



Asia-Pacific  
Economic Cooperation



STUDY TO GENERATE  
**DIGITAL TOOLS**  
FOR THE TRANSITION TO FORMAL ECONOMY  
**OF TOURISM BUSINESSES**  
IN THE ASIA PACIFIC REGION

APEC Tourism Working Group  
February 2025





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Economic Cooperation**

# **Study to Generate Digital Tools for the Transition to Formal Economy of Tourism Businesses in the Asia Pacific Region**

**APEC Tourism Working Group**

**February 2025**

APEC Project:  
**TWG 02 2023 A**

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# 1

## EXECUTIVE SUMMARY

Business formalization in the tourism sector represents a crucial challenge in the economies of the Asia-Pacific region. High informality in this sector not only limits economic growth, but also generates inequalities and hinders the implementation of effective policies. This phenomenon is especially relevant in the context of tourism, which is vital for connectivity and sustainable economic development in the region. The COVID-19 pandemic has exacerbated these problems, further raising levels of informality in the sector.

However, the rapid adoption of digital technologies since the early 2020s has provided a significant opportunity for economic resilience and the possibility of a recovery in tourism. Recognizing the importance of addressing informality and leveraging new technologies, APEC has identified the transition to formality as a strategic priority.

In this context, the project “Study and Workshop to Generate Digital Tools for the Transition to the Formal Economy of Tourism Businesses in the Asia-Pacific Region (TWG 02 2023A)” is developed. This project aligns with the Tourism Working Group (TWG) Work Plan 2023 and supports the implementation of the APEC Tourism Strategic Plan 2020-2024, focusing on the priority areas of “Digital Transformation” and “Human Capital Development”. Its main objective is to identify and assess available digital tools that can support the formalization of businesses in the tourism sector of APEC economies, fostering digital connectivity and facilitating the transition of informal economic actors to the formal economy.

The project methodology was developed in two phases: the first phase focused on research, where information was gathered from primary sources, through virtual interviews with experts in tourism and formalization, as well as from secondary sources, through a literature review of key cases and policies. Policies, actions and programs implemented in various APEC economies and other regions were found, identifying 14 cases that demonstrated how digital tools can foster the transition to formality in the tourism sector.

The second phase consisted of a two-day workshop, held at the Lima Convention Center, organized by the Ministry of Foreign Trade and Tourism of Peru (MINCETUR) and funded by APEC. This event brought together experts, policy

makers, business sector representatives and academics to discuss and share perspectives on the use of digital tools to promote formalization in the tourism sector. Interactive sessions and panel discussions encouraged the exchange of ideas and collaboration among attendees.

The results of the project were significant:

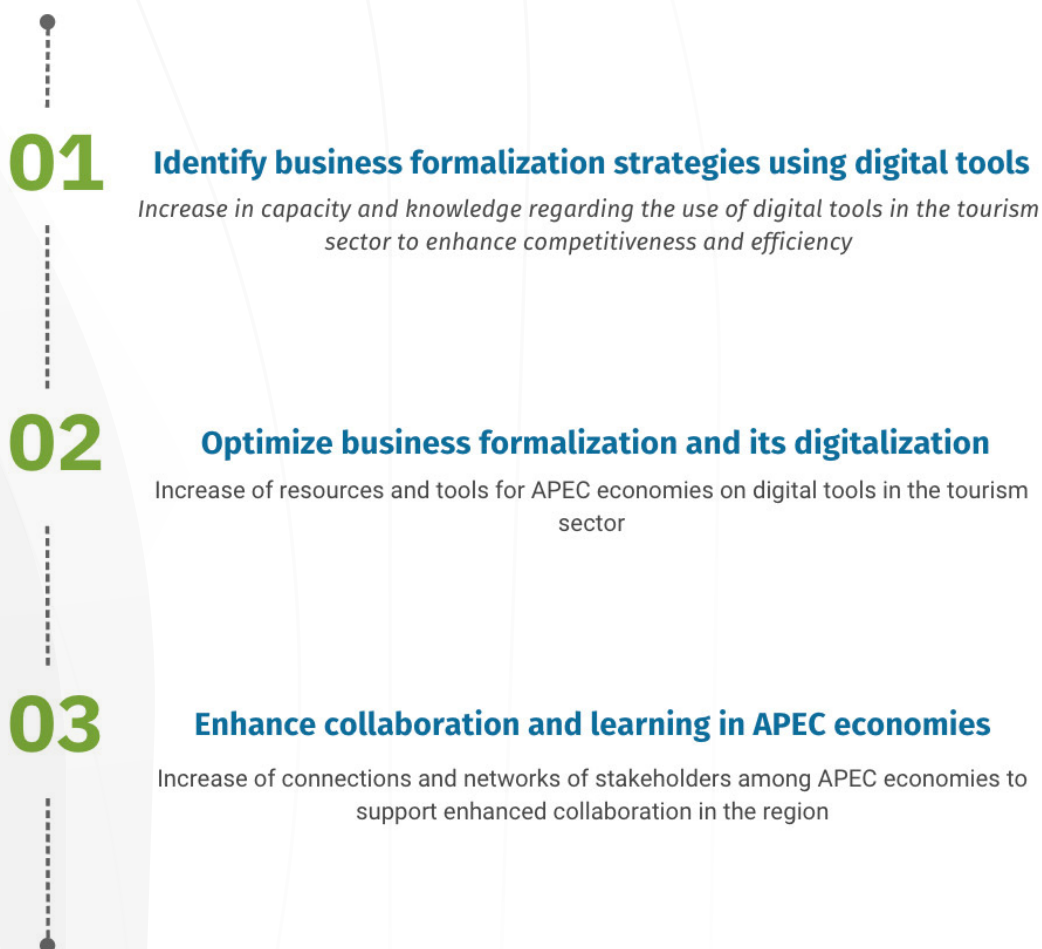
- Expert interviews and a literature review were conducted to provide key insights on the state of tourism in APEC economies, informality, and digital tools that promote the transition to the formal economy.
- Specific cases originating or applied in APEC economies were identified and shared, highlighting the benefits and effectiveness of digital tools in boosting commercial activities while transitioning to formality.
- Connections and networks among APEC economies, promoting collaboration and mutual learning were strengthened.
- Knowledge and capacity on the use of digital tools in the tourism sector to transition to formality increased among the workshop’s participants.

This report provides an overview of the results of the aforementioned activities and considers future actions to improve business formalization in the region’s tourism sector hand in hand with digitalization.

# 1.1. OBJECTIVES AND SCOPE OF THE PROJECT

The TWG 02 2023A project aims to reduce the informal economy in the tourism sector. To achieve this, it seeks to identify business formalization strategies that are aligned with the use of digital tools, thus providing effective resources for the

transition to formality. In addition, the project aims to improve the implementation of these strategies and foster collaboration and learning among APEC economies.



To achieve these objectives, the following project has been divided into two parts. On the one hand, research was conducted to provide key knowledge on the state of tourism, informality, the transition to the formal economy and the digital tools that promote it. Fourteen cases were identified related to best practices and available digital tools that support the transition to formality of enterprises. The research work for this paper consisted of gathering information from primary sources (conducting virtual interviews) and secondary sources (literature review: context, cases and key policies).

On the other hand, an event was held, which was formulated based on the main findings of this research. This meeting facilitated the exchange of experiences and promoted collaboration in the design of solutions for formalization in the tourism sector, with emphasis on the use of digital tools.



## 1.2. KEY ACHIEVEMENTS AND OUTCOMES

This section describes the main achievements and tangible results resulting from the implementation of the project, highlighting its success in addressing the identification and evaluation of digital tools for formalization in the tourism sector, contributing to digital transformation, facilitating the transition to formality and promoting the strategic priorities of the APEC Tourism Working Group (TWG). The main achievements and their results are as follows:

### Collection of key literature for research analysis on business formalization, digitalization and development of the tourism sector

- Key literature was collected and analyzed for the study, covering topics such as the state of tourism in the APEC region; informality, its challenges and characterization in the tourism sector; e-formalization as a comprehensive approach to transition to the formal economy supported by digitalization. These topics, often little explored in academia, provide a framework for future research and encourage debate on their relevance in the region.

### Identification of case studies that promote e-formalization in the tourism sector.

- Fourteen relevant case studies on e-formalization in the tourism sector were identified. Of these, 85% are from APEC economies and 15% from European economies, providing a global comparative perspective on best practices in business formalization and digitalization.

### Interviews with multidisciplinary experts

- Interviews were conducted with 5 experts from various sectors (international organizations, key stakeholders and the private sector). These interviews provided a variety of perspectives, which were integrated into the report to enrich the analysis and foster a multidimensional approach to formalization and digitalization in tourism.

### Increased digital literacy among tourism MSMEs in the tourism sector

- Forty percent of the 106 workshop participants represented MSMEs in the tourism sector. Their participation was key to raising awareness of the digital tools available to boost formalization and improve the sector's competitiveness.

### Creation of a space for the exchange of experiences and learning

- A workshop was organized with the participation of 106 people, including representatives of tourism-related entities, academics and the private sector, which allowed for an enriching exchange of experiences among the different APEC economies. This event fostered cross-sectoral collaboration and learning about digitalization in business formalization.

### Balanced gender representation

- The workshop had a balanced gender representation: 50% of the participants and 43% of the panelists were women, which highlights APEC's commitment to gender inclusion and equity in all areas.

## 1.3. HIGHLIGHTS OF THE IMPLEMENTATION PROCESS

Project implementation began with a series of key meetings with the Peruvian Ministry of Foreign Trade and Tourism (MINCETUR). These meetings were fundamental to align expectations and clearly define both the needs and specific objectives of the project. Based on these discussions, precise criteria were established for the identification and selection of case studies, ensuring that they were relevant and consistent with the objectives. At the same time, secondary sources were compiled to provide a conceptual framework for the research.

During the process, some knowledge gaps were identified, particularly with regard to the measurable impact of the cases analyzed. Although the available sources provided detailed descriptions of initiatives aimed at promoting the transition to formalization, specific data on the scope and concrete results of these initiatives are scarce. Nevertheless, this information was valuable in identifying good practices and contributing to the research paper.

With the cases already selected, experts were identified and selected for the interviews. These experts, from different sectors (academia, policy makers and private associations), provided specialized perspectives in key areas such as

business formalization, tourism sector development and new digitalization processes. To conduct the interviews, a basic questionnaire was prepared and adjusted according to the profile of each interviewee, in order to maximize the relevance of the responses obtained.

Once the documentary research and interviews were completed, the thematic axes that structured the workshop agenda were defined. These topics were carefully chosen, seeking to generate a space for discussion that would be useful and relevant for APEC economies, with special attention to emerging economies such as Peru. Panelists with experience in the topics discussed were also selected, thus ensuring the quality and depth of the discussions. Likewise, we sought to ensure a balanced gender representation when selecting panelists for the workshop, establishing specific quotas to ensure that both men and women were represented.

Finally, the organization of the workshop was led by MINCETUR, with the logistical and operational support of the consulting firm Equilibrium. Both entities collaborated closely in the planning and execution of the event, ensuring its success.

*Figure 1. Steps in the project implementation process*



# 2

## CONTEXT AND BACKGROUND

To understand the relevance and impact of the project, it is essential to analyze the context in which it is being developed. This section provides an overview of the factors that have shaped the initiative, as well as the background that justifies its implementation.



## 2.1. DESCRIPTION OF THE PROJECT CONTEXT

Tourism is a profitable economic activity with great expectations for the future of economies. Historically, it has been a very important sector on a global scale, with great expectations for economic growth. It generates foreign exchange, creates new business opportunities and strengthens domestic development by stimulating entrepreneurship and the growth of MSMEs, supporting economic diversification and creating employment in all sectors (APEC, 2020).

In this sense, tourism has represented an important source of income in the different economies that make up APEC. APEC tourists accounted for just over 32% of tourists globally between 2011-2019, with the main travelers coming from China; Mexico and the United States; and in turn, the destinations of greatest interest were Asia, followed by North America and, finally, Oceania and South America (APEC, 2022).

In 2018, ministers from APEC economies recognized the economic importance of tourism in terms of regional cooperation, trade, MSME support, job creation, skills enhancement, innovation and information and communication technology (ICT) development. That year, travel and tourism directly contributed USD1.5 trillion to the APEC region's GDP, directly supported 57.5 million jobs and contributed 6% of the region's exports. In 2019, the direct, indirect and induced impact of travel and tourism accounted for a contribution of USD 9.2 trillion to global GDP (or 10.4% of global

GDP); 334 million jobs (or 1 in 10 jobs worldwide); USD 1.7 trillion in visitor exports (6.8% of total exports, 27.4% of global services exports); and generated 7% of global trade (APEC, n.d.).

Prior to the COVID-19 pandemic, the tourism sector had experienced continuous growth and diversification over the decades and had become one of the fastest growing economic sectors in the world. Led by the Asian region, tourism grew to more than 1,400 million grew to over 1.4 billion tourists globally in 2018, reflecting a 5.6% increase over 2017. However, the sector was severely affected by the COVID-19 pandemic, and its contribution to global GDP declined by 49.1% from USD 9.2 trillion in 2019 to USD 4.7 trillion in 2020. The sector's contribution fell to a 5.5% share of global GDP in 2020, down from 10.4% in 2019. The 334 million jobs in 2019 related to the tourism sector fell to 272 million, a decline of 18.5% in 2020 (APEC, 2024).

Specifically in the Asia-Pacific region, the total contribution of the tourism sector to GDP suffered a 53.7% decline, from USD3 trillion in 2019 to USD1.4 trillion in 2020. The sector's contribution in the region accounted for 9.9 % of the total economy in 2019. This decreased to only 4.6 % of the total economy in 2020. The number of jobs also plummeted: from 185.06 million in 2019 to 151.01 million in 2020, a decline of 18.4 % of total employment in the region (APEC, n. d.).

**Table 1: Tourism contribution 2019-2020**

Year	Contribution of Tourism to Global GDP	Tourism-related Jobs Worldwide (Direct Contribution)	Contribution of Tourism to Asia-Pacific GDP	Proportion of Asia-Pacific Tourism (Economic Aggregate)	Tourism Jobs in Asia-Pacific (Direct Contribution)
2019	9.2 trillion (USD)	334 million	3 trillion (USD)	9.9%	185.06 million
2020	4.7 trillion (USD)	272 million	1.4 trillion (USD)	4.6%	151.01 million

Source: APEC, 2024 (Report of WTTC on Economic Impacts)

In addition to generating these sharp declines in the sector’s contribution to global GDP and in the number of jobs it generates, the COVID-19 pandemic has also highlighted the need to address informality and its related problems. It affected the informal sector in at least two ways: i) informal firms and workers tended to be in sectors heavily affected

by COVID-19 mitigation measures; and ii) more firms and workers were pushed into the informal sector due to the economic challenges induced by the pandemic. On the other hand, COVID-19 acted as an accelerator of change, as many MSMEs found that their business models could not compete in a market that suddenly changed profoundly.

### What Is Informal Economy?

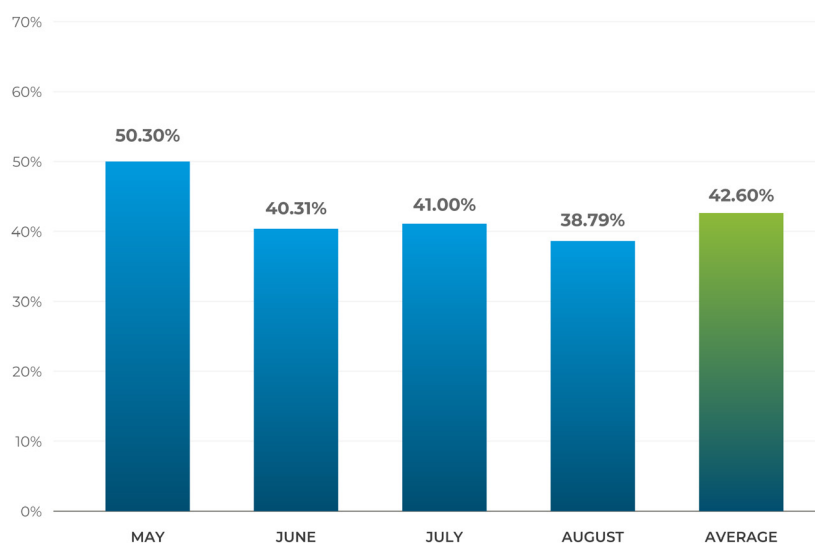
The term “informal economy” refers to all economic activities by workers and economic units that are — in law or in practice — not covered or insufficiently covered by formal arrangements. Their activities are not included in the law, which means that they are operating outside the formal reach of the law; or they

are not covered in practice, which means that - although they are operating within the formal reach of the law, the law is not applied or not enforced; or the law discourages compliance because it is inappropriate, burdensome, or imposes excessive costs (ILO, n.d.).

Today it seems certain that new forms of technology will continue to make their way into the industry. The increasing use of big data, analytics and artificial intelligence is driving many new forms of services, platforms, software development and new business models. Encouraging the tourism sector to learn and use both basic and more advanced skills in technology is a way to strengthen broader innovation (APEC, 2021), as well as an opportunity to promote the transition to the formality of the economy in a more sustainable way.

Especially when the economic recovery of the sector has been progressively on the rise. The overall recovery rate of cross-border tourism in the APEC region was 42.6%, based on the data collected from 2019 and May 2022 to August 2022. May 2022 achieved the best recovery status, up to approximately 50% of the pre-pandemic level of May 2019. The recovery status for the other three months is around 40% (APEC, 2023) (see Figure 2).

**Figure 2. Overall Cross-Border Tourism Recovery Rate in the APEC Region (2019-2020)**



Source: APEC, 2023

It is important to remain confident in the sector's productivity. Before the pandemic, APEC had already identified the potential of the tourism sector to continue generating jobs. Aside from the economic recovery data, it is important to remember that, in 2017, 452 million travelers contributed USD1.4 trillion to the regional economy, according to the United Nations World Tourism Organization. And, according to a report by the World Travel and Tourism Council, tourism was expected to indirectly generate more than 200 billion jobs in the 21 Pacific Rim economies by 2028, promoting, among other things, digitally-oriented tourism.

One of the fastest growing markets for tourism is the Experience Economy, which was expected to reach USD8.2 trillion by 2028. However, defined by collaborative economy platforms such as Airbnb,

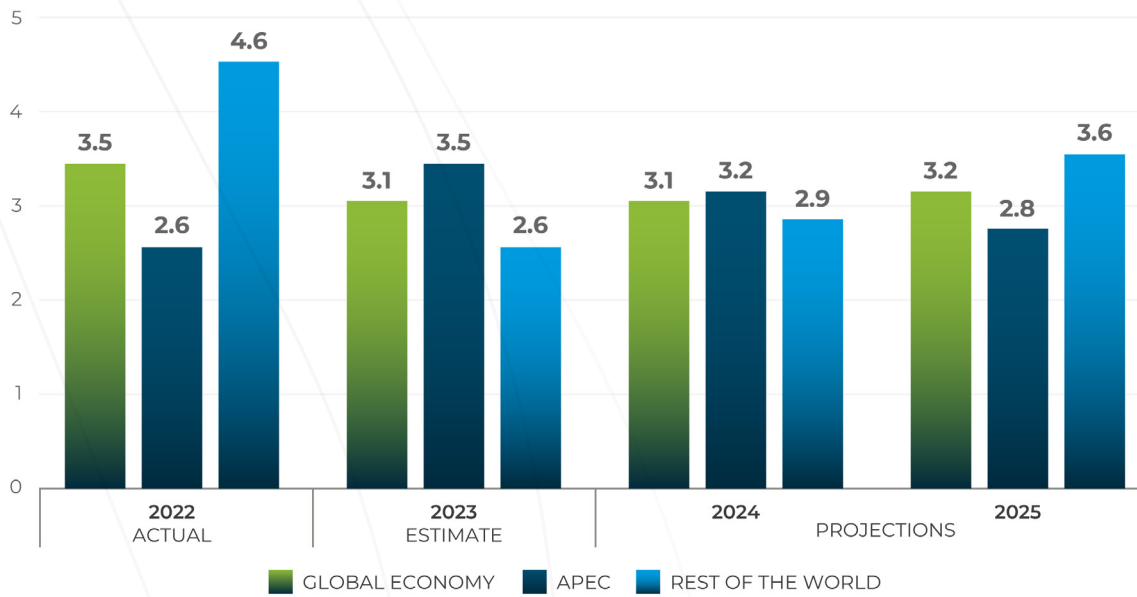
the experience economy requires digital expertise and access.

