

2024/SOM1/019Session 3.2

Outcomes of the SCE Policy Dialogue on Understanding the Nexus Between Digital Connectivity and Formalization in the Asia-Pacific - Presentation

Purpose: Information Submitted by: Peru



First Senior Officials' Meeting Lima, Peru 7-8 March 2024





APEC PERU 2024

SCE POLICY DIALOGUE
UNDERSTANDING THE NEXUS
BETWEEN DIGITAL
CONNECTIVITY AND
FORMALIZATION IN THE ASIAPACIFIC





PRIORITY 2: INNOVATION AND DIGITALIZATION TO PROMOTE TRANSITION TO THE FORMAL AND GLOBAL ECONOMY

DELIVERABLE: ROADMAP TO PROMOTE TRANSITION TO THE FORMAL AND GLOBAL ECONOMY

MEANS: POLICY AND PUBLIC-PRIVATE DIALOGUES AND WORKSHOPS



Objectives

Identifying best practices, lessons learned and successful experiences that could help to understand the nexus between digital connectivity and formalization.

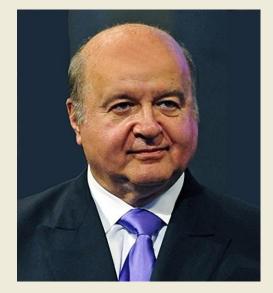
Exchanging views on the key areas and objectives that could be included in the Roadmap.

What is the impact of digital connectivity in encouraging and facilitating formalization in the AP?

Which are the key areas and actions that could be considered in the Roadmap?



Keynote Speaker & Panelists



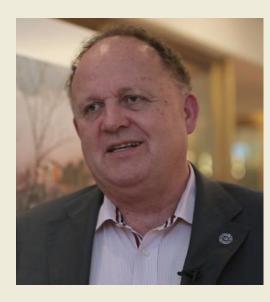
Mr. Hernando de Soto Keynote Speaker



Ms. Corinne Deléchat
"Addressing Informality: A Priority for Inclusive
Growth"



Mr. David Kaplan
"How to design Social Security to promote Labor
Productivity and Formality?"



Mr. Rory McLeod
"Structural Reform for Digital Connectivity and Formalisation"



Ms. Zuraidah binti Mohamed Said
"Formalisation of Informal Entrepreneurs in
Malaysia: Current Landscape, Issues and
Challenges and Way Forward"



Mr. Norman Loayza
"Formalisation: Digitalization Can Empower but
not Replace a Better Business Environment"

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Key Outcomes

- ➤ The invited speakers expressed agreement on the importance of an APEC Roadmap to promote the transition to the formal economy and contributed with their insights to the key areas to be included.
- ➤ Informal sector is currently the only source of subsistence for millions of people and represents a form of exclusion of vulnerable economic actors, affecting the Asia-Pacific region. The goal of the transition is to protect the vulnerable segments of the economy Informal actor's challenges

- ➤ Policies to facilitate the transition to the formal economy, advocating for combined interventions to enhance economies' capacity to absorb informal activity and individuals' ability to enter the formal economy Structural reforms, Trade & investment, Access to finance, Innovation and digitalization, Access to public services



Key Outcomes

- ➤ Providing incentives and adopt a cross-cutting approach involving resilient market institutions, improved rule of law, labor market reforms, better access to education and healthcare, expanded digital technology coverage and skills, and simpler taxation regimes Structural reforms, Trade & investment, Access to finance, Innovation and digitalization, Access to public services
- > Digitalization can help make formality attractive and, therefore, support formalization, but is only effective when the business environment is favourable | Innovation and digitalization
- > The work and synergies of APEC's three committees, CTI, EC and SCE, could pave the way to advance an agenda in favour of transition to the formal economy ——— Cross-cutting enablers
- > Is Formalisation the Missing Element in APEC's Inclusion Agenda?







