regulatory reforms and strengthen economic competitiveness.

In Brazil, Randstad identifies four main priorities:

- 1.** Advance tax and labor simplification.
- 2.** Develop regulatory frameworks for the platform economy.
- 3.** Direct efforts towards multinational companies, promoting the outsourcing of responsible services and qualitative evidence that demonstrates socio-economic effects.
- 4.** National Skills Strategy: technical training coordinated with the local market to integrate vulnerable communities into formal jobs in high demand.

In both cases, the company considers that the OECD can play a relevant role by promoting the exchange of good practices, supporting regulatory reforms aimed at formalisation and facilitating dialogue spaces among governments, the private sector and social actors to move towards more inclusive and productive labor markets.

# **Business at OECD (BIAC) National Members**

Australia	<b>ACCI: Australian Chamber of Commerce and Industry</b>
Austria	<b>IV: Federation of Austrian Industries</b>
Belgium	<b>VBO FEB: Federation of Belgian Enterprises</b>
Canada	<b>Canadian Chamber of Commerce</b>
Chile	<b>CPC: Confederation of Production and Commerce of Chile</b>
Colombia	<b>ANDI: National Business Association of Colombia</b>
Costa Rica	<b>UCCAEP: Costa Rican Union of Chambers and Associations of the Private Business Sector</b>
Costa Rica	<b>CICR: Chamber of Industries of Costa Rica</b>
Czech Republic	<b>SP: Confederation of Industry of the Czech Republic</b>
Denmark	<b>DA: Danish Employers' Confederation</b>
Denmark	<b>DI: Confederation of Danish Industry</b>
Estonia	<b>Estonian Employers' Confederation</b>
Finland	<b>EK: Confederation of Finnish Industries</b>
France	<b>MEDEF: Movement of the Enterprises of France</b>
Germany	<b>BDA: Confederation of German Employers' Associations</b>
Germany	<b>BDI: Federation of German Industries</b>
Greece	<b>SEV: Hellenic Federation of Enterprises</b>
Hungary	<b>MGYOSZ: Confederation of Hungarian Employers and Industrialists</b>
Hungary	<b>VOSZ: Confederation of Hungarian Business</b>
Iceland	<b>SA: Confederation of Icelandic Enterprise</b>
Ireland	<b>Ibec: Irish Business and Employers Confederation</b>
Israel	<b>MAI: Manufacturers' Association of Israel</b>
Italy	<b>assonime: The Association of Italian Joint Stock Companies</b>
Italy	<b>CONFINDUSTRIA: General Confederation of Italian Industry</b>
Italy	<b>FeBAF: Italian Banking Insurance and Finance Federation</b>
Japan	<b>Keidanren: Japan Business Federation</b>
Korea	<b>FKI: Federation of Korean Industries</b>
Latvia	<b>LDDK: Employers' Confederation of Latvia</b>
Lithuania	<b>LPK: Lithuanian Confederation of Industrialists</b>
Luxembourg	<b>FEDIL: The Voice of Luxembourg's Industry</b>
Mexico	<b>COPARMEX: Employers Confederation of the Mexican Republic</b>
Netherlands	<b>VNO-NCW: Confederation of Netherlands Industry and Employers</b>
New Zealand	<b>BusinessNZ</b>
Norway	<b>NHO: Confederation of Norwegian Enterprise</b>
Portugal	<b>CIP: Confederation of Portuguese Business</b>
Poland	<b>Polish Confederation Lewiatan</b>
Slovakia	<b>RÚZ: Slovak Employers' Federation</b>
Slovenia	<b>ZDS: Association of Employers of Slovenia</b>
Spain	<b>CEOE: Confederation of Employers and Industries of Spain</b>
Sweden	<b>Svenskt Näringsliv: Confederation of Swedish Enterprise</b>
Switzerland	<b>economiesuisse: Swiss Business Federation</b>
Switzerland	<b>Swiss Employers Confederation</b>
Türkiye	<b>TİSK: Turkish Confederation of Employer Associations</b>
Türkiye	<b>TOBB: Union of Chambers and Commodity Exchanges of Türkiye</b>
Türkiye	<b>TÜSIAD: Turkish Industry and Business Association</b>
United Kingdom	<b>CBI: Confederation of British Industry</b>
United States	<b>USCIB: United States Council for International Business</b>








**BUSINESS**at**OECD**

Business and Industry Advisory  
Committee to the OECD

Established in 1962, *Business at OECD* (BIAC) is the officially recognised institutional business voice at the OECD. We stand for policies that enable businesses of all sizes to contribute to economic growth, sustainable development, and societal prosperity. Through *Business at OECD*, national business and employers' federations representing over 10 million companies provide perspectives to cutting-edge OECD policy debates that shape market-based economies and impact global governance. Our expertise is enriched by the contributions of a wide range of international sector organisations.

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