Only if access to infrastructure such as reliable broadband services and payment systems is open to everyone can the digital economy level the playing field. Otherwise, the gap widens, especially for small businesses and women-led enterprises that often do not have access to these tools and services, nor the skills to navigate this new economy (APEC, 2019).

Digitalization can help build bridges between the tourism industry and the public sector to promote a more resilient economy, especially when growth in the sector is already projected (see figure 2). However, this growth accompanied by digital transformation will only be sustainable and equitable by promoting a transition to the formal economy.



**Figure 2. GDP Growth outlook: Global, APEC and RoW (% , Y-O-Y)**  
*Consumer Spending and Tourism are Propelling Growth*



Potential spikes in commodity prices, geoeconomic fragmentation and trade-disruptive measures, including discriminatory policies could weigh on economic prospects

Source: International Monetary Fund (IMF) World Economic Outlook (WEO) January 2024; Economy sources; APEC PSU staff calculations

## Formality in the tourism sector and additional challenges: a Peruvian perspective

Ms. Ruth GARCIA, Director. Ruth GARCIA, Director of the Directorate of Tourism Regulations and Quality of the Peruvian Ministry of Foreign Trade and Tourism has defined formality in the tourism sector of the Peruvian economy as a process by which companies and workers in the sector comply with the regulatory framework established by the State. This regulatory framework includes registration in official registries such as the Single Taxpayers Registry (RUC) administered by SUNAT, obtaining operating licenses issued by local municipalities, and complying with specific sectoral regulations governing aspects such as quality of service, labor conditions, and consumer protection.

In practical terms, formalization in the tourism sector involves two key moments: entering and remaining in the formal sector. Entry into formality refers to complying with all the initial requirements to operate legally, such as incorporating the company, obtaining licenses, and registering with the corresponding entities. Maintaining formality, on the other hand, implies that companies continue to comply with their tax, labor, and sectoral obligations in a sustained manner over time. This aspect is crucial, since many companies manage to formalize initially, but then fall into informality due to lack of resources or ignorance of ongoing obligations.

In the Peruvian economy, formality is not only seen as a means of complying with the law, but also as a tool for improving the competitiveness and quality of the tourism sector. Formal tourism service providers have the possibility of accessing benefits such as financing, training, and the possibility of participating in training and tourism promotion programs organized by the State. These benefits are designed to encourage companies to remain in the formal sector and continually improve their operating standards.

However, for developing economies, such as Peru's, formalization presents specific particularities and challenges. One of the biggest challenges is the perception that the costs associated with formality - including the time and resources needed to comply with regulations - outweigh the benefits. This is especially true in contexts where bureaucracy is complex and regulations are perceived as cumbersome or difficult to comply with. Moreover, in many developing economies, there is a lack of trust in government institutions, which deters entrepreneurs from entering formality.

Another important aspect is the limited capacity of the competent bodies to implement and enforce regulations. In many developing economies, government agencies in charge of tourism regulation lack the resources to effectively enforce regulations, resulting in a high degree of informality. In addition, the lack of coordination between different levels of economies -domestic, regional and local- exacerbates this problem, as policies are not always implemented in a uniform or consistent manner.

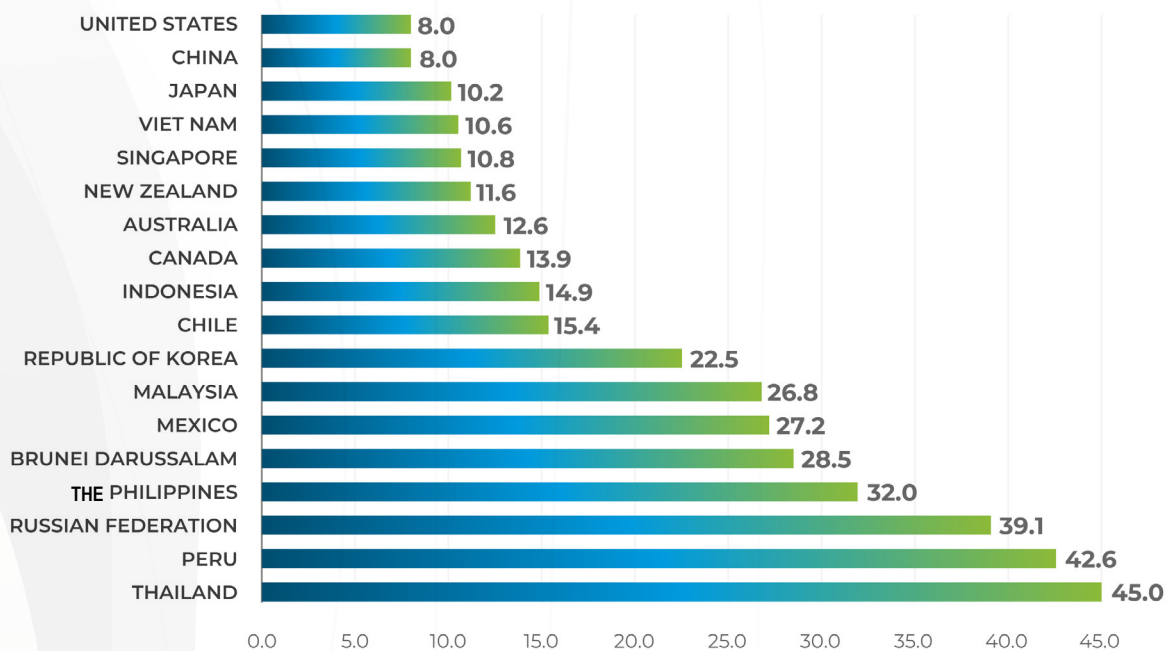
Finally, cultural tolerance of informality is another factor affecting formalization in developing economies. In many communities, both consumers and service providers see informality as an acceptable or even preferable norm, due to the lower costs and flexibility it offers. This perception is difficult to change and requires awareness and education campaigns to highlight the long-term benefits of operating within the legal framework.

## 2.2. RELEVANT BACKGROUND AND IDENTIFIED CHALLENGES

Informality is the norm in developing and emerging economies, accounting for 70% of all employment, compared to around 18% in developed economies. There is also substantial variation across regions, from 86% in Africa to around 68% in the Arab States and Asia and the Pacific, 40% in the Americas and 25% in Europe and Central Asia. Globally, 81% of all enterprises are informal (OECD / ILO, 2019).

In terms of output, the informal sector contributes significantly to the economy. For example, its contribution in APEC economies ranged from 8 percent (United States) to 45 percent (Thailand) of the economy's official GDP through 2020. Economies where the contribution of the informal sector is more than one-third of their official GDP include Brunei Darussalam; the Philippines; Russia; Thailand; Peru (Figure 4).

**Figure 4. Estimated Informal Production Until 2020 (% of Official GDP)**



Note: No information is recorded for Hong Kong, China; Papua New Guinea; and Chinese Taipei.  
Source: Prepared based on data from the World Bank's Informal Economy Database.

Clearly, for economies, the informal sector represents a neglected, untapped and unregulated part of the economy. However, the potential impact on economic growth if formalized remains unclear. For the tourism sector in particular, there is a data gap on informality and its impact. However, it is possible to identify the ways in which it manifests itself in the market: labor informality and business informality. The challenges of each are discussed in more detail below.

### **Informal labor in tourism: precarious working conditions, gender and atypical forms of employment**

One of the main challenges posed by the informal economy is labor informality. Workers in the informal sector often do not have access to conventional financial services, social security or the protection of the judicial system, making them particularly vulnerable. Particularly in the informal MSMEs environment, workers are often excluded from health and safety, maternity and other labor protection legislation (UNESCAP, n.d.).

To take advantage of the full potential of tourism, promote growth and employment, it is necessary to address the challenges of decent work in the sector. In this regard, the high incidence of informal work patterns is a major challenge. Low-skilled and unskilled workers are often found in the most vulnerable jobs, where they are more likely to experience precarious working conditions, unequal opportunities and treatment, violence, exploitation, stress and sexual harassment. In addition, some jobs in the sector are characterized by low wages, long working hours and high turnover (ILO, 2009).

Affecting by gender also poses a challenge, as women tend to operate more frequently in the informal sector than men, are more present as migrant workers, and take on a larger share of household and childcare tasks (OECD / ILO, 2019). In several economies in the APEC region, informality affects women more than men. Women were the ones who lost more formal and informal jobs, had a greater drop in income, and for whom incorporation into the post-pandemic labor market has been slower (APEC, 2022c).

Looking at gender figures in the tourism sector, it can be seen that, in OECD economies, women account for 60% of employment. This percentage is higher than that of women employed in the services sector (47%) and in the economy as a whole (43%). In addition, women play a prominent role in tourism entrepreneurship. UN Tourism and UN Women research shows that the overall rate of women entrepreneurs in “hotels and restaurants” (36%) is comparatively higher than in all sectors (22%) (OECD, 2015). However, due to the significant horizontal and vertical segregation of occupations, the gender gap is often large in the sector. Women are often overrepresented in atypical forms of employment, and low-skilled or unskilled women are often found in the most vulnerable positions, where they are more likely to suffer poor working conditions and unequal opportunities and treatment. They also suffer segregation in access to education and training, and are paid on average between 20% and 25% less than male workers for comparable qualifications (Baum, 2013).

Shift and night work, seasonality, temporary and part-time employment, as well as other atypical forms of employment, including a growing rate of outsourcing and subcontracting throughout the sector and in chains such as transportation, food and beverages, also manifest themselves frequently. In addition to seasonal fluctuations, competition, flexibility and technological change influence the sector's employment patterns and can affect its unionization rate and the ability to develop formal and decent employer-employee relationships (ILO, 2017).

Non-standard forms of employment (NSFE) can be beneficial for both employers and workers if they are adapted to the flexibility needs of companies, while representing decent employment that allows workers to reconcile their personal responsibilities. They can also be a useful mechanism for recruiting and retaining workers, as well as for tapping the skills and knowledge of specific workers more quickly in the labor market.

Likewise, the so-called “gig economy” poses opportunities and challenges because of its greater accessibility, more fluid work arrangements and greater reliance on digital technology than

more traditional forms of informality. Because gig workers do not fully participate in the social security system, they are, by some definitions, informal workers (Loayza, Servén and Sugawara, 2010). These workers may take on many different tasks throughout their career, making the ability to learn and adapt essential.

However, they can also lead to decent work deficits, such as inadequate social security coverage, low wages and income inequality, and poor working conditions. These ambiguous labor relations and informal work arrangements are other major challenges in promoting decent work in tourism: the boundaries between the formal and informal economy are crossed, in part due to their seasonality and temporariness combined with weak regulation, enforcement and work organization (ILO, 2017).

### **Tourism business informality: impact on MSMEs, bureaucratic barriers, low qualification of human resources and institutional challenges.**

The tourism sector is composed of a wide range of companies, from multinational conglomerates to small family businesses. Large companies and MSMEs play distinct and sometimes complementary roles in shaping the tourism ecosystem. However, when talking about business informality, it is key to focus on MSMEs, as they are crucial contributors to job creation and income generation, accounting for two-thirds of all jobs worldwide.

In the APEC region, small and medium-sized enterprises (MSMEs) are also the engines of growth and innovation. They account for more than 97% of all enterprises and employ more than half of the workforce in APEC economies. They contribute significantly to economic growth, with a share of GDP ranging from 40% to 60% in most economies.

For OECD economies, MSMEs are the main job creators in the tourism sector, with about half of the workforce working in firms with fewer than 10 people, while about three-quarters work in firms employing fewer than 50 people (OECD 2015).

According to the OECD and ILO, there are different degrees of informality among enterprises ranging from those that are not registered and escape detection by the public administration (total informality), to those that are registered and recognized by the public administration, but are not fully compliant (partial informality) (OECD / ILO, 2019).

However, not all MSMEs are in a position to formalize. For firms with low levels of productivity that generate limited income, the benefits of formalization may not outweigh the costs. Carlos Kuriyama and Eldo Malba Simanjuntak's *Addressing Informality: Transitioning to the Formal Economy* (APEC, 2024) provides a comprehensive analysis of the challenges of formalization which are summarized below.

## A. Challenges in transitioning to formality: bureaucratic barriers

The cost and length of procedures and the difficulties associated with regulatory compliance could motivate individuals and businesses to remain in the informal economy (S. Djankov et al, 2002). This is most often the case among micro, small and medium-sized enterprises (MSMEs) and less educated workers, as problems of scale and human capital could cause them to spend a considerable amount of time navigating all the requirements.

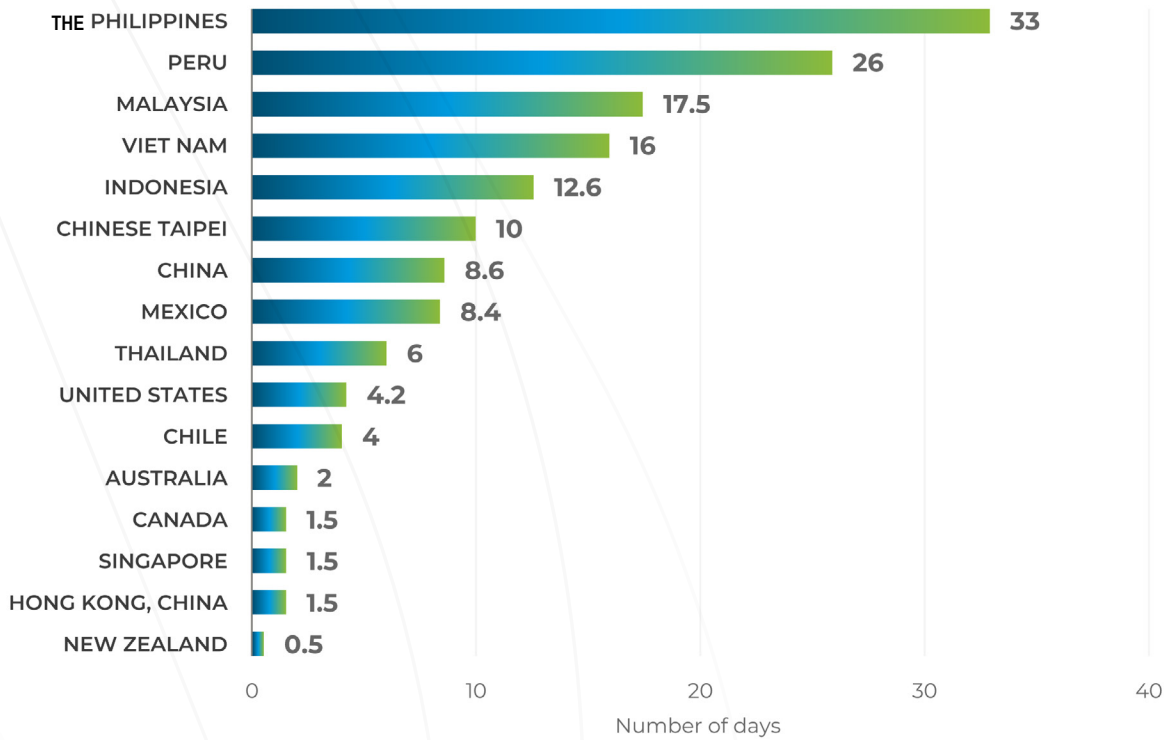
For example, before starting to operate in the formal economy, some formalities must be completed. Companies have to initiate a registration process to incorporate a company, make payments, apply for a tax identification number, obtain licenses and complete other legal formalities. These procedures also involve non-tangible costs, such as the time spent to fulfill all the requirements. The greater the cost and time required to formalize, the greater the incentive to remain informal.

Latin America and Southeast Asia are two regions where informality rates are high and perform poorly in terms of the time and cost required to start a business (Figures 4 and 5, respectively). As noted above, excessive bureaucracy and the complexity of regulatory issues affect MSMEs the most, as they have fewer human and financial resources to deal with these issues.

Another bureaucratic problem that prevents greater participation in the formal economy is the lack of flexibility in the labor market. When labor regulations stipulate large mandatory wage deductions for various reasons (e.g., social security contributions), many workers will prefer to stay off the payroll and remain in the informal economy. Moreover, firms may consciously choose to remain in informality if it is costly to formally hire and fire workers (see Figure 7).

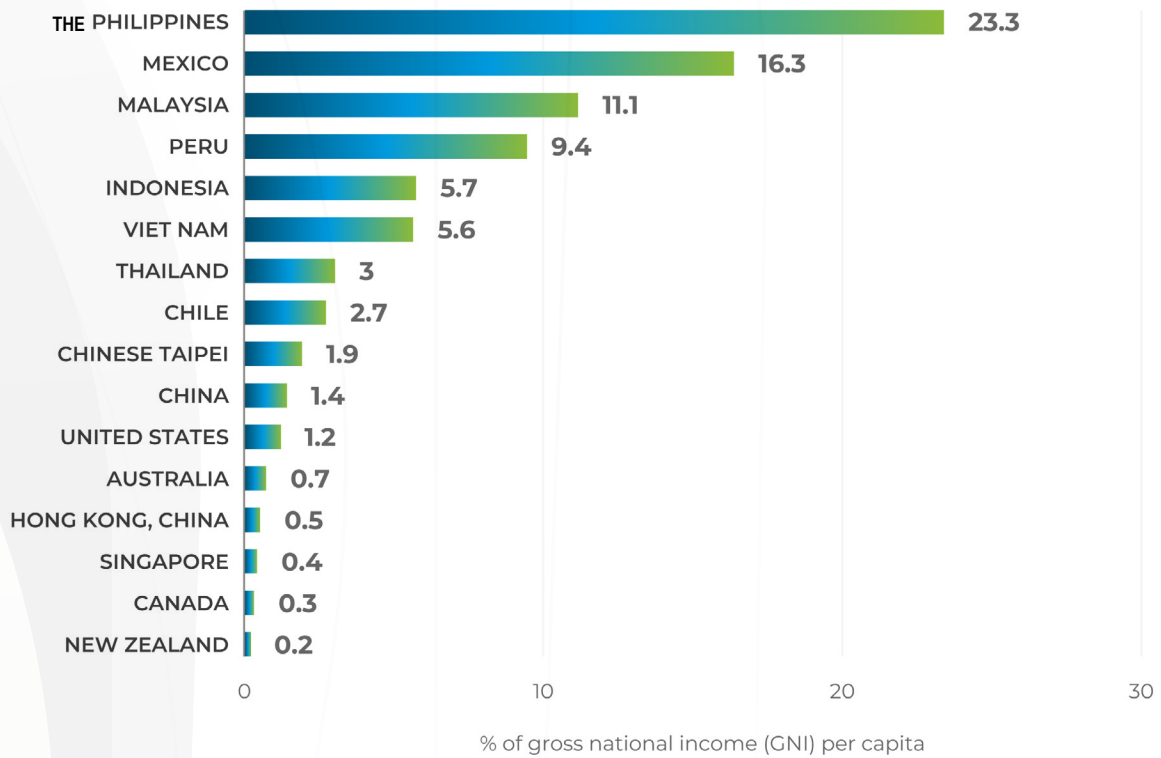


**Figure 5. Time Spent to Starting a Business, 2020**



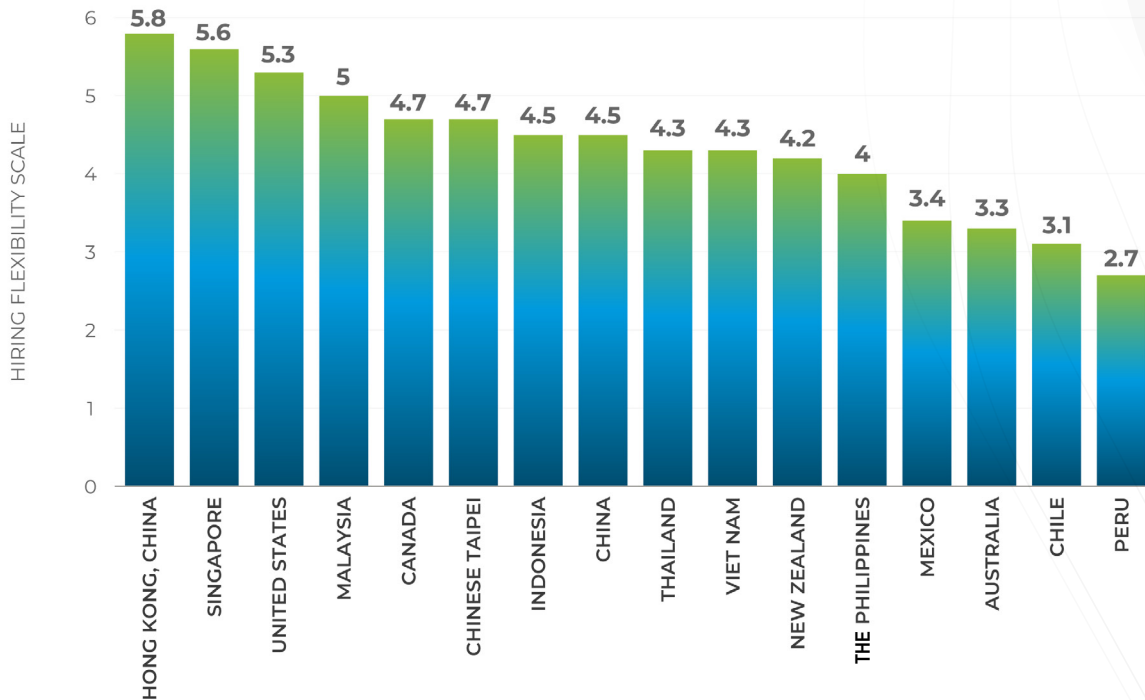
Source: World Bank, "Doing Business," 2020, accessed October 31, 2023, <http://www.doingbusiness.org>.

