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The share of self-employed workers and employees without regular work contracts is rising globally, reaching over 70% of the workforce in African countries like the Ivory Coast, Mali or Zambia, and over 60% in Bolivia, Honduras, Nicaragua or Paraguay. The problems associated with informality – poverty, precarious work conditions, gender inequalities and social as well as economic marginalization, among others – are not new and have been described and analysed for over 40 years by numerous economists and social scientists. By asking [“Is informal normal?”](http://www.oecd-ilibrary.org/development/is-informal-normal_9789264059245-en), the OECD has, however, been challenging our perspective on the phenomenon, prompting us to reconsider what we already know about the causes and consequences of informal employment and how we deal with it.

Taking the example of German development cooperation policy in Vocational Education and Training (VET), changing perspectives on the informal economy can be observed to materialize both in policy documents and in projects or programmes on the ground. In its early days, cooperation in VET focused on setting up vocational training centres with modern equipment in cooperation countries. These centres were to be used to train specialists and managers in the latest technologies who, in turn, would then drive economic and social development in their own countries. However, focusing on the skills development needs of a non-existent or embryonic formal economy did not always yield the desired results. In particular, this approach failed to reach poorer segments of the population and to strengthen the local economy. The ‘Vocational Education’ concept published by the Federal Ministry of Development Cooperation (BMZ) in 1992 made the first mention of target group-specific measures for those working in the informal economy. [The  meta-evaluation report (in German)](http://www.giz.de/de/downloads/giz2011-de-synthesebericht-berufliche-bildung.pdf) commissioned by the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) GmbH in 2011 in the area of vocational education and training found, however, that “Only a very small number [of projects] relate explicitly to the informal sector in which pro-poor results are most likely to be achieved”. As a consequence of this evaluation, learning in and for the informal economy became one of the four priority areas of BMZ’s strategy for vocational education and training as defined in its [2012 Position Paper](http://www.bmz.de/de/publikationen/themen/bildung/Strategiepapier322_8_2012.pdf) (German only).

In practice, the priority given by the BMZ to the informal economy lead to the increased promotion of a more flexible approach to VET provision, the systematic cooperation with local partners to develop target-group oriented measures and a holistic approach aiming at overcoming incompatibilities and institutional barriers between learning forms. The improvement of traditional apprenticeship training, the recognition of informally acquired skills and the opening up of TVET centres to provide short-term, demand-oriented courses to informal workers are but a few examples of concrete action.

While research-based evidence on the costs and benefits of specific tools and approaches used to promote target groups from the informal economy is scarce, there are many examples of good practice which can be provided by non-governmental organisations and state-led development agencies. In order to systematise existing theoretical and practical knowledge on learning and working in the informal economy, the BMZ recently commissioned the GIZ to develop an online platform bringing together the results of academic research and experiences from practitioners. This toolkit is now available in English at [www.giz.de/toolkit-informal-economy](http://www.giz.de/toolkit-informal-economy). Building on the insights of renowned international experts such as Marta Chen, Robert Palmer, Richard Walter and Patrick Werquin, the toolkit provides the opportunity to foster exchanges between researchers and practitioners both from Germany and other countries.

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