
BLOG

Bridging the skills gap for informal economy workers – How can skills and lifelong learning help mitigate the consequences of the crises?

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Joyce Mubvumbi, a young woman from Mutare, Zimbabwe, once stood proudly in her small hair salon and said that her life had been changed by the [ILO's Training for Rural Economic Empowerment \(TREE\) programme](#) >. But that was before the global COVID-19 virus pandemic hit the world and nationwide lockdowns forced people, including Joyce, to close their businesses.

Currently, two billion people are engaged in the informal economy and most of them live in low- and middle-income countries. As the whole world grapples with the consequences of the COVID-19 pandemic, workers in the informal economy have been hit hard. Many of them are poor and most lack labour, social and health protection, leaving them particularly exposed and vulnerable. In times of crisis, such as the one we are experiencing now, massive lay-offs and a potential increase in informalisation of wage employment are likely to further enlarge the pool of people working in the informal economy.

“The crisis has uncovered the huge decent work deficits that still prevail in 2020 and shown how vulnerable millions of working people are when a crisis hits.”

Guy Ryder, ILO Director-General

Skills development can improve productivity and help workers diversify their employment opportunities. The livelihoods and learning pathways of informal workers are highly diverse. However, informal economy workers face various barriers to accessing and participating in skills and lifelong learning opportunities. Challenges include lower levels of foundational skills to formal educational entry requirements, costs of training and opportunity costs such as foregone income,

and location- and gender specific-factors which impede access to learning opportunities especially for girls and people in rural communities.

“Promoting the employability and income opportunities of people working in the informal economy is highly critical for inclusive societies, and more so in times of crisis. Innovations to facilitate outreach, the recognition of prior learning or digital solutions are highly needed, requiring new financing models and partnerships with employers and workers’ organizations.”

Srinivas Reddy, Chief of the ILO Skills and Employability Branch

And indeed, there have been promising approaches on how to bridge the gap for informal economy workers to access and participate in skills development and lifelong learning.

For example, informal apprenticeships represent the most widespread source of skills for youth, especially in West Africa and South Asia. Various interventions to preserve and upgrade this informal training system have been proven successful. In several countries, for instance, dual-type apprenticeships that combine in-classroom and workplace training have been established to transform and upgrade informal apprenticeships.

Recognition of prior learning is another important approach, as it allows for certification of skills acquired outside of formal training institutions. It thereby facilitates the transition of informal economy workers to formal employment. In India, for example, practical trade tests are used to recognize skills of informal economy workers.

Other promising practices include the offer of training-related active labour market programmes, the extension of formal TVET training to informal economy workers, second change programmes and community-based training initiatives for rural economic empowerment, such as the TREE programme.

Lastly, digital learning and training solutions also offer potential to increase outreach to informal economy workers, especially when training institutions are temporarily closed as a result of lockdowns. However, connectivity, access to adequate technology and digital literacy must be ensured before informal economy workers can reap the benefits of these new learning opportunities.

We still have a long way to go to make lifelong learning a reality for the two billion people working in the informal economy. Of course, there is no quick fix for this, and an integrated approach is needed that combines policy efforts and financing reforms with structural transformation

processes. Nevertheless, enabling informal workers to access and participate in skills development and lifelong learning is not only a matter of individual and economic empowerment but can also help to mitigate their vulnerability and exposure to risk in times of crisis.

Further information

Publication

- [Lifelong Learning in the Informal Economy: A Literature Review > \[pdf 843KB\] >](#)

Tags: skills, informal economy