**Figure 6. Cost of Starting a Business, 2020**



Source: World Bank. "Doing Business" 2020, accessed October 31, 2023, <http://www.doingbusiness.org>

**Figure 7. Flexible Hiring and Dismissal of Workers, 2019**



Note: The values shown summarize responses to the question "to what extent do regulations allow for flexible hiring and firing of workers?" A value of 1 indicates "not at all" while 7 indicates "to a great extent".  
Source: K. Schwab, ed, "The global Competitiveness Report 2019."

## B. Challenges to transition to formality: Low qualification of human resources.

Deficiencies in human capital development could trigger informality. Informal employment could be the only source of work available to some workers due to their lack of adequate qualifications and lower productivity. In general, informality tends to be higher in places with lower educational attainment. In economies

where the average years of schooling for adults is lower than the average for APEC as a whole (10.6 years), the average size of their informal economy is 11 percentage points higher than the average for the rest of APEC. Similarly, the proportion of vulnerable employment is 31 percentage points higher in these economies.

## C. Challenges to transition to formality: Institutional challenges

Problems related to respect for the rule of law and its enforcement, rampant corruption and rent-seeking practices, when they are the norm, encourage informality. The benefits of formalization are low when enforcement is poor, litigation is lengthy, expensive and cumbersome, and expectations of the independence of the courts are minimal. Figure 7 shows a negative correlation between perceptions of judicial independence and informal production. The lower the trust in the courts, the higher the informal output as a percentage of GDP.

Moreover, it is more difficult to convince informal actors to formalize when social cohesion is low and societies have little trust in economies, private institutions and any kind of networks/ associations.

An analysis using the Social Capital Index, which measures levels of trust and respect and individuals' interactions with institutions, shows a direct association between social capital and informal production. Less socially cohesive economies tend to experience higher levels of informal production.

## D. Challenges to transition to formality: Challenges of access and use of technology in informal actors.

In terms of the transition to formality, the digitalization of informal businesses offers a new perspective on their dynamics. The use of digital tools increases their visibility and legibility to the rest of society. For example, estimates can be made about the number of informal businesses in a city or region by counting the number of sellers on Facebook Marketplace for that city or region. Results from a recent survey on the use of digital tools by informal businesses in the Global South, conducted by the UNDP Accelerator Labs Network, show that i) most businesses, even fully informal ones, use digital tools, with Facebook and WhatsApp being by far the most widespread tools; ii) most

say that the use of digital tools helped them find new customers; iii) although many businesses adopted digital tools recently, in response to measures to contain the spread of COVID-19, most do not intend to abandon them; iv) greater recourse to digital tools correlates with higher degrees of business formalization, although the causes between them have not been determined; v) female entrepreneurs use more digital tools, but, in their case, the correlation between the use of digital tools and the degree of business formalization is weaker than in the case of male entrepreneurs (Gustale, E., & Cottica, A., 2023).

## 2.3. FRAMEWORK AND RELATED DOCUMENTS

The World Bank's publication *The Long Shadow of Informality Challenges and Policies* notes that overcoming the challenges of informal economic activity requires a mix of policies tailored to the specific circumstances of each economy. In those economies where informality primarily reflects governance problems, a set of appropriate policies could help streamline regulatory and fiscal frameworks. This would not only improve efficiency in public revenue collection and enforcement, but also strengthen public service delivery, thereby promoting greater fiscal morale.

On the other hand, in economies where informality is an indication of underdevelopment, an appropriate policy package should include measures to expand access to finance, markets and inputs that foster productivity and business growth. In addition, it is critical to improve education to facilitate entry into formal sector employment, as well as to establish safety nets that help mitigate the risks faced by households. Several of these policy improvements have been associated with sustained declines in informality (Ohnsorge, 2022).

To implement these policies, new technologies can offer economies opportunities to reduce the incentives for informality and to increase the cost of operating informally, while providing productivity stimuli that can drive firms into the formal economy. New technologies can help strengthen tax administration and improve access to finance, for example, by facilitating the expansion of the tax net and the assessment of creditworthiness. For example, Costa Rica reduced the time needed to register a company by digitizing tax records and

company books in 2009. This was followed by a drop in informal employment of 4 percentage points of total employment and a drop in informal output of about 2 percentage points of official GDP during 2009-2016. APEC economies have also made progress in this regard.

For gig workers, regulatory changes, especially in the context of social security systems, can help ensure that their economic risks are manageable and that they do not permanently lose access to the formal economy. These workers may take on many different tasks throughout their career, making the ability to learn and adapt essential. Policies can support this adaptability with increased provision of education and (re)training programs (Card, Kluve, and Weber 2018).

On the other hand, it should be recognized that some policy areas remain underexplored in research. For example, future studies could examine policies that can improve the resilience of the informal economy and prevent informal participants from falling into poverty due to negative shocks such as COVID-19. On the other hand, some emerging ideas should be explored on how economies can better engage with informal enterprises, how to provide a simplified, intermediate, and temporary legal status to informal enterprises that could align with both the needs of the enterprises and the objectives of the household level (Marusic et al. 2020).

Additionally, another gap in the literature concerns the impact of digitalization of government services or private economic activity on the informal

economy, even relative to the formal economy. Digitalization is a recent development in MSMEs that holds great potential for participants in the informal economy and policy makers. However, the possibility that digitalization will disproportionately benefit formal firms and thus reduce the relative size of the informal sector still merits examination (Ohnsorge, 2022).

**E-formalization: a comprehensive approach to transition to formality supported by digitalization**

While there is an evidence gap on the impact of digitalization on the transition to formality, it is important to note that digital transformation has an increasingly close relationship with the State, promoting more efficient and transparent public services.

Especially in recent years, the application of digital tools to achieve a formal relationship has been investigated. In this context, e-formalization has emerged as a versatile and useful alternative in the post-pandemic context to facilitate access and permanence in the formal system.

E-formalization refers to the use of new technologies and digitalization in initiatives, programs and public policies to facilitate the transition to formality (Wang, X., & Yu, X., 2020). Likewise, e-formalization posits the use of technology not as an end, but as a means that also increases productivity, improves rules and regulations, creates incentives, and strengthens enforcement systems as pathways to formality (OECD, 2020).

To help clarify certain conceptual parameters on e-formalization, it may be useful to conceive of it in three dimensions: i) comprehensive approaches to formalization derived from the ILO’s 2015 Recommendation on the transition from the informal to the formal economy (R204); ii) the digital economy; and iii) e-government strategies. The latter refer to the set of policies that governments are undertaking to make optimal use of technologies and digital innovation to strengthen governance, service delivery, operations and administration, and citizen participation. E-government strategies are often linked to broader domestic development frameworks that

implicitly support formalization, but this has rarely been explicitly articulated (Kring & Leung, 2021).

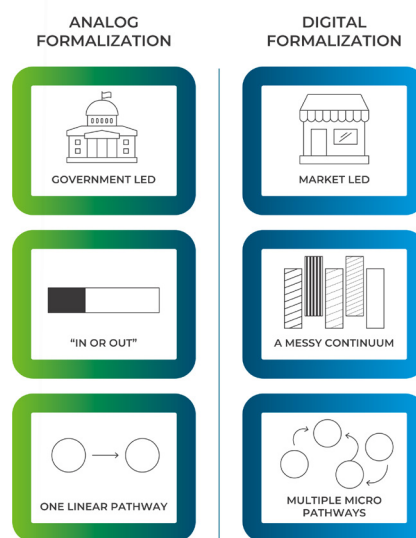
What e-formalization has shown to be a successful practice in reducing bureaucratic barriers is the use of digitalization to speed up MSMEs’ procedures, making it easier for them to obtain municipal, local government and industry permits. In addition, e-formalization can make it easier for companies to register in the tax system, issue valid receipts and comply with labor regulations.

On the other hand, it is important to note that e-formalization facilitates the integration of informal enterprises into the regulated economy, making their operations more transparent and accountable. This integration, in turn, significantly increases tax revenues for governments. As informal businesses move to digital platforms, their transactions become traceable, making tax evasion more difficult.

In this sense, e-formalization, as an integral approach to the transition to formality, can play an essential role in the tourism sector, generating benefits for individual companies and for the State.

To delve deeper into the benefits and dynamics of e-formalization, it is necessary to reflect on how digitalization is changing the way informality is viewed, as well as to identify the differences between e-formalization (or digital formalization) with analog formalization (Figure 8).

**Figure 8. Comparison between Analog Formalisation and Digital Formalization**



Source: UNDP Accelerator Labs

UNDP Accelerator Labs identifies three main changes in what formality looks like and how informal enterprises transition to it.

## **1. Government-led formalization vs. market-driven formalization**

Although government reforms can facilitate the transition to formalization, they do not automatically “reverse” informality. Naturally, governments want businesses to be more productive and formally registered in order to increase the tax base and stimulate economic growth. Accordingly, they implement regulatory and tax reforms that make it easier to register a business, obtain government protection and benefits, and pay taxes.

But when digital tools become more widespread, private sector innovation becomes a key driver of formalization alongside government policy interventions. For example, when informal businesses make use of mobile payments (mobile money), they can organically opt in to elements of formalization such as tracking expenses, paying bills and even being able to obtain loans.

## **2. Formalization “In or out” vs. an undefined process.**

Formalization functions as an “on/off” switch (CDG, 2018) in the conventional sense. In the eyes of the tax authorities, a company is either legal and registered or it is not.

In the digital world, an informal company can transact on WhatsApp, get loans on another app, and find customers on Facebook, all without applying for formal registration. And in some cases, the use of these private sector digital services can provide enough benefits to prevent an informal business from seeking the formality required by the government.

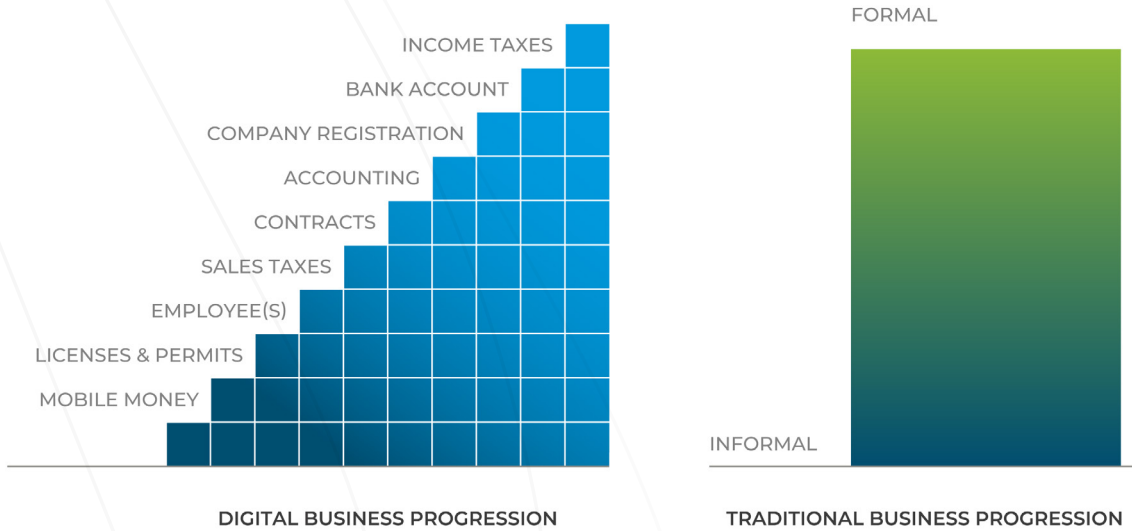
## **3. A linear path to formalization vs. multiple micro-paths.**

The path to formalization has typically been prescribed and sequential. In other words, the path is familiar: you start a company, register it, get licenses, make money and then pay taxes. However, with the use of digital services, the journey can be unbundled into small steps and take many directions.

An informal business could start advertising its products and services on WhatsApp, Facebook and Instagram (given, moreover, that these are platforms that require low digital literacy) generating enough demand for customers to start asking for formal receipts or quality guarantees. Alternatively, that same company can also try some other application that allows it to apply for loans to acquire productive assets.



**Figure 9. Digital Business vs. Traditional Business Progressions Towards Formality**



Source: Center for Global Development

Source: Center for Global Development (2018)

Given these dynamics of the informal economy, Figure 9 shows how the digital world allows businesses to transition to formality with a series of “small, low-cost, accessible steps,” more like a ladder than a disproportionate step.

This digital progression could enable many more companies to successfully make the transition from informal entrepreneurship to formal enterprise, because each step has a lower cost and lower risk. Even if a company does not reach the pinnacle, value is created at each step.

In addition to their core proposition of connecting buyers and sellers, we also see digital platforms helping companies with business services, leaving the company to focus on its core competency.

Platforms can offer advice on how to set prices, training on how to deal with customers, ratings to promote better service. Digital platforms can also provide accounting and analytics, offer credit, collect sales tax. They handle customer service, payments and returns.

However, in terms of formalization and labor protection policies, there is still no single answer to describe how governments can best ensure that platforms give a fair share of the benefits to workers; rather the trends seem to be that platforms concentrate the benefits on capital, in that sense a realistic recognition of where workers are in the informal economy including the “gig economy” and atypical forms of employment must begin (CDG, 2018).

# 3

## STUDY AND WORKSHOP RESULTS

This section aims to detail the final results of the TWG 02 2023A project, including both the relevant findings of the research on the 14 cases of digitalization that promote the transition to formality in the tourism sector of APEC economies, as well as the innovative ideas and proposals that emerged in the interviews with experts and during the workshop. Each of these aspects will be presented in detail below.

## 3.1. KEY FINDINGS FROM THE RESEARCH AND BACKGROUND PAPER

The research paper identified 14 cases that apply strategies that promote e-formalization objectives and conducted interviews with experts in order to inform the tourism sector of APEC economies in

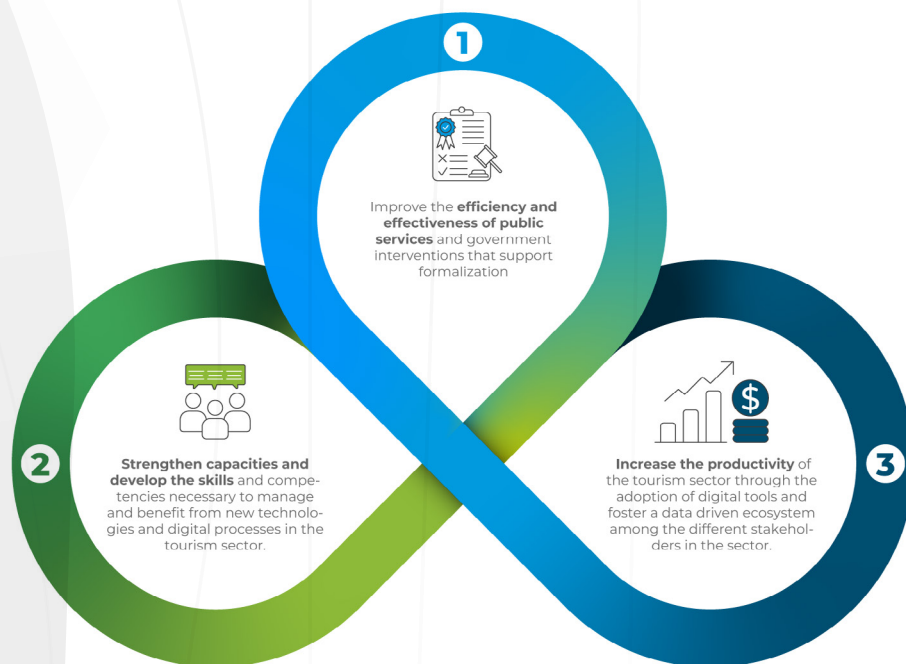
their process of transition to the formal economy in a sustainable way with digital tools. The following are the findings regarding the cases and the visions of the experts.

### Case studies

The concepts presented in the literature, the interviews with experts and the identification of these cases made it possible to identify three main objectives of e-formalization for the tourism sector in APEC economies (see Figure 10).

Below are some cases implemented in APEC economies associated with each of these axes that have shown a remarkable scope, followed by a table with the 14 cases identified.

Figure 10. Objectives of E-Formalization in Tourism Sector of APEC Economies



Source: Own elaboration



## 1. Tools that improve the efficiency and effectiveness of public services and government interventions that support formalization.

E-formalization proposes the adoption of technological solutions to automate and digitize procedures, thus facilitating the interaction between the tourism sector and the government. Although many economies have created digital platforms to facilitate the processes associated with formalization, the integration of these digital services to offer a more coherent and less fragmented user experience has been identified as a good practice.

This is the case, for example, with the Government for Businesses in Korea (G4B.go.kr) platform, a one-stop shop system that offers a wide range of information and services to support business activities, such as government information, policy information and additional services through a single online portal. Since 2006, this integrated portal provides detailed information on 1,887 business services and industry information from 205 different organizations related to business operations,

such as government approval, certification and business assistance. Several additional services essential to business activities are provided through links to domestic networks, such as public procurement, taxation, and the four major social safety nets (Kring, S. & Elder, S., 2022).

In the case of tourism, it is worth mentioning the Chilean initiative “Ruta de Formalización del Alojamiento - Transforma Turismo”. This route consists of a guide with tools for the digital transformation of tourism companies and explains the process of formalization of a tourist accommodation through six (6) stages: from the creation of a company in the “Servicio de Impuestos Internos” to its registration in the “Registro Nacional de Prestadores de Servicios Turísticos”. The initiative has an important communicational presence, making use of the good practice of carrying out awareness campaigns for a better use of these services by the actors to whom it is addressed.

## 2. Tools that strengthen capacities and develop the skills and competencies necessary to manage and benefit from new technologies and digital processes in the tourism sector.

The adoption of digital tools can help businesses become more efficient and productive, while making their transactions more transparent and traceable. However, as mentioned above, the level of digital skills to handle operational and financial management systems is low in the informal economy. This not only makes their business expansion impossible, but is also a barrier to e-formalization and dialogue with a digital government.

In this regard, it is essential to design and implement training programs that address the specific needs of digitalization and formalization in the tourism sector; to offer certifications that validate and recognize the digital skills acquired

by workers in the sector, thus increasing their competitiveness and labor mobility; and to establish ongoing support mechanisms, such as mentoring and counseling, for workers (public and private) who seek to adapt and/or promote new technological and market changes.

In terms of tourism initiatives in APEC economies, it is worth mentioning Singapore’s Digital Tourism Industry (Attractions) Scheme. Implemented by Infocomm Media Development Authority (IMDA) and Singapore Tourism Board (STB), this is a digital innovation plan for the tourism sector focused on the attractions industry, which accompanies Singapore’s attractions businesses in their digitalization

process. It provides them with step-by-step guidance on selecting digital solutions to adopt at each stage of growth in three key industry job functions: customer care and engagement, sales and marketing, and sustainability.

