



Concept Note

UfM Informal Economy Workshop

Opportunities, Trends and Best Practices

Istanbul, Türkiye – 16-17 September 2025

According to the International Labour Organisation (ILO), more than 6 workers among 10 and 4 enterprises among 5 in the world operate in the informal economy. In the Southern Mediterranean region, informal economy accounts for over 20% of the GDP and more than 60% of jobs. In the other Euro-Mediterranean regions informality tends to be lower in scale but remains a pressing challenge. Moreover, a significant number of businesses, including social enterprises operate in the informal sector, which hinders their access to finance and to markets, but also to skilled workforce, and ultimately reduces their capacity to scale-up, sustain and generate long-term social and economic impact. Reduction of informality is often cited as one of the key areas that may contribute to decent job creation, more inclusive growth and reducing inequalities in the UfM region, especially for youth, women and vulnerable communities. Informality in the Southern Mediterranean represents a complex reality. It constitutes a continuum of situations, encompassing a vast diversity of actors, which calls for a comprehensive and multi-partner approach.

During their 2022 Ministerial Meeting in Marrakech, the UfM Ministers of Employment and Labour stressed the need to *“promote the transition to formal employment for informal workers, especially women, employed in the shadow economy, home-based work and in micro-, small and medium-sized enterprises as well as work in the agricultural sector and own-account and part-time work, by providing incentives for enterprises to ensure transition from informal to formal economy, promoting pilot projects to encourage and support the transition from informality to the formal market, extending social protection and ensuring fair wages that provide for a decent standard of living in accordance with diverse national wage setting systems.”*

Acting upon this mandate, the UfM Secretariat, in partnership with the German Development Cooperation and with the support of the European Commission (Directorate-General for Employment, Social Affairs and Inclusion), will organise the UfM Informal Economy Workshop in Istanbul on 16-17 September 2025. The Workshop is also supported by Ministry of Labour and Social Security of the Republic of Türkiye.

The Workshop will focus on opportunities, challenges and best practices in addressing informality and promoting the transition from informality to formality in the region and will showcase some inspiring initiatives in the field. It aims to respond to a substantial demand from policymakers and employers' and workers' organizations at the country level for evidence-based, innovative approaches and good practices on effective policy and coordination frameworks for facilitating the transition to the formal economy including through emerging opportunities from new digital technologies which can provide effective tools to facilitate the transition to formality, prevent informalization and strengthen compliance systems against labour law violations, while respecting applicable data protection laws.



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The Workshop will facilitate synergy-building, focused discussions and peer-exchange, and will explore the possibility of transfer of knowledge when and if needed. It will benefit from the participation of key actors in tackling the root causes of informality and an outcome document will emanate from the Dialogue to be made available to all stakeholders. It will also feed into the upcoming UfM Ministerial Meeting on Employment and Labour which will take place in Malta in October 2025.