In Peru, a service promoted by PROMPERÚ's Subdirectorato de Turismo Intelligence and Prospective called "Turismo In" stands out. This is a comprehensive strategic business information service that provides exclusive information for the development of innovative ideas, improvement of skills and, particularly, the strengthening of business strategies for the benefit of entrepreneurs in Peru's 25 regions. Since its launch in 2016, more than 76,000 people have benefited from trainings, monthly newsletters, reports via WhatsApp and virtual events. Of the total, 60% reside in regions outside Lima, mainly Cusco, Arequipa, La Libertad and Lambayeque. Likewise, "Turismo In" reaches audiences from different sectors. Forty-nine percent of the beneficiaries are professionals and students in training.

Thirty-nine percent are businessmen, tourism entrepreneurs and MSMEs from all over Peru. On the other hand, 7% come from public entities (PROMPERÚ, 2021).

In New Zealand, there is a program launched in collaboration between the Ministry of Small Business, the Ministry of Business, Innovation and Employment and the Ministry of Tourism called Digital Boost. It is a free online platform for digital skills training available to any small business owner who wants to boost or accelerate their digital innovation process. By February 2023, 58,074 users and 8,107 testable users were reported and it also expects: i) an increase in measures through the Small Business Digital Health Survey; ii) an increase in measures in the employment and household income surveys; iii) an increase in GDP and income from abroad, along with an improvement in living standards; iv) reduction in business travel and industry emissions levels from the surveys; v) a shift in the labor market towards more digital jobs.

### 3. Tools that increase the productivity of the tourism sector through the adoption of digital tools and foster a data-driven ecosystem that includes various stakeholders in the sector.

Once the basic digital skills and infrastructure are in place, deepening the use of new technologies can increase productivity and strengthen the formal ecosystem. Efforts to increase productivity can include macroeconomic policies to make the environment more conducive, mesoeconomic policies targeting the sector and value chain, and microeconomic policies targeting firm-level interventions (Chacaltana, J., Leung, V. and Lee, M., 2018).

It is key to identify and promote the use of digital tools that improve the management of time, resources and human capital in the tourism sector; to create and strengthen collaborative

networks between companies, government organizations and other entities to promote innovation and business development; and to encourage the use of e-commerce platforms that facilitate access to new markets and customers, both locally and internationally.

In this regard, there are interesting initiatives in the tourism sector in APEC economies that take advantage of big data and Artificial Intelligence (AI) to foster competitiveness and service quality.

For example, Thailand's Digital Economy Promotion Agency launched ThailandCONNEX (Sawasdee Thailand, 2023). This platform uses AI technology to analyze travelers' trends, preferences and needs, which benefits tour

operators in designing and improving their products and services, while public agencies can also leverage this data to establish effective direct policies and implement promotion plans that lead to quality tourism. In fact, the platform enables public agencies and tour operators to work together and raise the standard of Thai tourism. In addition, SMEs can access this new technology and grow their organic businesses using this constantly evolving service model. To foster confidence in its use, ThailandCONNEX was designed to manage and store big data in accordance with the Personal Data Protection Act (PDPA).

Another example of how digital and data management platforms can foster quality and a competitive ecosystem is the Travel and Tourism Association of Japan (TVJ, 2023) Digital Platform. Launched by the Travel and Tourism Association of Japan, this digital platform helps local regions use tourism data analytics for sustainable tourism business, together with Open Tone, a member of the project consortium. The intern digital management platform (DMP) integrates tourism-related big data such as accommodation bookings, traveler behavior or consumption, as well as tourism statistics and survey data. The platform consists of a basic function and an extension of the payment function. The basic function consists of displaying open data of tourism statistics in a dashboard, which is divided into four categories: regional tourism outline, regional tourism analysis, regional tourist attractions and comparison with other regions. An extension of the payment function provides a more detailed

analysis based on big data, a unique dashboard incorporating original regional data, demand forecasting, calculation of economic effects, among others.

From a productivity standpoint, an impact micro-policy aimed at company-level interventions was implemented in Mexico through a partnership led by the “National Productivity Committee” between the “Tax Administration Service (SAT)”, the “National Entrepreneur Institute (INADEM)” and the “Confederation of Chambers of Commerce, Services and Tourism (Concanaco)”. The Concanaco tablet is a digital tablet that includes a technological solution designed specifically for SMEs. It offers a year’s free Internet connection, helps record and provide sales reports, enables electronic sales and invoicing, and includes a point-of-sale terminal with a credit and debit card slot. The tablet facilitates labor formalization by helping SMEs register their employees. The project successfully reached 15,086 beneficiaries of a special tax regime for SMEs, the “Régimen de Incorporación Fiscal,” which is Mexico’s main public formalization program. Some 2,000 young people were also included. The project has verified that 89% of the beneficiaries filed tax returns. 147 Chambers of Commerce participated in the Concanaco tablet, and an estimated 25,646 workers benefited. Of the total number of beneficiaries, 45.5% were men and 54.5% were women. Most were between 18 and 45 years old, and 44% had a high school education (Chacaltana, J., Leung, V. & Lee, M., 2018).



**Table 2. 14 cases that promote e-formalization**

Objective of E-Formalization	Economy	Case
<b>Improve the efficiency and effectiveness of public services and government interventions that support formalization</b>	Chile	Formalization Pathway for Accommodation - Transforma Turismo
	The Philippines	Integrated/Electronic Business Permits and Licensing System (eBPLS)
	Korea	Government for Businesses in Korea (G4B.go.kr)
	Myanmar	Myanmar Companies Online (MyCO)
	Estonia	Electronic Registration by the Estonian Tax and Customs Board (ETCB) for Entrepreneurs in a One-Stop Shop
<b>Strengthen capacities and develop the skills and competencies needed to manage and benefit from new technologies and digital processes in the tourism sector</b>	Australia	Australian Small Business Advisory Services Program
	New Zealand	Digital Boost
	Peru	Tourism In
	Peru	Formalize Peru
	Singapore	Tourism Industry Digital Plan (Attractions)
	Spain	Digitalization Plan for SMEs
<b>Increase the productivity of the tourism sector through the adoption of digital tools and foster a data-driven ecosystem that includes diverse stakeholders</b>	Japan	Digital Platform of the Travel and Tourism Association
	Mexico	Concanaco Tablet
	Thailand	ThailandCONNEX

Source: APEC, 2024 (Report of WTTC on Economic Impacts)

## Experts' views

As part of the research, interviews were conducted with five experts from different sectors, who offered their views on the following topics: i) a notion of formalization, ii) the challenges of transitioning to formality, iii) effective mechanisms or best practices, iv) taking advantage of digitalization to achieve

this, v) mechanisms that are not effective, and vi) opportunities to be explored to achieve better results.

In order to come up with a comprehensive scenario that informs the tourism sector, the interviewees were as follows:

**Table 3. Interviews for the study**

Sector	Name	Description
Academic	Giulio Bordon	Expert in social security and technical officer of the ILO Office in Bangkok for the domestic office of Thailand, Cambodia, and Laos. Resides in Phnom Penh, Cambodia, supporting the domestic strategy for the transition to formalization.
Government	Marushka Chocobar	Former Secretary of Government and Digital Transformation #ForADigitalPeru
Government, Public Consulting	Esteban Ferro	Former Deputy Minister of Economy of Ecuador, Manager of Econlogic.
Small Business/ Technical Expertise	Elena González	Entrepreneur with 24 years of experience in the tourism sector leading a tour-operating company. She is a facilitator of methodologies for rural business management, specializing in digitalization.
Business Association	Carlos González	Coordinator of the formal tourism guilds in the Cusco region

Below are some key points from each expert on each of these topics.

Some experts expressed more flexible notions of

formalization, depending on the context in which they operate. Such is the case of Cambodia and the case of the vision for the digital economy in Peru.

*“In Cambodia, they have actually developed a domestic strategy for the development of the informal economy. And within this strategy they identify three areas: one area where people need more social assistance, where people work more in seasonal jobs. Then there is a fairly large and broad gray area, which is all those informal enterprises that can include both formal and informal employees, and all those self-employed, business owners, market vendors that are close to the line of formalization. And finally the third*

*area is the more formal economy and the formal sector, where you have formal enterprises with formal workers and very large enterprises that work mainly for the export sector.*

*In this sense, the Cambodian Official Strategy for Globalization effort is to support the gray zone in its transition to formalization. So there are always a lot of nuances, also because full formality in Cambodia is not really defined.”*

**Mr. Giulio BORDON**

*“To formalize the models of the digital economy, they have to be rethought or evaluated with much more pro-entrepreneur or pro-small and medium-sized entrepreneur mechanisms. The*

*same yardstick of formalization of the traditional economy cannot be applied to the digital economy.”*

**Ms. Marushka CHOCOBAR**

Entrepreneurs in the tourism sector have the notion that formalization consists of compliance with

*“Formalization is to have not only municipal or local government permits, but also sectoral permits. To my understanding, it is also to be*

multiple regulations, and raise the lack of clarity in the application of this notion as a challenge.

*active and registered in the tax system and also to be able to issue valid payment vouchers.”*

*Ms. Elena GONZALEZ*

*“There are concepts that are not entirely clear. In Peru, many people think that to be formal is to have an operating license or to have a RUC, among others. But people are not so demanding*

*when it comes to tax declarations, taxation and invoicing. So, I believe that one thing is what is strictly and technically considered as formality and the perception of the population.”*

*Mr. Carlos GONZALEZ*

When it comes to identifying effective mechanisms or best practices, there are also different perspectives.

*“An effective mechanism for dialogue among stakeholders that can support the transition to formality are the public-private roundtables. For*

Several experts agree on the importance of opening the dialogue between different stakeholders:

*them to be effective, they have to have a clear objective and make clear the issues off the table.”*

*Mr. Esteban FERRO*

*“In particular, we carried out a technical roundtable of the tourism and culture working subgroup in Cusco and we have brought forward very important things. For example, the exoneration of the IGV (value added taxes) and incentives for the most vulnerable sector of tourism, which are independent workers (guides, porters, others), who are people who do not*

*work for a single company, but give their services and do not have health insurance or other benefits. So we have achieved many important things through this work table and it has served to know in depth the social management and dialogue for the implementation of new policies. It is key to generate spaces for public-private links that allow us to seek solutions”.*

*Mr. Carlos GONZALEZ*

*“It would be interesting to promote open innovation mechanisms driven by the State: hackathons and ideathons. Very good results were seen in the search for health solutions during the pandemic and post-pandemic*

*economic reactivation. These are mechanisms that take advantage of digitalization to energize the dialogue of ideas and solutions beyond the tables that sometimes depend again on the presence of a single authority.”*

*Ms. Marushka CHOCOBAR*

From the private point of view, the facilitation of procedures is valued:

*“For businesses in the tourism sector, we have set up easy procedures and nowadays it is easy to obtain your taxpayer registration. It is also easy*

*to register in the tax system as a legal entity or to start your business as an individual.”*

*Ms. Elena GONZALEZ*

Likewise, in order to promote productivity and the use of technology, training is identified as a mechanism to promote the transition to formality:

*“MSMEs can be trained in digital. For example, in product marketing, through platforms and the use of digital payments. Easy things, for example: digital wallets, e-commerce, WhatsApp*

*Business, Facebook Marketplace. And in tools and platforms to manage and optimize their staff, putting, for example, one person in sales and one person in administrative management.”*

*Ms. Marushka CHOCOBAR*

*“We see technical and vocational education as a potential entry point for more formal jobs, more formalization. If we could have the private sector, sectoral industries supporting this development, communicating with the government about what are the business requirements, what are the*

*qualification requirements, what are the industrial developments of the future, then a better qualification portfolio could be developed and therefore a better implementation achievement could be obtained.”*

*Mr. Giulio BORDON*

## 3.2. DEVELOPMENT AND RESULTS OF THE WORKSHOP

The overall objectives of the project included knowledge building, capacity building and promoting cooperation among APEC member economies. To achieve these objectives, in addition to the research, a workshop was held to facilitate the presentation of key findings and promote the exchange of experiences, as well as the generation of new solutions to this problem. This workshop was one of the main activities of the project.

The workshop was held on August 14-15, 2024 and was aimed at experts, business sector representatives, policy makers and academics from APEC economies. The structure of the event was strategically designed to meet the objectives of the project, and included two key sections. The first was a panel discussion comprised of specialists from the public, private and academic sectors and international organizations, who shared their knowledge and experiences on the formalization and use of digital tools in the tourism sector. The second section consisted of a group work dynamic, where participants actively collaborated in the design of specific solutions, adapted to the particularities of each APEC economy.

Under this methodology, the agenda was built to guide the development of the event. The first day of the event began with welcoming remarks by Ms. Madeleine BURNS VIDAURRAZAGA, Vice Minister of Tourism of the Ministry of Commerce and Tourism of Peru, and Mr. Renato REYES, Senior APEC Officer of the Ministry of Foreign Affairs of Peru. On the one hand, Ms. BURNS highlighted the relevance of the event to promote digitalization as a key tool in the transition to the formal economy for

tourism companies in the APEC region. She also highlighted that, although digital tools can facilitate formalization, many companies are not yet ready to implement them or to take full advantage of their potential. Finally, he called on leaders to provide the necessary training and create an enabling environment for the use of these technologies.

On the other hand, Mr. REYES highlighted the importance of the workshop for its alignment with the APEC Peru 2024 priority of promoting a resilient global economy. He thanked the participants and mentioned that the workshop lays the groundwork for future collaborations. In the same vein, he recalled the importance of tourism in APEC economies and the challenges of the sector, hoping that the workshop will identify ways to support the formalization and growth of small and medium-sized enterprises in the region.

After the welcoming remarks, the study was presented by Mr. David LICHERI, managing partner of Equilibrium BDC. In his presentation, Mr. LICHERI presented the preliminary results of the study that his consulting firm is developing in conjunction with MINCETUR, which is based on conceptual frameworks around the transition to formality and the identification of successful examples of the use of technology for this purpose. Among them, he highlighted the electronic licensing system in the Philippines and the digital transformation in Chile, as initiatives that can be promoted from the public sector. In his speech, he highlighted “e-formalization” as a broad and flexible approach to formalization with the support of digital tools, as well as relevant data on informality rates in



the global economy associated with the tourism sector. To conclude his intervention, Mr. LICHERI emphasized the need to reduce bureaucratic barriers and foster an inclusive mentality towards the transition to formality, highlighting the

importance of partnerships with the private sector to boost economic development.

Following the program of the event, panel discussions were held by various specialists, as shown in Table 4.

**Table 4. Day 1: Distribution of Panelists**

Day 1			
#	Panelist	Entity	Economy
Panel 1	Esteban Ferro	Public-Private	Ecuador
	Eldo Malba	International Organization	Singapore
	Ruth Garcia	Public	Peru
Panel 2	Marushka Chocobar	Public	Peru
	Sandra Zubieta	Academy	Peru
	Antonio Lopez	International Organization	Spain
	Sebastian Lopez	International Organization	Argentina

Different topics were discussed in each of these panels. The first panel addressed the current situation and challenges to promote the formalization of the tourism sector in APEC economies. This panel sought to guide the discussion of the problem from the perspective of developing economies, which have high levels of informality. On the other hand, panel 2 discussed good practices for the use and operation of digital tools in the tourism sector in the transition to formalization, giving practical examples that can be replicated in APEC economies. At the end of both panel discussions, a question-and-answer session was held. In this space we sought to address the main doubts of the public.

Finally, to consolidate the knowledge of the discussion panels and encourage the exchange of knowledge and the innovation of specific proposals for the solution of problems, we proceeded with the group dynamics activity. This activity divided the attendees of the event into a total of 5 groups accompanied by facilitators who guided the discussion. Each group had to answer three key questions, designed to delve deeper into the

most critical challenges discussed in the previous panels. During the dynamic, the groups discussed and prioritized the most viable actions based on available resources and the needs of each APEC economy.

At the conclusion of the discussions, each group presented their findings and proposals in front of all attendees. The responses not only highlighted the diversity of approaches, but also the common points faced by the economies of the region in terms of formalization, digitalization and the need for more inclusive policies. These presentations allowed for the identification of key areas of intervention, as well as opportunities for collaboration among the different actors present.

The second day of the event began with the presentation of the results of the first day by Mr. LICHERI. In his presentation, he summarized the important points discussed in the previous day's panels and working groups. As on the first day, the panel discussions were attended by experts from various sectors, as shown in Table 5. However, the topics addressed on this second day were different, broadening the focus of the debates.

**Table 4. Day 1: Distribution of Panelists**

Day 2			
#	Panelist	Entity	Economy
Panel 3	Alex Le Bienvenu	Private	Ecuador
	Melissa Pelosi	Private	Peru
	Juan Manuel Garcia	International Organization	Peru
Panel 4	Francisco Leiva	Public	Chile
	Elena Gonzales	Private	Peru
	Diana Guerra	Academy	Peru
	Edgar Vasquez	Private	Peru

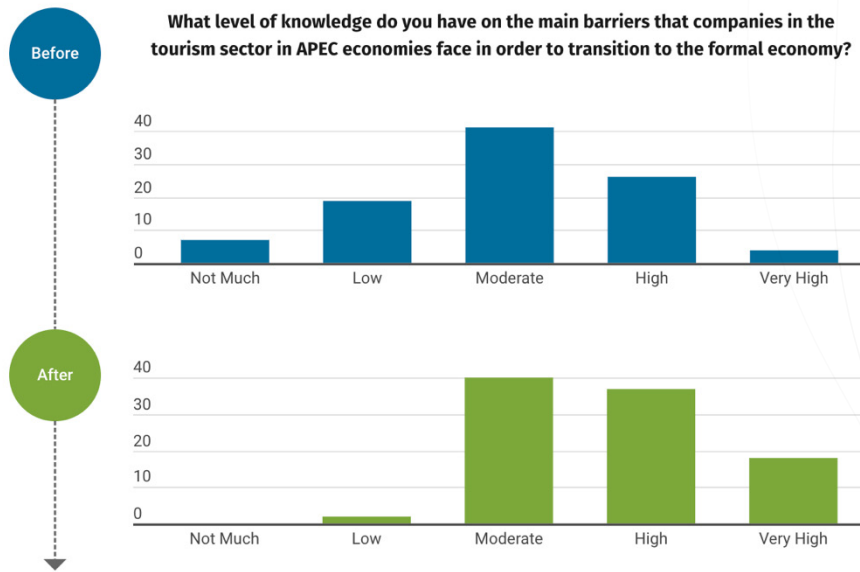
As for panel 3, the discussion focused on innovation, with emphasis on digital tools that lead to business formalization. This panel sought to examine in greater depth the tools that strengthen capacities and develop skills to take advantage of new technologies and digital processes in the tourism sector. Panel 4 addressed the costs and benefits of formalization, as well as business capacity building, with a specific focus on the tourism sector.

As on the previous day, to reinforce knowledge on the topics covered in the panels and encourage the exchange of experiences, a group dynamic was held among those attending the event, followed by a presentation of the results. The exchange generated in this session not only reinforced collective learning, but also allowed the innovative ideas to become concrete inputs for future actions, strengthening regional cooperation and the design of more effective public policies.

To conclude the plenary session, Mr. LICHERI summarized the activities carried out during the two days of the workshop. In his speech, he highlighted the main points discussed and the conclusions reached. Afterwards, Mr. Luis GUILLEN, Director General of Tourism Policy Development, offered closing remarks, thanking the participants and stressing the importance of the topics discussed for the future of the tourism sector.

As mentioned above, one of the objectives of this project was to foster knowledge sharing and promote collaboration among APEC economies in relation to business formalization in the tourism sector, in order to strengthen capacities and improve competitiveness in this area. In order to verify whether the objectives were achieved, pre- and post-workshop surveys were conducted. The results will be shown below.

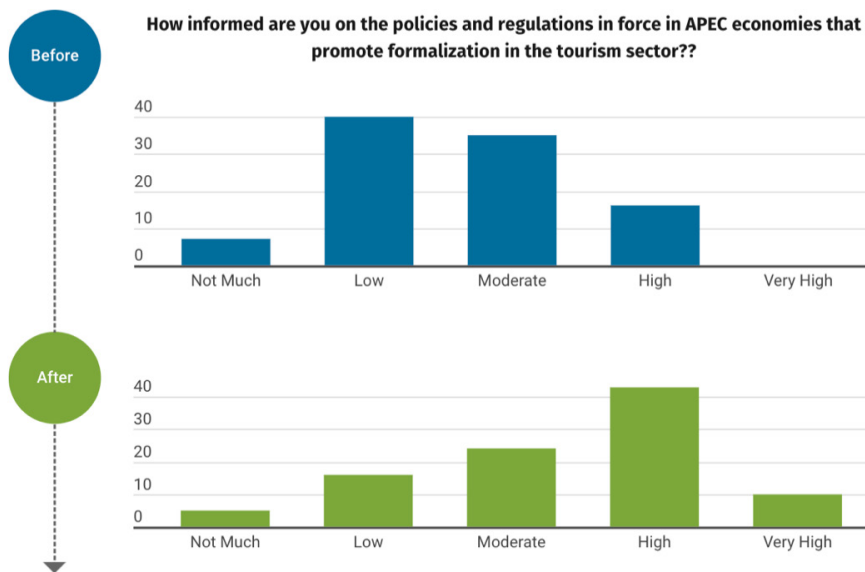
**Figure 11. Question 1**



Before the workshop, most of the participants had moderate 41.79% or high 26.87% knowledge about the barriers faced by companies in the tourism sector in the APEC region, while 7.46% had little or no knowledge. After the workshop, a significant increase in the level of knowledge was observed as 37.84% of the participants reported high knowledge

and 18.92% reported very high knowledge. It is important to note that, post-workshop, no participant was in the “little knowledge” category. In this sense, the workshop had a positive impact by increasing the participants’ knowledge of the barriers to formalization in the tourism sector.

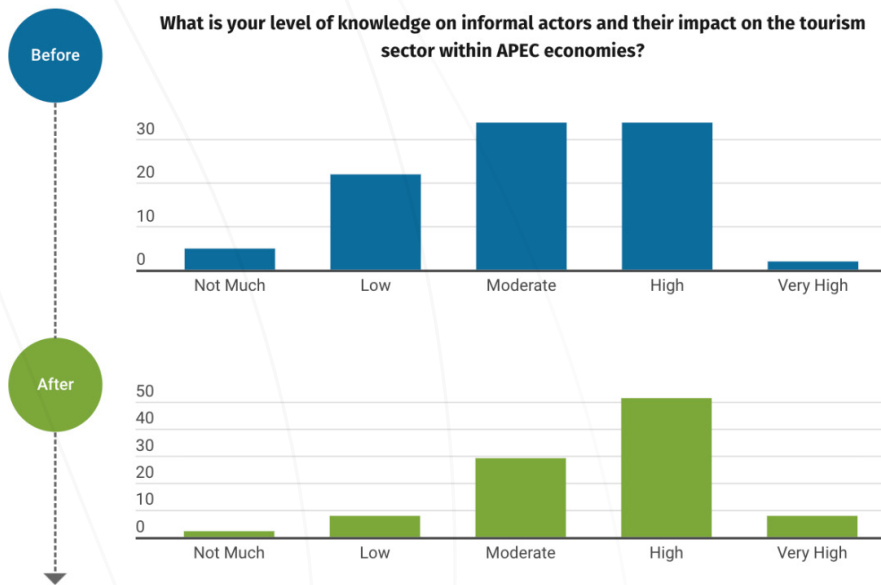
**Figure 12. Question 2**



Before the workshop, 40.30% of the participants had low knowledge, while only 16.42% had high knowledge. After the workshop, a considerable improvement was observed, with an increase of 43.24% in the high knowledge level and 10.81% in the “very high” category. However, 5.41% of the

participants still report having little knowledge. This indicates that, although there has been significant progress in understanding the policies and regulations, there is still room for improvement in knowledge among unfamiliar participants.

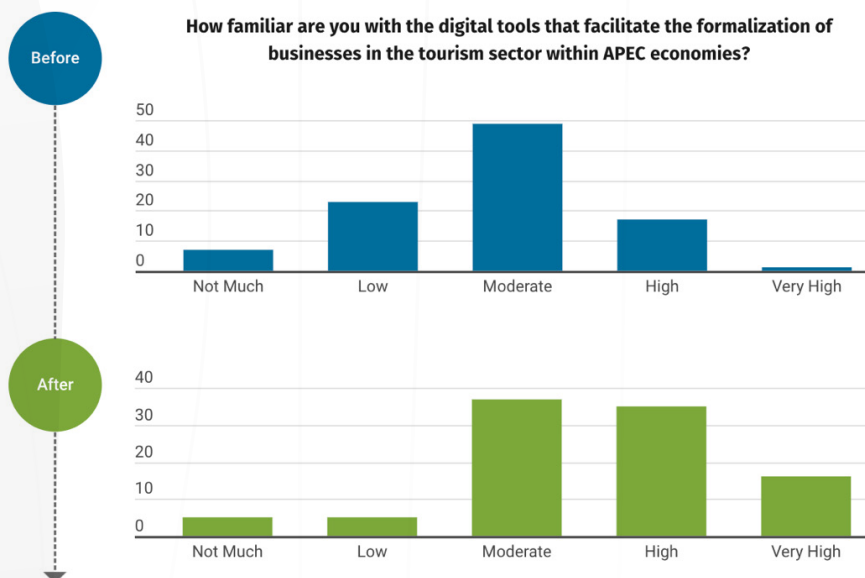
**Figure 13. Question 3**



Before the workshop, the majority of participants had moderate knowledge 34.33% or high knowledge 34.33%, while 22.39% reported low knowledge. After the workshop, a marked improvement was observed, with 51.35% of the participants reaching a high level of knowledge

and an increase in the “very high” category to 8.11%. This indicates that the workshop significantly increased knowledge about informal actors and their impact, reducing the number of participants with low knowledge.

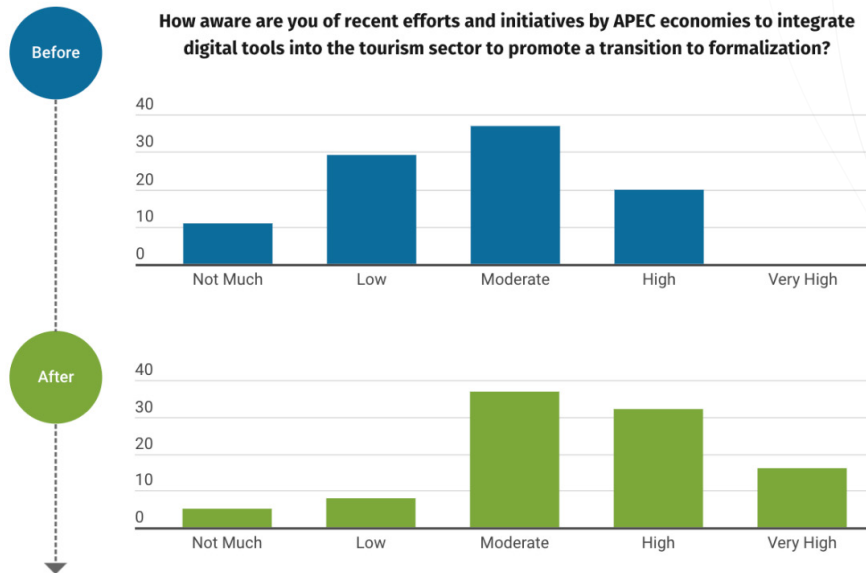
**Figure 14. Question 4**



Before the workshop, the majority of participants had moderate knowledge 49.25% and 23.88% reported low knowledge. After the workshop, there was an increase in high knowledge 35.14% and very high knowledge 16.22%, with a notable reduction

in the low knowledge categories. This indicates that the workshop significantly improved participants' familiarity with digital tools, although almost half still have moderate knowledge.

**Figure 15. Question 5**



Before the workshop, 37.31% of the participants had moderate knowledge and 29.85% reported low knowledge. After the workshop, a significant improvement was observed, with 32.43% reporting high knowledge and 16.22% in the “very high”

category. However, 37.84% still maintain a moderate level of knowledge. This indicates progress in awareness of digital initiatives in the unfamiliar and very familiar groups, while a considerable group with moderate knowledge persists.



## 3.3. HIGHLIGHTED PRESENTATIONS AND DISCUSSIONS

This section will present the main points discussed during the plenary sessions, beginning with the panel discussions and then addressing what was done at the working tables.

### 1. Day 1: Promoting the transition to formality in the tourism sector through digital tools: current situation, challenges and best practices.

The first day sought to address the transition to formality in the tourism sector. Panel 1 discussed the current situation and the challenges to promote formalization in the tourism sector from the perspective of developing economies. The panelists in charge of this section were the following:

- Esteban FERRO, Former Vice Minister of Economy of Ecuador, Director of EconoLogic, Ecuador.
- Eldo MALBA, PSU APEC Researcher, Singapore, (Virtual).
- Ruth GARCIA, Director of the Directorate of Tourism Regulations and Quality of the Ministry of Foreign Trade and Tourism, Peru.

The panelists began the session by sharing their perspectives on the current barriers to formalization in the tourism sector. Mr. Eldo MALBA stressed that developing economies face high levels of informality in this sector due to factors such as seasonality and regulatory barriers. This view was supported by Mr. Esteban FERRO and Ms. Ruth GARCIA, who agreed

that regulatory barriers are perceived as complex and costly, which discourages small and medium-sized enterprises from formalizing.

In addition, the three experts agreed that informality in the tourism sector is a structural problem, which, as mentioned by Mr. MALBA, is aggravated by the lack of social protection and income fluctuation. To overcome these challenges, the experts made the following recommendations:

1. Simplify existing regulations to facilitate business formalization in the tourism sector.
2. It is essential to improve communication between the public and private sectors to ensure effective collaboration and the implementation of more efficient policies, as well as to facilitate understanding of the formalities and procedures required for their formalization.
3. The use of digital tools should be promoted, as these technologies play a crucial role in the transition to formality, simplifying the interaction with the government and reducing the costs and barriers associated with the formalization process.
4. It is necessary to close the educational gap, especially in digital competencies, to support business formalization and improve the skills needed for efficient business management.
5. Awareness campaigns and educational reforms should be developed to change the cultural perception of informality, promoting formalization as a way to improve quality and efficiency in the tourism sector.
6. Finally, supervisory agencies should play an active role in the implementation of policies that promote formalization and guarantee stability in the tourism sector.

Figure 16. Words used in Panel 1 and 2



The second panel sought to glimpse good practices for the use and operation of digital tools in the tourism sector in the transition to formalization. The panelists in charge were the following:

- Marushka CHOCOBAR, Former Secretary of Government and Digital Transformation, Digital Transformation Expert, Peru.
- Sandra ZUBIETA, Dean of the School of Hotel Management, Tourism and Gastronomy and Director of the Hotel Management Program at the University of San Ignacio de Loyola (USIL), Peru.
- Antonio LOPEZ, Director of Innovation, Education and Investment, UN Tourism, Spain, (Virtual).
- Sebastián LOPEZ, Senior Executive, Digital Transformation Directorate, Development Bank of Latin America (CAF), Argentina.

In this panel, experts discussed the necessary conditions for digital transformation and shared best practices on the use of digital tools to boost formalization in the tourism sector and increase trust in institutions. They agreed on the importance of digital transformation in constantly changing sectors such as tourism. However, Ms. Marushka CHOCOBAR stressed that technology alone is not enough to generate a real transformation; it is essential that human capital can use and maximize the potential of technological tools.

In this context, Mr. Antonio LOPEZ and Ms. Sandra ZUBIETA stressed the need for digital education to train people in the use of these tools, thus

promoting a digital culture within companies. Mr. LOPEZ highlighted his participation in a training program in Spain, designed to prepare tourism sector staff for digitalization and formalization. This program included training in digital and soft skills, as well as in the use of technological tools to improve competitiveness. Ms. ZUBIETA mentioned the successful case of “G-Adventures”, a tourism company that implemented digital tools to expand its reach and improve its operational management.

In addition, the experts highlighted the importance of having an adequate technological infrastructure and policies that ensure equitable access to connectivity and digital services. According to Mr. Sebastián LOPEZ, ensuring this access is crucial to prevent small businesses from facing additional difficulties in the formalization process, as was observed in Paraguay. It is also vital to address the gap in access to data and connectivity, which can be detrimental to vulnerable people.

In order to implement these technologies, the experts made the following recommendations:

1. Encourage the adoption of digital technologies in the tourism sector to improve operations and expand the reach of small businesses.
2. Implement training programs to prepare tourism sector personnel in digital and soft skills; training in the use of technological tools; and the improvement of competencies that facilitate formalization.
3. It is necessary to create specific policies and programs that integrate both the private and public sectors in the digitalization process.

**Figure 16. Words used in Panel 1 and 2**



## **2. Day 2: Tools that strengthen capacities and develop the skills and competencies needed to manage and take advantage of new technologies and digital processes in the tourism sector.**

On this second day, the aim was to examine in greater depth the tools that strengthen capacities and develop skills to take advantage of new technologies and digital processes in the tourism sector. In this regard, panel 3 discussed digital tools as a driver of the transition to business formalization. The panelists in charge of this section were the following:

- Alex LE BIENVENU, Director of Data and Artificial Intelligence for Latin America, Microsoft, Peru.
- Melissa PELOSI, Commercial Director of Niubiz Processing, Peru.
- Juan Manuel GARCIA, Innovation Officer Coordinator for Formalization in Latin America, ILO, Peru.

In this panel, experts discussed how digital tools can be a key driver for the transition to formalization, highlighting the transformative potential of these technologies in various sectors. They agreed that digitalization not only facilitates regulatory compliance, but can also significantly increase productivity, benefiting both the public and private sectors.

From the public sector perspective, Mr. Juan Manuel GARCIA highlighted that digital tools have the capacity to optimize public policies through a more efficient electronic administration. He noted that, during the pandemic, the implementation of these technologies was crucial to reach the population with support programs, such as the distribution of vouchers and the facilitation of credit to small and medium enterprises. This experience demonstrated how digitalization can be a powerful ally for governments in their efforts to formalize the economy and improve administrative efficiency.

Regarding the private sector, Mr. Alex LE BIENVENU noted that more and more small businesses are adopting digital technologies to improve their operations and comply with regulations. He mentioned examples of municipalities in Bolivia, which have developed basic applications to help small businesses become regularized, allowing them to verify operating permits and access formalization processes with ease. Such initiatives demonstrate how digital tools can simplify and

streamline the transition to formality, even in sectors that have traditionally operated informally.

In the same vein, Ms. Melissa PELOSI offered a perspective on progress in economies such as Peru, where the pandemic has significantly accelerated the development of digital payments and interoperability between different financial systems. According to Ms. PELOSI, while these advances are promising, considerable challenges remain. For example, a high percentage of the Peruvian population remains unbanked, meaning that a large segment of society is not benefiting from the opportunities offered by financial interoperability.

To overcome these challenges and promote the use of these new technologies in small and medium-sized companies, the experts made the following recommendations:

1. Implement policies that clearly show the benefits of formalization, offering specific incentives to attract more companies.
2. Continue to improve the interoperability of payment systems and foster financial inclusion through digital wallets and fintech solutions.
3. Prioritize technological and financial education to maximize the use of available digital tools.
4. Foster collaboration between the public sector, the private sector and communities to create effective solutions adapted to local needs.
5. Incorporate cybersecurity and data protection measures in public policies and business practices to increase trust and the use of digital tools.

**Figure 18. Words used in Panel 3 and 4**



Finally, the fourth panel discussed the costs and benefits of formalization and business capacity building with emphasis on the tourism sector. The panelists in charge were the following:

- Francisco LEIVA, Head of the Tourism Services Regulation Department, (SERNATUR), Chile.
- Elena GONZÁLEZ, Association of Tourism Agencies of Cusco (AATC), President of the Guild, Peru.
- Diana GUERRA, Director of the School of Tourism, Pontificia Universidad Católica del Perú (PUCP), Peru.
- Edgar VASQUEZ, Director of the Center for Research in Economics and Global Business (CIEN- ADEX), Peru.

The panelists agreed that formalization and digitalization are essential for the sustainable and competitive development of the tourism sector, especially for small and medium-sized enterprises in rural areas. By integrating these processes, companies not only improve their competitiveness by accessing global markets, but also raise the quality of their services, which allows them to gain credibility. A clear example is the “Transforma

Turismo” program in Chile, which supports rural businesses in the implementation of digital tools, requiring formalization as a requirement for graduation from the program.

Mr. Francisco LEIVA emphasized the importance of formality for public policies, strategies and plans to be truly effective, since only by knowing the needs of the private sector, formal or informal, can adequate solutions be designed. From this perspective, public policies should be seen as facilitators, not obstacles, a point on which Mr. LEIVA and Mr. VASQUEZ also agreed. However, Ms. Elena GONZALEZ and Ms. Diana GUERRA warned that although formalization and digitalization are beneficial, they must be managed carefully to avoid technological vulnerabilities and generate greater gender gaps.

To achieve these objectives, Mr. VASQUEZ indicated that it is crucial to strengthen coordination between the public and private sectors to develop effective policies that are clearly communicated and simplify regulations, making them more accessible to small businesses. In the same vein, Ms. GUERRA added that academia should also be involved in

this process as it can generate evidence to guide effective decisions and promote formalization in a sustainable manner.

Within the framework of the panel discussion, the experts proposed some recommendations:

1. Cross-sectoral collaboration between the public, private and academic sectors is essential to design and implement effective strategies to address today’s challenges.
2. It is necessary to simplify and update regulations, adapting them to the digital economy and facilitating processes that encourage formalization.
3. Fears and barriers faced by SMEs regarding formalization and digitalization must be addressed through clear communication, training and adequate support.
4. Gender inclusion and equity must be priorities, ensuring that women and rural communities have access to the tools and opportunities necessary to fully participate in and benefit from the tourism sector.

**Figure 19. Words used in Panel 3 and 4**





The main points discussed in the working groups were as follows:

## 1. Presentation of results of working groups, day 1

*Topic: Current status and challenges to promote the formalization of the tourism sector in APEC economies.*

- **Question 1: What are the main structural and contextual barriers to formalization in APEC economies? In the specific case of the tourism sector, what are the additional or specific challenges compared to other sectors?**
- **Question 2: How to improve public sector interventions to facilitate communication and the implementation of effective strategies to transition to formality?**
- **Question 3: What is the importance of adopting a comprehensive approach to business formalization in the tourism sector and what role do digital tools play in this process?**

### Group 1

**Answer 1:** The main structural and contextual barriers to formalization in APEC economies are as follows:

- Lack of access to education adapted to social and cultural diversity, which limits the ability of companies to comply with formalization requirements.
- Over-regulation and the complexity of the formalization process are significant obstacles, as well as the lack of articulation of public interventions, which often lack adequate support for the implementation of regulations and access to financing.

In the tourism sector, these challenges are accentuated by the sector's sensitivity to threats or crises, such as natural disasters or pandemics,

which can seriously affect business operations. In addition, the sector faces a weak professional and business associativity, which hinders collaboration and the strengthening of common interests among the different actors in the sector.

**Answer 2:** To improve public sector interventions in the transition to formality, several key measures must be implemented.

- First, it is crucial to offer incentives for formalization, which may include training, recognition and monetary support.
- Information should also be provided in plain language through platforms accessible to the target audience to ensure that the requirements and benefits are clearly understood. Enforcement should be strengthened with more staff in public entities to ensure more effective implementation of regulations.
- In addition, greater coordination between entities is essential to share and disseminate information in a coherent and effective manner.

**Answer 3:** Adopting a comprehensive approach to business formalization in the tourism sector is crucial to reduce existing gaps, given the cross-cutting nature of tourism activity. This approach should include the following characteristics:

- The reduction of time and cost in the development of formalization procedures, as well as generating confidence in the target public through greater efficiency, transparency and security in the digital services offered.
- Digital tools play a fundamental role in this process by facilitating accessibility and quality connectivity, optimizing bureaucratic procedures and providing platforms that integrate different services and requirements for entrepreneurs in the sector. This not only improves the user experience, but also contributes to a more agile and effective formalization.

## Group 2

**Answer 1:** Formalization in APEC economies faces several structural and contextual barriers. Among the main ones are the following:

- Bureaucratic red tape and administrative complexity, which hinder the formalization process for many companies.
- In addition, lack of knowledge of current regulations and lack of clarity about formalization requirements aggravate the situation. Domestic policies tend to be implemented in a fragmented and uncoordinated manner, which can generate confusion and additional obstacles.

In the specific case of the tourism sector, additional challenges include:

- High variability in local regulations and standards, which can differ significantly from one region to another.
- In addition, the sector faces unique problems such as seasonality and dependence on external factors such as the pandemic, which further complicate the formalization process.

**Answer 2:** To improve public sector interventions in the transition to formality, the following actions can be developed:

- Develop a user-friendly digital platform that provides clear and accessible information on the benefits of formalization.
- In addition, an interactive application can be created to encourage companies to formalize through access to resources, benefits and personalized guidance.
- Communication campaigns should focus on simplifying formalization procedures and educating entrepreneurs on the necessary steps, using effective channels adapted to the needs of the sector.

**Answer 3:** Adopting a comprehensive approach to business formalization in the tourism sector is crucial to ensure that all aspects of the process are

managed in a consistent and efficient manner. This includes the following tools:

- The creation of a standardized platform that offers updated and official information on tourism resources, service providers and related services.
- Digital tools play a fundamental role in this process by providing a centralized source of information that facilitates access to relevant data and allows greater visibility and promotion for formalized companies.
- In addition, digital tools help ensure the safety and reliability of services, which strengthens consumer confidence and improves the competitiveness of the sector.

## Group 3

**Answer 1:** In APEC economies, the main structural and contextual barriers to formalization include the following:

- A complex regulatory framework that hinders regulatory compliance and creates uncertainty.
- The lack of flexibility in regulation and the absence of integrated digital platforms that harmonize the different procedures for business management complicate the transition to formality.
- In addition, rural communities often face additional challenges due to limited infrastructure and a regulatory framework that is not adapted to local needs.

In the tourism sector, these problems are accentuated by specific barriers such as the following:

- Lack of training in digital tools, reliance on traditional practices and difficulty in accessing capacity building programs.
- Risk management and community protection also play a crucial role in formalization within tourism, making policy adaptation and business support even more necessary.

**Answer 2:** To improve public sector interventions in facilitating the transition to formality, the following steps are essential:

- Develop a single digital platform that centralizes information and simplifies processes. This platform should promote the benefits of operating within the formal economy and offer flexible regulations that adapt to the needs of companies.
- In addition, monitoring and supervision should be strengthened to ensure compliance and effectiveness of the strategies implemented.
- Simplification of procedures and improved communication between authorities and entrepreneurs are crucial to ensure that interventions are well understood and implemented.

**Answer 3:** Adopting a comprehensive approach to business formalization in the tourism sector is essential to holistically address the challenges faced by businesses. This approach should follow the following recommendations:

- Enable, educate and empower entrepreneurs, ensuring that they have the necessary tools and knowledge to comply with formal requirements.
- Digital tools play a crucial role in supporting formalization by simplifying processes, protecting against risks and reinforcing regulations.
- In addition, public-private partnerships are vital to provide adequate support and resources.

An integrated approach, while challenging to coordinate, also ensures that strategies are effective by involving all relevant stakeholders in the implementation and monitoring of formalization policies.

*Topic 2: Best practices in the use and operation of digital tools in the tourism sector in the transition to formalization.*

- **Question 1: What are the key conditions that must be present in a digital ecosystem to facilitate the formalization of businesses in the tourism sector?**
- **Question 2: How does the strengthening of human capital contribute to a transition to the formal economy of tourism enterprises?**
- **Question 3: We know that the digital economy is moving at a much faster pace than the public sector. How do we build those bridges so that the public sector can promote efficient management?**

#### Group 4

**Question 1:** To facilitate the formalization of businesses in the tourism sector, it is essential to establish several key conditions in the digital ecosystem.

- First, unique and user-friendly information platforms must be developed to provide companies, especially small and medium-sized ones, with all the information necessary for formalization in a didactic and accessible manner.
- In addition, it is crucial to strengthen trust in the state and the credibility of government policies, as well as to establish a public policy that encourages the use of digital media.
- A unified window is essential to consolidate dispersed information into an integrated unit that facilitates the process.
- Education must be extended beyond urban areas to rural regions to ensure equitable coverage.
- The interoperability of the digital ecosystem must be considered from different perspectives, including business, education and ministries.

- It is recommended that a one-stop shop for tourism be created to coordinate business processes and facilitate access to financing, funds, and specific programs for the sector.
- In addition, the communication of policies and strategies to the various tourism stakeholders should be improved and the assistance of local governments and international organizations should be encouraged.
- Finally, it is vital to have a robust digital infrastructure to support all these initiatives.

**Question 2:** Strengthening human capital is crucial for the transition to the formal economy in the tourism sector. Therefore, the following are required:

- Promote the training of leaders within the sector to ensure that there is a clear vision and strategic direction in the formalization process.
- Bridging the gap between the information provided by the government and its actual receipt is critical; this can be achieved by training officials to effectively transmit and apply the information.
- Providing training for small and medium-sized entrepreneurs contributes to making these businesses more formal and sustainable.
- Reduce staff turnover in the public sector, as continuity in project management is essential to maintain stability and effectiveness of formalization initiatives.

**Question 3:** In order for the public sector to promote efficient management in an accelerated digital economy environment, it is essential to follow the following recommendations:

- Comply with and rigorously follow up on international agreements and commitments, such as those established in APEC.
- Promote the opening of markets and modernization in digital economy issues as crucial aspects to maintain

the relevance and efficiency of public programs and policies.

- Provide continuous training to public managers to enable them to adapt to rapid technological changes and effectively manage the digital economy, thus ensuring that policies and strategies are implemented in an effective and timely manner.

## Group 5

**Question 1:** To facilitate the formalization of businesses in the tourism sector, a digital ecosystem must meet several key conditions.

- Generate a high level of interoperability between the different platforms and services, allowing for a smooth and efficient integration of data and processes. The existence of accessible portals for tourism service providers is crucial, as it facilitates information management and compliance with regulatory requirements.
- Facilitating relevant content that provides timely and useful information is essential to guide entrepreneurs in the formalization process.
- Promote an approach of empathy and continuous support, ensuring that information and resources are available in an accessible and inclusive manner to all stakeholders in the sector.

**Question 2:** Strengthening human capital plays a fundamental role in the transition of tourism sector enterprises into the formal economy. To achieve this objective, the following recommendations should be followed:

- Adapting to technological tools as part of continuous improvement allows employees and employers to effectively use new digital tools, thus facilitating formalization.
- The provision of adequate curricula and educational programs, together with the closing of training gaps, ensures

that personnel are trained to handle the changes and challenges of the sector. Appropriateness to cultural, social and political factors is also essential to ensure that formalization strategies are relevant and effective.

- Promoting the search for formal employment contributes to greater competitiveness in the sector, promoting a more stable and professional work environment.

**Question 3:** In order for the public sector to promote efficient management in a rapidly changing digital environment, it is necessary to build effective bridges to the digital economy. This includes the following tasks:

- Provide a greater allocation of resources for the development and modernization of the tourism sector, especially at the regional level.
- Promote the optimization of time and the generation of adapted regulations for the formalization of new business models to maintain the relevance and effectiveness of public policies.
- Establish strategic alliances between the public and private sectors, facilitating the creation and adaptation of standards that support the integration of new business models in the tourism sector.
- Develop tax incentive mechanisms and discussion of international agreements, such as those related to APEC to help align public policies with global trends.
- Updating processes in terms of digital economy and training of public managers are essential efforts to ensure that the public sector can effectively manage the demands and opportunities of the digital economy.

## 2. Presentation of results of working groups, day 2

*Theme: Innovation - Digital tools as a driver of the transition to business formalization.*

- **Question 1: How is a company transformed when it adopts digital technologies for its formalization and to increase its competitiveness?**
- **Question 2: What role do regulated payment systems and digital wallets play in promoting the transition to formality in the tourism sector?**
- **Question 3: What new environments should tourism companies prepare for? And what role does the public sector play in this scenario?**

### Group 1

**Answer 1:** The adoption of digital technologies transforms a company in a comprehensive way:

- Boost your growth and expand your market presence by optimizing processes and improving operational efficiency.
- Increases agility and speed in operations, strengthening trust with customers and partners.
- It promotes financial inclusion and facilitates access to services, while allowing direct communication with customers.

Innovation and diversification of product or service offerings become more accessible, while requiring more qualified personnel and reducing the risks associated with manual processes.

**Answer 2:** Regulated payment systems and digital wallets play different roles in the transition to formality in the tourism sector. Regulated payments, being subject to official regulations and controls, encourage formalization by ensuring transparent and traceable transactions. This facilitates financial inclusion by integrating more actors into the formal



economic system. However, digital wallets, although they can contribute to financial inclusion, do not necessarily directly promote formalization.

**Answer 3:** Companies in the tourism sector must prepare for several new environments.

- The evolution towards a digital overflow involves increasing integration of artificial intelligence and accelerated growth of digitalization, which will influence the way they operate and communicate with customers.
- In addition, sustainability and social responsibility are becoming increasingly important, as is the diversification of services, products and destinations to attract a broader clientele.

In this context, the public sector plays a crucial role in revising and updating the general tourism law and generating a regulatory framework that adapts to the new realities. In addition, it is essential that the public sector enhance the value of the tourism offer and provide facilities and diagnostics to strengthen the sector's capacities. Prior consultation and dialogue between different stakeholders in the sector is also essential to ensure that policies and regulations respond adequately to market needs.

## Group 2

**Answer 1:** When a company adopts digital technologies to formalize and increase its competitiveness, it undergoes several key transformations.

- First, it inserts itself more effectively in the market, increasing its visibility and attractiveness. This makes it more competitive and improves its ability to handle crises.
- In addition, communication becomes more agile and efficient, facilitating promotion in the market and in social networks. Internal processes are also optimized, improving operational management.

Digital adoption allows for greater integration in capacity building programs and makes the

company more attractive to the financial system, facilitating access to credit and other incentives.

**Response 2:** Regulated payment systems and digital wallets play important roles in promoting the transition to formality in the tourism sector. Among their positive aspects, regulated payment systems:

- They facilitate sales through interoperability, allowing connection between different platforms.
- They generate valuable statistical information for strategic decision-making. Digital wallets, on the other hand, act as useful tools to facilitate commercial transactions and speed up processes.

However, there are negative aspects that must be considered, such as cyber insecurity and technological dependency. It is crucial that companies adopt contingency plans to mitigate these risks and ensure an effective transition to formality.

**Answer 3:** Companies in the tourism sector must prepare for several key new environments.

- First, they must adapt to the new digital era, incorporating the latest technologies to remain competitive. This includes adapting to changes in the regulatory environment, which must evolve to meet the emerging needs of the tourism experience.
- In addition, it is essential that companies prepare for new ways of interacting with customers and better management practices in a digitized environment.
- The public sector plays a crucial role in this scenario by moving from a merely supervisory role to a more guiding and promoting one. It must provide a clear and stable legal framework to support the adaptation and growth of the sector.
- It is also important for the public sector to adopt and promote the use of new digital tools specialized in the tourism sector, thus facilitating the transition to a more modern and efficient environment.



### Group 3

**Answer 1:** The adoption of digital technologies transforms a company in a significant way.

- Increases transparency and trust by improving visibility of operations and transactions.
- Facilitates market intelligence and expansion by providing tools to analyze data and detect opportunities.
- Brand and marketing optimization becomes more effective through more targeted and personalized digital strategies.
- In addition, it promotes staff training and skills development, ensuring that the team is up-to-date with the latest tools and technologies.

**Answer 2:** Regulated payment systems and digital wallets play a crucial role in the transition to formality in the tourism sector.

- They facilitate financial inclusion, allowing more businesses and communities, including MSMEs, to access financial services.
- They offer data tracking and banking integration, which helps companies maintain accurate records and comply with tax regulations.
- In addition, regulated payment systems allow for taxation facilities, such as the possibility of obtaining value added tax (VAT) refunds, which encourages companies to formalize and operate within the legal framework.

**Answer 3:** Companies in the tourism sector must prepare for several new environments.

- First, the adoption of digital technologies, both hardware and software, is crucial to remain competitive.
- It is also important to foster interagency collaboration to address challenges and opportunities in an integrated manner.

The public sector plays an essential role in implementing digital acceleration and innovation support programs, developing data-driven regulations that reflect new market realities, and promoting smart destinations that use technology to enhance the tourism experience. In addition, the public sector must ensure cybersecurity protection to protect companies' digital information and operations.

*Theme 2: Costs and benefits of formalization - Strengthening of business capacities with emphasis on the tourism sector: productivity, employment, registration, standards, etc.*

- **Question 1: What government policies and strategies can encourage competitiveness and make formalization an attractive and profitable option for tourism businesses?**
- **Question 2: What difficulties do small businesses face in their transition to formality and what direct benefits does operating within the formal economy bring to SMEs?**
- **Question 3: How to empower women, key tourism stakeholders, to take advantage of digital tools to promote the transition to formality?**

### Group 4

**Answer 1:** To encourage competitiveness and make formalization more attractive and profitable for tourism businesses, economies can implement various policies and strategies:

- Promote public-private partnerships at the local and regional levels, creating a cooperative environment that facilitates formalization.
- In addition, a user-friendly, intuitive and inclusive cross-sector platform should be promoted to simplify processes and procedures for companies seeking to formalize.

- Incentive campaigns also play a crucial role; they should clearly highlight the benefits of formalization.
- Finally, it is essential to carry out training and sensitization processes aimed at tourism service providers to help them understand and adopt formalization.

**Answer 2:** Small businesses face several difficulties in their transition to formality with digitalization. Among the main barriers are the difficulty in accessing training and education, and the high investment in technology (hardware and software).

However, operating within the formal economy brings significant direct benefits.

- SMEs have greater access to financing and better credit, which facilitates their growth and expansion.
- In addition, they can access state programs and competitions, providing additional opportunities for support and resources.

**Answer 3:** To empower women in the tourism sector and facilitate their use of digital tools, several strategies should be adopted.

- Local administrations can implement specific programs for women entrepreneurs in the sector, offering adequate support and resources. It is crucial to carry out awareness-raising and training in digital tools for women-led businesses, ensuring that they have access to up-to-date knowledge.
- In addition, the best practices of women entrepreneurs in the use of these tools should be known and shared.
- Communication strategies should involve the three levels of government (local, regional, economy-wide) to ensure the effectiveness of information dissemination and formalization campaigns.
- Finally, it is important to develop incentive campaigns for small and medium-sized enterprises run by women, promoting formalization and complying with specific benefits.

## Group 5

**Answer 1:** To encourage competitiveness and make formalization more attractive and profitable for tourism businesses, the government can adopt several key policies and strategies.

- First, implementing reductions in tax rates or simplifying regulatory requirements so that companies entering the formal system can be relieved of financial and administrative burdens.
- In addition, it is crucial to organize training programs for entrepreneurs and employees in the tourism sector, focusing on digital skills that facilitate adaptation to new technologies.
- Promoting a regulatory framework that recognizes and values formal businesses is also important, as well as promoting effective communication that highlights the benefits of formal business practices, offering discounts and tax benefits.
- Training in digital tools specific to the tourism sector should be a priority, along with the creation of databases to assist in decision-making and strategic planning.

**Question 2:** Small businesses face several challenges in their transition to formality through digitalization. Among the most common challenges are the following:

- Lack of knowledge about digital technology and the functioning of the formal system, as well as limited resources that affect the flexibility to adopt new tools.
- In addition, poor internet access and lack of training in digital tools are significant barriers. Often, SMEs do not have adequate programs or a single source of formalization requirements, and face mistrust towards digital banking due to myths and lack of knowledge.

Despite these challenges, operating within the formal economy offers direct benefits such as access to financing and better credit rates, government benefits, and brand recognition that facilitates domestic and international competition.

**Answer 3:** To empower women in the tourism sector and encourage the use of digital tools to transition to formality, several effective strategies can be implemented.

- First, it is essential to make visible the success stories of women who have excelled in tourism and technology by organizing networking and professional development events.
- It is also crucial to organize training programs focused on the use of digital technology, such as data management tools and online connectivity, providing continuous support.
- The creation of support instruments for the development of digital skills, together with a compendium of digital solutions and continuous transparency of information for women entrepreneurs, are important steps.
- Finally, it is necessary to promote public-private partnerships to strengthen competitiveness and provide additional resources to support women entrepreneurs in their transition to formality.

**Table 6. Integration of presentations and discussions**

Thematic	Problems identified	Solutions
<b>Barriers to formalization in APEC</b>	<ul style="list-style-type: none"> <li>• Lack of access to education adapted to social and cultural diversity</li> <li>• Lack of articulation of public interventions</li> <li>• Overregulation and complexity of formalization processes</li> <li>• Sensitivity of the tourism sector to crises (natural disasters, pandemics)</li> <li>• Weak professional and business associativity</li> </ul>	<ul style="list-style-type: none"> <li>• Offer incentives to transition to formality (training, recognition, financing).</li> <li>• Provide information in simple and accessible language</li> <li>• Reinforcing auditing with more personnel</li> <li>• Increasing coordination between entities to share information</li> </ul>
<b>Best practices in the use of digital tools</b>	<ul style="list-style-type: none"> <li>• Bureaucratic procedures and administrative complexity</li> <li>• High variability in local regulations and standards</li> <li>• Lack of knowledge of rules and formalization requirements</li> <li>• Lack of integrated digital platforms</li> </ul>	<ul style="list-style-type: none"> <li>• Create user-friendly digital platforms to provide information on formalization</li> <li>• Develop interactive applications that encourage formalization.</li> <li>• Implement communication campaigns to simplify procedures and educate entrepreneurs about the necessary steps</li> <li>• Developing a single digital platform to centralize information and simplify processes</li> <li>• Create a one-stop shop for tourism that articulates processes and provides access to financing</li> </ul>
<b>Comprehensive approach to formalization</b>	<ul style="list-style-type: none"> <li>• Complex regulatory framework and lack of flexibility</li> <li>• Lack of training in digital tools</li> <li>• Risk management and community protection</li> <li>• Lack of trust in digital banking and misinformation about the formalization process</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening monitoring and supervision</li> <li>• Enabling, educating and empowering entrepreneurs</li> <li>• Establishing public-private partnerships</li> </ul>
<b>Strengthening of entrepreneurial capacities</b>	<ul style="list-style-type: none"> <li>• Difficulties in accessing training and education in digital tools.</li> <li>• High technology and hardware investment costs</li> <li>• Inequalities in access to digital tools for women in the industry</li> <li>• Limited interagency collaboration to address challenges and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Establish training and awareness programs on the benefits of formalization.</li> <li>• Implementing government incentives such as tax breaks and financial support programs</li> <li>• Create awareness campaigns on the benefits of formalization and provide accessible resources for its implementation.</li> <li>• Implement specific empowerment programs for women entrepreneurs in the tourism sector.</li> <li>• Promote public-private partnerships to create a cooperative environment that facilitates the transition to formality.</li> </ul>
<b>Digital tools for business formalization</b>	<ul style="list-style-type: none"> <li>• Difficulty for companies to optimize processes and improve operational efficiency</li> <li>• Lack of financial inclusion and access to services</li> <li>• Need to adapt to a digital environment and new ways of interacting with customers</li> <li>• Cybersecurity risks and technology dependence</li> <li>• Cyber insecurity affecting confidence in digitalization</li> </ul>	<ul style="list-style-type: none"> <li>• Adopting digital technologies to optimize processes and improve efficiency</li> <li>• Encourage the use of regulated payment systems that guarantee transparent transactions.</li> <li>• Update the general tourism law and generate a regulatory framework that supports adaptation to new realities.</li> <li>• Implement contingency plans and training on cybersecurity and the use of digital technologies.</li> <li>• To provide resources to improve cybersecurity and data protection in companies.</li> </ul>

## 3.4. CONCLUSIONS AND RECOMMENDATIONS FROM THE WORKSHOP DRAFTING

The main objective of the workshop was to foster knowledge exchange and promote collaboration among APEC economies regarding business formalization in the tourism sector. According to the results of the working groups, questions related to the topics addressed in the discussion panels were raised, and the responses obtained have been encouraging, reflecting a favorable level of information and understanding of what was discussed.

In addition, the post-workshop surveys showed a significant increase in the evaluation of the knowledge acquired by the participants. This indicates that the objective of the workshop has been achieved, strengthening the capacities of actors from different sectors. These actors, now better prepared, can contribute from their respective areas to promote the transition to the formal economy with digital tools in the tourism sector. Below is a summary of the main conclusions of the workshop:

- **Vulnerability of the tourism sector:** Tourism is particularly susceptible to crises such as natural disasters and pandemics, which seriously affect business operations and aggravate informality. Weak professional and business associativity in the sector hinders collaboration and the strengthening of common interests, which is crucial to overcoming these challenges.
- **Challenges to formalization:** The main obstacles hindering the transition to formality in the sector include over-regulation, the complexity of administrative processes and the lack of access to education adapted to the social and cultural diversity of each economy.
- **Public-private collaboration:** The lack of adequate coordination between the public and private sectors, which is essential to effectively face the challenges of formalization, was highlighted.
- **Importance of digital tools:** Digital tools are essential to facilitate formalization, as they reduce the time and cost of procedures, and improve efficiency, transparency and security in the services offered. The creation of integrated digital platforms and the promotion of interoperability are essential to achieve a more agile and effective formalization.
- **Strengthening human capital:** The transition to the formal economy in the tourism sector depends on strengthening human capital. Ongoing training, reducing staff turnover in the public sector, and developing leaders within the sector are essential to ensure clear and effective strategic direction in the formalization process.
- **Digital infrastructure:** A solid and accessible digital infrastructure is vital to support formalization and promote financial inclusion, especially in rural areas and in sectors such as tourism, where connectivity and access to digital information are essential for economic development.
- **Comprehensive approach to formalization:** It is critical to adopt a comprehensive approach to business formalization in the tourism sector that consistently and effectively addresses the challenges. This includes the creation of standardized platforms, the centralization of relevant information and the promotion of public-private partnerships to provide adequate support.



# 4

# RECOMMENDATIONS AND FUTURE ACTIONS

This section develops recommendations for actions that, based on the results of the study on the one hand and the workshop on the other, outline some key points for APEC economies to have more information and access to knowledge for the development of formalization strategies.

## 4.1. RECOMMENDED ACTIONS BASED ON THE RESULTS

Based on the table presented in the previous section, strategies will be developed to implement the proposed solutions in the tourism sector of APEC economies. The table is organized into seven thematic axes: Education and Training;

Formalization and Bureaucracy; Communication and Access to Information; Digitalization and Infrastructure; Public-Private Collaboration; Innovation; and Women's Empowerment.

**Table 7. Recommended actions and future steps to promote the transition to formality in the tourism sector**

Thematic focus	Recommendations	Future Steps
<b>Education and training</b>	<ul style="list-style-type: none"> <li>Design specific training programs for tourism MSMEs focusing on digital literacy, business management, and sustainability</li> <li>Incorporate practical learning methodologies (e.g., business simulations)</li> </ul>	<ul style="list-style-type: none"> <li>Design of modular and scalable programs</li> <li>Promotion of strategic alliances</li> <li>Digital learning platforms</li> <li>Certification and accreditation system</li> <li>Promotion of knowledge exchange</li> <li>Incentives of training</li> <li>Studies on needs and gaps</li> </ul>
<b>Formalization and Bureaucracy</b>	<ul style="list-style-type: none"> <li>Simplify registration and licensing processes through integrated digital platforms</li> <li>Develop a uniform regulatory framework for tourism-related procedures</li> </ul>	<ul style="list-style-type: none"> <li>Development of a single digital platform</li> <li>Ensure the platform is user-friendly and accessible, particularly for small and medium-sized enterprises (SMEs) and Implementation of financial incentives</li> <li>Simplification of procedures</li> <li>Technical assistance and support</li> <li>Awareness assistance and support</li> <li>Expedited resolution of procedures</li> <li>Capacity building for public institutions</li> </ul>
<b>Communication and Access to Information</b>	<ul style="list-style-type: none"> <li>Design educational campaigns using social media and digital platforms to inform about the benefits of formalization</li> <li>Publish practical guides tailored to local contexts</li> </ul>	<ul style="list-style-type: none"> <li>Targeted awareness campaigns</li> <li>Creation of centralized information platform</li> <li>Implementation of <b>economy-wide platform</b></li> <li>Use of innovative digital channels</li> <li>Strengthening local information networks</li> </ul>

<i>Thematic focus</i>	<i>Recommendations</i>	<i>Future Steps</i>
<b><i>Digitalization and Infrastructure</i></b>	<ul style="list-style-type: none"> <li>• Promote access to high-speed internet in remote tourist areas</li> <li>• Encourage the creation of accessible technological solutions for MSMEs</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in digital infrastructure</li> <li>• Public-private partnerships for connectivity</li> <li>• Promotion of electronic payment systems</li> <li>• Capacity building for digital adoption</li> </ul>
<b><i>Public-Private Collaboration</i></b>	<ul style="list-style-type: none"> <li>• Institutionalize public-private dialogue tables to identify and address barriers to formalization</li> </ul>	<ul style="list-style-type: none"> <li>• Development of strategic alliances</li> <li>• International cooperation for financing and coordination</li> <li>• Public-private dialogue platforms</li> </ul>
<b><i>Innovation</i></b>	<ul style="list-style-type: none"> <li>• Foster innovation in the tourism sector through targeted initiatives that encourage the adoption and development of digital solutions, leveraging collaboration between public and private stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of advance digital technologies for formalization</li> <li>• Digital payment systems to enhance transparency</li> <li>• Innovative regulatory frameworks for formalization</li> <li>• Implementation of ideathons to drive formalization</li> </ul>
<b><i>Women's Empowerment</i></b>	<ul style="list-style-type: none"> <li>• Design specific support programs for women entrepreneurs in the tourism sector</li> <li>• Establish mentoring mechanisms led by female business leaders</li> </ul>	<ul style="list-style-type: none"> <li>• Support programs for women entrepreneurs</li> <li>• Training in digital skills and business practices</li> </ul>



## 4.2. STRATEGIC ACTIONS FOR IMPLEMENTING AND SUSTAINABILITY OF THE PROPOSED SOLUTIONS

Based on the table presented in the previous section, specific strategies will be developed to implement the proposed solutions in the tourism sector of APEC economies. The thematic axes identified seek to address the main critical areas that facilitate the transition to formalization and digitalization. These axes are: Education and Training; Formalization and Bureaucracy; Communication and Access to Information; Digitalization and Infrastructure; Public-Private Collaboration; Innovation; and Women Empowerment. Each axis has been selected for its relevance to overcome current barriers and maximize the impact of the proposed policies.

### Education and Training

Education and training are fundamental pillars for achieving greater formalization and digitalization in the tourism sector. Education not only disseminates knowledge, but also strengthens the skills needed to adopt new technologies and practices. It is essential that educational programs are designed to address sector-specific topics, such as tourism business management or the use of digital tools, ensuring that the knowledge is relevant and applicable. Ongoing training is equally crucial, given the rapid advancement of technology. Keeping training up to date ensures that workers can adapt to new processes and tools, thus avoiding knowledge gaps and improving the sector's responsiveness.

### Strategic Actions:

#### Design of modular and scalable programs

- Create flexible and modular educational programs tailored to various experience levels and areas of specialization within the tourism sector.
- Include priority topics such as business management, sustainability, cybersecurity, and digital marketing

#### Promotion of strategic alliances

- Establish partnerships between educational institutions, technology companies, and tourism associations to develop applied research projects, innovation, and technology transfer.
- Foster collaborations with universities to integrate specialized courses into their curricula.

#### Digital learning platforms

- Develop accessible digital platforms to offer online courses, interactive tutorials, and free educational resources.
- Ensure these platforms are available in multiple languages and formats to facilitate their use across different APEC economies.

#### Certification and accreditation system

- Implement a standardized certification system to validate the skills acquired through continuous training programs.
- Offer internationally recognized certifications to increase professionals' competitiveness in the labor market.

### Promotion of knowledge exchange

- Facilitate virtual forums and conferences to share experiences and best practices among APEC economies.
- Encourage the use of professional social networks and virtual communities for continuous collaboration and learning.

### Incentives of training

- Provide tax benefits to companies that invest in their employees' training.
- Create public funds or specific grants to support training for tourism MSMEs.

### Studies on needs and gaps

- Conduct regular assessments to identify the skills most demanded in the sector and the existing gaps in educational offerings.
- Use these studies to continuously update training programs and ensure their relevance.

## Formalization and Bureaucracy

The reduction of bureaucratic barriers and the simplification of formalization processes are essential to facilitate the transition of informal tourism operators towards legality. This implies implementing policies that promote the creation of electronic single windows and the digitalization of procedures, which not only improves the efficiency of public services, but also reduces costs and time for entrepreneurs.

### Strategic actions

#### Development of a single digital platform

- Create an integrated digital platform that centralizes all formalization processes, providing clear guidelines and facilitating compliance with legal requirements.

#### Ensure the platform is user-friendly and accessible, particularly for small and medium-sized enterprises (SMEs) and Implementation of financial incentives

- Introduce tax incentives and subsidies for companies that successfully complete the formalization process.

- Provide partial subsidies to cover formalization-related costs, such as licensing fees and registration expenses.

### Simplification of procedures

- Reduce the number of required documents and streamline processes to make them more accessible for SMEs.
- Establish a framework for simplified procedures tailored to small-scale and rural tourism operators.

### Technical assistance and support

- Offer personalized guidance to businesses during the formalization process through technical assistance programs.
- Develop toolkits and resources that provide step-by-step instructions for compliance.

### Awareness assistance and support

- Launch targeted campaigns that clearly communicate the benefits of formalization, using relatable success stories to encourage participation.
- Collaborate with local media and community organizations to maximize outreach.

### Expedited resolution of procedures

- Set reduced timelines for the resolution of formalization requests to minimize delays and enhance business confidence in the process.

### Capacity building for public institutions

- Strengthen the capacity of public institutions involved in the formalization process by providing training and modernizing their infrastructure to improve service delivery.
- Ensure that public officials are equipped to handle digital tools and support entrepreneurs effectively.



## Communication and Access to Information

Ensuring that information is accessible and understandable to all tourism stakeholders is key to promoting formalization. Strategies such as awareness campaigns and the creation of centralized information platforms can help small entrepreneurs their rights, obligations, and the benefits of formalization.

### Strategic actions

#### Targeted awareness campaigns

- Design campaigns tailored to different segments of the population, considering their characteristics, needs, and access to technology.
- Use traditional media (radio, television) and digital channels (social media, mobile apps) to maximize reach and effectiveness.

#### Creation of centralized information platform

- Develop a digital platform that integrates clear and accessible data on policies, regulations, and opportunities available for tourism businesses.
- Ensure the platform is multilingual and inclusive, providing formats that cater to diverse audiences.

#### Implementation of economy-wide platform

- Launch domestic campaigns to explain the benefits of digitalization and formalization, showcasing inspiring and relatable success stories.
- Collaborate with local associations, NGOs, and government agencies to amplify the messaging.

#### Use of innovative digital channels

- Encourage the use of mobile apps, chatbots, and other digital tools to disseminate relevant information quickly and easily.
- Include personalized notifications and real-time updates on regulations and opportunities in the tourism sector.

## Strengthening local information networks

- Establish local networks as contact points to provide personalized guidance to entrepreneurs in both rural and urban communities.
- Train community leaders and tourism associations to become advocates for formalization.

## Digitalization and Infrastructure

Adequate digital infrastructure is essential to support the adoption of new technologies in the tourism sector. Investments in connectivity, online service platforms, and digital management tools will enable tourism businesses to improve their productivity, enhance customer experience, and expand market access.

### Strategic actions

#### Investment in digital infrastructure

- Prioritize investments in robust digital infrastructure, including high-speed internet connectivity, installation of local data centers, and expanded network coverage in remote tourist areas.

#### Public-private partnerships for connectivity

- Establish partnerships with internet service providers to guarantee affordable, high-speed internet access for tourism businesses, particularly in underserved regions.

#### Promotion of electronic payment systems

- Encourage the adoption of secure and user-friendly electronic payment systems to facilitate commercial transactions in the tourism sector.

#### Capacity building for digital adoption

- Organize training programs to help tourism businesses integrate digital tools into their operations, covering areas such as e-commerce, customer relationship management, and data analytics.
- Provide technical support and resources to assist businesses in their digital transformation processes.

## Public-Private Collaboration

Public-private partnerships are crucial for creating a more competitive and sustainable tourism ecosystem. These collaborations enable the development of tailored technological solutions, promote investment in training, and support the modernization of businesses, fostering innovation and formalization across the sector.

### Strategic actions

#### Development of strategic alliances

- Facilitate partnerships with private sector companies to develop technological solutions tailored to local tourism needs.
- Promote collaborations with technology firms, universities, and tourism associations to integrate innovative practices into the sector.

#### International cooperation for financing and coordination

- Foster cooperation between local governments and international organizations to finance formalization and digitalization projects.
- Leverage technical assistance and funding from global institutions to implement digital transformation initiatives.

#### Public-private dialogue platforms

- Establish regular dialogue platforms where public and private actors can exchange insights, identify sectoral needs, and co-create solutions.
- Use these platforms to monitor and evaluate the progress of collaborative initiatives.

## Innovation

Innovation is essential for the tourism sector to remain competitive in an ever-changing environment. The adoption of advanced technologies, such as artificial intelligence, big data, and blockchain, can unlock new opportunities to improve services, enhance operational efficiency, and personalize the tourism experience.

## Strategic actions

### Adoption of advance digital technologies for formalization

- Promote the integration of artificial intelligence to automate and simplify formalization processes, such as registration and compliance.
- Utilize big data to identify trends and provide tailored recommendations for informal businesses to formalize effectively.
- Explore blockchain technology to create transparent and secure records for business registrations and transactions.

### Digital payment systems to enhance transparency

- Encourage the use of regulated digital payment platforms that incentivize formal businesses by providing secure and efficient transaction options.
- Partner with financial technology companies to offer payment solutions that cater to small tourism enterprises transitioning to formal operations.

### Innovative regulatory frameworks for formalization

- Develop regulatory frameworks that integrate digital tools to make compliance easier for small and medium-sized tourism businesses.
- Use innovation-friendly policies to reduce the administrative burden and encourage informal businesses to formalize.

### Implementation of ideathons to drive formalization

- Organize ideathons specifically focused on creating technological solutions to reduce barriers to formalization, such as mobile apps for licensing, compliance, and financial management.
- Incentivize participation by offering seed funding or incubation for the most impactful solutions.

## Women's Empowerment

Incorporating a gender focus into policies and strategies is critical to fostering greater participation of women in the formal tourism sector. This approach involves promoting access to specialized training and establishing support mechanisms for women entrepreneurs and workers to facilitate their inclusion in formal tourism activities.

### Strategic actions

#### Support programs for women entrepreneurs

- Develop targeted programs that provide financing, grants, and seed capital for women-led tourism businesses.
- Establish mentoring networks that connect women entrepreneurs with experienced industry leaders to provide guidance and support.

#### Training in digital skills and business practices

- Offer specialized training programs focused on digital tools, financial management, and sustainable business practices, tailored to the unique needs of women in the tourism sector.
- Include flexible training formats to accommodate women's schedules and responsibilities.

## 4.3. PLANS FOR ONGOING MONITORING AND EVALUATION

To ensure the effectiveness of the proposed strategies and guarantee that the objectives are met, it is essential to establish specific monitoring and evaluation plans for each axis. The following are the plans for evaluating the progress and impact of the strategies in the tourism sector of APEC economies:

### Education and Training

- Conduct periodic feedback surveys.
- Establish indicators of acquired competencies to evaluate knowledge.
- Establish annual implementation follow-up reports and meetings.
- Establish an evaluation of tourism companies in relation to productivity or customer satisfaction due to the training of their personnel.
- Conduct annual studies to know if the acquired digital competencies are generating new or improved tourism products, such as virtual experiences, online reservations or digital marketing.
- Conduct periodic meetings with representatives of the tourism industry to evaluate the effectiveness of training programs and adjust content according to market needs.
- Evaluate training programs against global best practices and set goals to achieve those standards.

### Success indicators

- Increase in the number of professionals certified in key sector competencies.
- Active participation in digital learning platforms.
- Reduction in skill gaps identified in sectoral assessments.
- Number of partnerships established between educational institutions and the private sector.
- Proportion of companies investing in continuous training, incentivized by tax benefits.

### Formalization and Bureaucracy

- Establish a database that records the number of tourism businesses that complete the formalization process in a given period, to compare with established goals.
- Evaluate how many formalized businesses continue to operate after one or two years, as an indicator of sustainability and success of the formalization process.
- Create a record of collaboration agreements between the domestic sector and the private sector in favor of formalization.
- Establish surveys to tourism operators to measure the results on the ease of use of digital platforms.

- Analyze whether formalization has generated an increase in tax revenues for the sector.
- Conduct studies to identify the main obstacles faced by tourism companies to formalization and propose solutions.

#### Success indicators

- Increase in the number of formalized tourism businesses.
- Reduction in the average time required to complete formalization processes.
- Growth in the use of the centralized digital platform for formalization procedures.
- Positive feedback from entrepreneurs on the accessibility and efficiency of formalization support services.

### Communication and Access to Information

- Measure the scope and frequency of use of different communication channels (social networks, website, newsletters, etc.) by tourism businesses.
- Conduct surveys to ascertain the opinion of users on the clarity, accessibility and usefulness of the information provided.
- Analyze how tourism information is communicated in other destinations and adapt strategies accordingly.
- Establish a committee dedicated solely to the implementation of communications campaigns on access to digital tools.
- Conduct a regular update on a single portal on new laws regulating businesses.
- Identify specific areas where knowledge about formalization policies is deficient and design specific information campaigns to address them.
- Evaluate the number of visits and average session time on information platforms on formalization, tourism services and training opportunities.

#### Success indicators

- Increase in the number of users accessing the centralized information platform.
- Active participation in awareness campaigns measured through perception surveys and attendance statistics.
- Growth in the use of mobile applications and digital channels to obtain information about formalization.
- Improved awareness among entrepreneurs regarding their rights, obligations, and the benefits of formalization.

### Digitalization and Infrastructure

- Conduct studies to identify the main barriers to digitalization in the sector and propose solutions
- Evaluate the percentage of companies using digital tools (online reservations, management systems, etc.).
- Conduct speed tests in different tourist locations and compare the results with the required standards.
- Collect data on how many formalization procedures and permits are completed online versus in person.

#### Success indicators

- Increase in internet coverage and high-speed connectivity in tourist areas.
- Growth in the number of tourism SMEs adopting digital tools and platforms.
- Proportion of businesses using electronic payment systems for commercial transactions.
- Positive feedback from tourism operators on the accessibility and effectiveness of digital infrastructure and tools.



## Public-Private Collaboration

- Keep track of how many strategic alliances have been formalized between the public and private sector to promote formalization and digitalization.
- Measure the impact of the investment in terms of increased efficiency and customer satisfaction.
- Conduct surveys to assess the satisfaction of participants in collaborative initiatives.
- Analyze the results and impact of each project in terms of formalization, digitalization and benefits for the sector.

### Success indicators

- Number of strategic alliances formed between public institutions and private companies.
- Increase in funding secured from international organizations for formalization and digitalization projects.
- Positive feedback from stakeholders involved in public-private dialogue platforms.

## Innovation

- Measure how much companies are investing in new technologies and the impact this has on their operations.
- Keep a record of innovations in tourism products or services and their acceptance in the market.
- Collect opinions from entrepreneurs on innovation initiatives and their relevance to the development of the sector.

### Success indicators

- Increase in the number of tourism businesses using AI-based tools to complete formalization processes.
- Growth in the adoption of regulated digital payment systems by previously informal businesses.

- Development and implementation of innovative regulatory frameworks that reduce barriers to formalization.
- Number of ideathons organized and solutions applied to formalization challenges.
- Increase in the rate of business formalization in the tourism sector attributable to technological innovations.

## Women's Empowerment

- Keep track of how many women have accessed support programs for women entrepreneurs in the tourism sector.
- Conduct surveys to evaluate the effectiveness of mentoring networks in the professional development of women entrepreneurs.
- Evaluate the number of women participating in training programs in digital skills and best business practices.
- Conduct pre- and post-training evaluations to measure the increase in digital and business skills of participants.
- Conduct surveys to understand public perception of women's visibility and leadership in the tourism sector.
- Create a report that evaluates the progress of the strategies implemented and the impact on the inclusion of women in the formal sector.
- Conduct surveys to identify the needs and obstacles faced by women in the sector and adjust strategies accordingly.

### Success indicators

- Increase in the number of women entrepreneurs benefiting from financing and mentorship programs.
- Growth in women's participation in digital skills and business training initiatives.
- Number of women-led businesses transitioning to the formal sector.

# 5

# LESSONS LEARNED AND BEST PRACTICES

Throughout this project, both the research and the workshop have identified a series of lessons learned and best practices related to the transition to formality in the tourism sector. This section aims to compile and present all these findings in a structured manner.

## 5.1. BEST PRACTICES AND RELEVANT EXPERIENCES

Among the good practices identified through the literature, case analysis, expert interviews and workshop discussions, the following recommendations can be offered for informal actors to make the transition to the formal economy in the tourism sector:

### a) Facilitating the formalities associated with formalization

- Implement user-friendly and accessible one-stop shops and online platforms, allowing remote management of procedures, requirements and information from different entities in a single portal in an integrated manner such as the Integrated/Electronic Business Permitting and Licensing System (eBPLS) in the Philippines and the Government for Businesses platform in Korea (G4B.go.kr).

### b) Promote dialogue among the various stakeholders

- Generate spaces for dialogue with specific goals where the main industry players converge when developing policies to find a balance between incentives and capacity building for companies, and an identification of the disincentives that cause them to remain in the informal sector.

- In addition, these spaces can shed light on how to frame the initiatives in policies and programs that facilitate their sustainability and follow-up, as well as enable the creation of coalitions with the private sector that allow them to participate in the design and implementation of a formalization policy.
- Promoting innovative ways of citizen participation in the tourism innovation process can also be a way to find solutions (through ideathons or hackathons with open data from the sector).

### c) Providing the necessary digital infrastructure

- Economies must provide the digital foundation necessary to implement and maintain digital tools to take full advantage of e-formalization practices. This represents an enabling condition.

### d) Continuing to consolidate a concept of transition to formality with digital tools

- A comprehensive approach to e-formalization includes incentivizing and promoting the benefits of an effective transition to the formal economy,

including improved access to business services, data to drive competitiveness, financing, infrastructure, markets, technology and education.

- In addition, timely technical assistance and training to improve services by leveraging digital tools can be a useful mechanism for the State to support formalization processes.
- These incentives can be complemented by preventive measures, law enforcement and effective sanctions to address tax evasion and avoidance of social contributions, labor laws and regulations.

## **e) Promote strategies and actions with a gender perspective in the tourism sector**

- Explore gender-focused initiatives to foster women's transition to formality and their permanence in the formal economy, supporting their entrepreneurship with sustainable digital tools to drive and monitor their growth.

## **f) Promote the articulation between sustainability, technology and effective collaboration**

- One of the most effective strategies is to promote sustainable business models, as exemplified by community-based tourism in Thailand, which strengthens both the competitiveness and well-being of local communities.

## **g) Implement technologies that promote the trust of companies and users**

- The adoption of electronic payments not only improves transparency and monitoring of transactions, but also builds trust in the financial system, creating a more secure and accessible environment for businesses.

## 5.2. HIGHLIGHTS OF THE PROCESS AND RESULTS

One of the greatest challenges for the development of the tourism sector in APEC economies is the formalization of businesses operating informally. This challenge is addressed through innovative practices, inclusive policies and strategies that recognize the diversity of situations within each economy. The following are the main lessons learned that enable the implementation of good practices towards formalization.

First, it is clear that digitalization and technology, while powerful tools, are not enough on their own. Therefore, they need to be accompanied by a clear regulatory framework and strong government support to be truly effective. In this regard, governments must offer access to centralized platforms that provide clear information on regulations, taxes and benefits. This not only reduces the bureaucratic burden, but also allows companies to focus on growth and formalization. A successful case of such platforms in APEC economies has been Chile's Lodging Formalization Route. This platform centralizes information in a single space so that tourism companies can (1) formalize and (2) access a digital transformation process.

Similarly, the Integrated/Electronic Business Permitting and Licensing System (eBPLS) in the Philippines has improved the efficiency and effectiveness of public services related to formalization. This system allows businesses to carry out administrative procedures in a more agile and less costly manner, which translates into greater willingness on the part of entrepreneurs to take the step towards formality.

Investment in digital infrastructure is also vital for all stakeholders, especially small and medium-sized enterprises (SMEs), to have access to the tools they need to integrate into the formal economy. Affordable access to digital platforms and Internet services will enable these companies to compete in an increasingly digitized global market. For example, Singapore's Digital Tourism Industry Plan has been instrumental in equipping tourism businesses with the necessary digital capabilities, promoting their integration into an ecosystem that fosters innovation and competitiveness.

In addition, the need to transform the cultural perception of formality has been recognized. Highlighting the economic and social benefits of operating within the formal framework is crucial to motivate entrepreneurs to adopt practices that promote formalization. For example, creating an entrepreneurial mindset, coupled with proper planning, is key to expanding markets and improving business performance. In this context, initiatives such as Turismo In and Formaliza Peru have been essential in the economy, as they promote formalization through awareness campaigns that highlight how formality contributes to sustainable development and competitiveness in the sector.

Simplification of administrative processes is also a key element to encourage formalization. Bureaucracy often acts as an obstacle that discourages companies from formalizing. Therefore, it is vital that public policies seek to reduce the complexity of these procedures. Simple tools that make it possible to verify permits and comply



with requirements efficiently, facilitate a greater number of formalized companies and promote a more accessible environment for all entrepreneurs. In this regard, the Estonian Tax and Customs Board's (ETCB) Electronic Register has been an outstanding model, offering a one-stop shop system that minimizes bureaucratic barriers for new entrepreneurs.

In addition, strengthening the capacities of regional and local governments is essential. Through training programs and the adoption of technological tools, it can be ensured that these governments are better prepared to support companies on their way to formalization. This process also requires close collaboration between the private sector and the government. A fluid dialogue between both parties not only guarantees the effective implementation of regulations, but also generates the necessary confidence so that more entrepreneurs decide to formalize their operations.

In this context, public-private and community partnerships become essential. Through these collaborations, solutions can be co-created that benefit all stakeholders. The development of digital competencies, together with financial education and training programs, will enable businesses to take full advantage of digital tools and remain competitive in a dynamic environment. An example of this is the Australian Small Business Advisory Services Program, which has demonstrated how partnerships between the public sector and small businesses can generate a significant positive impact on the adoption of digital tools.

The role of women in rural communities cannot be overlooked. Providing women with access to technological resources and training will strengthen their participation in the tourism sector, thus contributing to local economic development. In addition, the implementation of certification and accreditation programs, as well as the development of soft skills such as empathy and trust, will favor greater cohesion among the sector's stakeholders.

Finally, it is essential that the State adopt a proactive approach, promoting clear and constructive communication with businesses. Reducing the perception of punitive oversight and creating a collaborative environment will encourage more companies to see formalization as a path to sustainable growth. Thus, the simplification of administrative processes, access to incentives and continuous training are fundamental pillars to keep companies within the formal framework, guaranteeing their competitiveness and contributing to the domestic economic development.

## 5.3. KEY LESSONS IDENTIFIED DURING IMPLEMENTATION

Throughout the research, valuable lessons were found on the transition to formality in the tourism sector with the support of digital tools. The main ones are listed below:

### Enabling Conditions for E-Formalization

E-formalization offers significant benefits such as increased efficiency, reduced costs, and improved transparency. However, its successful implementation depends on several key enabling conditions, such as:

- **Technological Infrastructure** that includes robust network connectivity, interoperable and integrated Systems, data privacy and cybersecurity)
- **Legal and Regulatory Framework** to provide clear legal recognition to e-formalized documents and processes.
- **Digital Literacy:** Employees involved in e-formalization should have adequate digital skills and knowledge to effectively use the necessary tools and technologies.
- **User Experience and Adoption:** E-formalization platforms should have intuitive and user-friendly interfaces to enhance adoption and minimize errors.
- **Training and Support:** Adequate training and support should be provided to users to ensure they can effectively utilize the e-formalization tools.

### Consequences of overregulation of platforms:

Overregulation of digital platforms can have significant negative implications for both the platforms themselves and the users who rely on them.

#### For Platforms

- **Reduced Innovation:** Excessive regulations can stifle innovation by imposing burdensome compliance requirements that limit a platform's ability to experiment and develop new features or services.
- **Increased Costs:** Complying with complex regulations can be expensive, leading to higher operational costs for platforms and potentially reducing their profitability.
- **Competitive Disadvantage:** Overregulation can create an uneven playing field, giving larger, more established platforms an advantage over smaller, less resource-rich competitors.
- **Reduced Investment:** Uncertainty about future regulatory changes can discourage investors from investing in platforms, limiting their access to capital and hindering their growth.

### For Users

- **Limited Choice:** Overregulation can lead to a reduction in the number of platforms available to users, limiting their options and potentially restricting their access to goods and services.
- **Higher Prices:** Platforms may be forced to pass on the costs of compliance with regulations to users in the form of higher prices.
- **Reduced Features or Services:** To offset the impact of regulations, platforms may be forced to cut back on features, services, or investments in the user experience.

### Users also play an important role in promoting formalization in tourism

Tourists are expected to comply with local laws and regulations, contributing to a positive tourism environment. Also, they can report issues or concerns to authorities, helping to ensure compliance with regulations. Furthermore, to reinforce the quality of the services, tourists leave reviews and ratings on platforms like TripAdvisor, Google, and Booking.com, providing valuable feedback to potential visitors and businesses. In this sense, formalization is a way to ensure and motivate the quality of services.

### Building trust between the public and private sectors is the most sustainable way to implement transition-to-formality policies.

Having mechanisms for dialogue and commitments on both sides to comply with agreements can be a way to take the punitive side out of formalization and ensure that being formal means greater productivity and social security on a sustained basis.

# 6

## CONCLUSIONS AND CLOSURE

This section comprehensively addresses the achievements and challenges faced during the development of the project. A detailed summary of the milestones achieved is presented, as well as an evaluation of the obstacles overcome in the formalization process in the tourism sector. It also includes final reflections that allow identifying lessons learned and future perspectives, in order to guide strategic actions and strengthen the commitment towards a more formalized and sustainable tourism sector in the APEC region.



# 6.1. SUMMARY OF ACHIEVEMENTS AND OVERCOME CHALLENGES

The main achievements of the project were the result of navigating and overcoming several challenges:

## **Achievement 1: Collection of key literature for research analysis on business formalization, digitalization and development of the tourism sector**

- Overcome challenge: The topics are broad in the literature, but combining tourism, digitalization and formalization required a careful selection of the literature to outline both the sector's issues and identify relevant solutions.

## **Achievement 2: Identification of case studies that promote e-formalization in the tourism sector**

- Overcome challenge: The cases began to be selected under numerous filters and, during the search, the criteria were made more flexible under the paradigm that e-formalization is a comprehensive approach to transition to formality and contains broader objectives than just compliance with regulations.

## **Achievement 3: Interviews with multidisciplinary experts**

- Overcome challenge: It was difficult to contact experts who were well informed about all three main topics (formalization, tourism and digitization), so the search was directed towards academia, policy implementation and the business community profiles. Although it was difficult to schedule interviews, 5 experts were successfully interviewed with a diversity of backgrounds.

## **Achievement 4: Increased digital literacy among tourism MSMEs in the tourism sector and Creation of a space for the exchange of experiences and learning**

- Overcome challenge: The logistics of organizing a +100 participants event involved several working sessions and a team of several people to achieve a successful implementation. Difficulties arose in terms of availability of panelists and their expertise in the subject matter. It was successfully overcome, also taking into account gender representativeness.



## 6.2. FINAL REFLECTIONS AND FUTURE PERSPECTIVES

The process of formalization of micro, small and medium-sized enterprises (MSMEs) in the tourism sector has been a complex challenge that requires the combination of various policies and initiatives. Recent years have seen APEC economies implement multiple strategies, such as digitalization and public-private partnerships, to foster formalization. However, the results so far suggest that these efforts, while valuable, are not sufficient to address the full range of barriers faced by MSMEs.

Digitalization has been a transformative tool for many economies, allowing companies to formalize faster and more efficiently. This is because it not only improves the operational efficiency of companies, but also opens doors to new marketing channels, such as e-commerce and digital marketing platforms, allowing them to reach a wider audience. In addition, the automation of certain administrative processes, such as inventory management and electronic invoicing, can reduce costs and facilitate compliance with tax obligations, which in turn promotes greater formalization.

In this case, platforms such as the “Ruta de Formalización del Alojamiento” in Chile and the “Sistema Integrado de Permisos y Licencias Comerciales” (eBPLS) in the Philippines have been successful cases of how technology can facilitate this process. These tools allow companies to carry out administrative procedures in a more agile and less costly way, which translates into a greater willingness to formalize. However, despite these advances, there are still challenges in the adoption of these technologies, particularly in those companies that operate in rural areas or lack the necessary digital infrastructure.

Another important challenge is the cultural perception of formality. In many economies, informal businesses often view formalization as a costly and bureaucratic process that offers few immediate benefits. Initiatives such as “Turismo In” and “Formaliza Peru” have attempted to change this perception through awareness campaigns that highlight the long-term benefits of formalization, both in terms of competitiveness and sustainability. However, changing the mindset requires time and sustained efforts, which is a critical aspect for improving formalization levels in the sector.

Likewise, the simplification of administrative processes has been identified as a key factor in promoting formalization. In many economies, as discussed at the workshop, bureaucracy and complexity of procedures act as significant barriers for MSMEs. Efforts to reduce administrative burdens and provide centralized platforms, such as the one-stop shop system in Estonia, are important steps towards change. Still, it remains to be seen how these systems can be adapted and expanded in other economies where administrative challenges are even more pronounced and institutions interact in isolation.

Looking ahead, it is crucial to continue developing technological capabilities and digital infrastructure, especially in less developed regions. While digitalization has been an essential component in improving access to formalization, many MSMEs still face technological barriers, such as high implementation costs, lack of access to quality internet and cybersecurity concerns. These obstacles discourage digitalization, and thus formalization. In this regard, it is important that

APEC economies prioritize investment in digital infrastructure and develop policies that reduce the cost of technology, ensuring that smaller businesses can benefit from these advances.

In addition, it is essential to strengthen public-private partnerships. Collaboration between the public and private sectors can not only facilitate the creation of more effective digital platforms and tools, but also promote investments in education and training. Given that many informal actors in the tourism sector have low skill levels, implementing programs that promote digital literacy and skills development will be crucial to ensure that these enterprises can successfully integrate into the formal economy.

A critical aspect of improving formalization will be the development of clearer and more accessible incentives for MSMEs. The cost-benefit ratio of formalization remains a major barrier for many entrepreneurs, who perceive that the costs of formalizing, both financial and administrative, outweigh the benefits. It will be necessary to design policies that reduce these costs, such as temporary subsidies or tax exemptions, while at the same time amplifying the tangible benefits of formalization, such as access to financing and international markets. These measures will make formalization a more attractive and accessible option for companies.

Likewise, the creation of collaborative ecosystems that foster associativity within the tourism sector will be essential to boost productivity and innovation. Low cooperation between MSMEs and other actors in the sector limits their ability to exchange

ideas and generate creative solutions. Promoting collaborative networks and partnerships among businesses can improve organizational efficiency, reduce costs and allow tourism businesses to mutually benefit from sharing resources and knowledge.

On the other hand, more rigorous and continuous monitoring of formalization policies will be vital to adjust strategies in a timely manner. The creation of monitoring mechanisms will make it possible to assess the real impact of e-formalization initiatives and to adapt policies based on the results obtained. This monitoring should also include the collection of data on the specific barriers faced by different types of businesses, in order to offer more customized solutions.

Finally, it is important to highlight the need to develop more specific studies on digitalization in the tourism sector and its relationship with formalization. While there is growing interest in the formalization of MSMEs in general, few studies have focused specifically on tourism, which limits the ability of policymakers to design strategies suited to the particular characteristics of the sector. Research that not only analyzes barriers, but also identifies opportunities and best practices is essential. These studies would provide evidence-based recommendations to improve policy implementation and promote more inclusive and sustainable formalization in the sector.

## 6.3. ACKNOWLEDGMENTS AND RECOGNITIONS

We would like to begin by acknowledging the essential role of the APEC Tourism Group, whose mission is to foster sustainable and inclusive tourism development in the region. This project not only reflects that vision, but also directly aligns with its objectives by promoting formalization and digitalization in the industry, thus advancing the economic growth and competitiveness of APEC economies.

We express our deep appreciation to all the interviewees who generously shared their knowledge and experiences to guide the development of the project. Their perspectives have been instrumental in identifying the challenges and opportunities on the road to formalization of the tourism sector, providing a practical and realistic approach to our actions.

We would especially like to highlight the Ministry of Foreign Trade and Tourism (MINCETUR), whose leadership and commitment to APEC's objectives have been decisive in giving impetus to this initiative. Its dedication to promoting formalization and the use of digital technologies is key to carrying out actions that address informality in the sector and ensure that tourism is an engine of sustainable development. We are also grateful for the collaboration of Equilibrium, the consulting firm that carried out the project together with MINCETUR, facilitating the development of activities and providing a valuable technical perspective.

It is important to acknowledge the valuable contribution of the representatives of various institutions who actively participated in the

workshop panels, contributing their expertise and perspectives to enrich the dialogue. In particular, we thank the institutions Kaudal, Microsoft, the International Labor Organization (ILO), and the National Tourism Service of Chile (SENATUR), who sent representatives to share their visions and experiences in relation to the formalization and digital transformation of the sector.

We also highlight the participation of the Association of Tourism Agencies of Cusco, the Association of Exporters (ADEX) and CAF- Development Bank of Latin America, whose contributions have been crucial to formulate recommendations that respond to current challenges.

We would also like to thank the directors of the School of Gastronomy and Tourism of the Universidad San Ignacio de Loyola (USIL) and the Pontificia Universidad Católica del Perú (PUCP), and the representative of the PSU APEC Research Center, who made valuable contributions from the academic and research spheres, enriching the analysis with their technical and educational perspectives.

Finally, we would like to thank the active involvement of participants from different sectors related to tourism, who joined the discussion groups during the workshop. Their commitment and contributions have been essential to address the challenges posed by informality and to advance in the construction of a common ground to implement effective solutions that promote sustainability and inclusion in the sector.

# 7

# ANNEXES



# ANNEX 1: DESCRIPTION OF 14 TOURISM AND E-FORMALIZATION CASES

## Digital drive

**Economy:** New Zealand

**Year:** 2023

**Agencies:** Ministry of Small Business, Ministry of Enterprise, Innovation and Employment, Ministry of Tourism New Zealand.

**Description:** It is a free online platform for digital skills training available to any small business owner who wants to boost or accelerate their digital innovation process. The “Digital Boost” program supports entrepreneurs in the reconfiguration of their operating models. The service integrates a series of tools such as

Digital Boost Spotlight (visibility), Digital Boost Educate (resources and tools), Digital Boost Checkable (digital presence diagnosis), Digital Facilitation Scheme (support and facilitation) and Digital Boost Alliance Aotearoa (alliance between companies, communities and individuals). This platform represents a valuable resource that provides them with the support they need to understand the transformations in operating methods, acquire new skills and capabilities demanded in today’s market, as well as deepen their business knowledge through data analysis.

## Road to formalization

**Economy:** Chile

**Year:** 2023

**Organizations:** Public-Private Alliance (Corporación de Fomento de la Producción and public, private and academic actors in the tourism sector in Chile).

**Description:** It is a guide with tools for the digital transformation of tourism companies. It is an initiative that can be found in the “Transforma Turismo” platform. The process of formalization

of a tourist accommodation consists of six (6) stages, from the creation of a company at the Internal Revenue Service to its registration in the “National Registry of Tourism Service Providers”. Each of these stages depends on an institution, therefore, the guide highlights the importance of being well informed about the existing documents, procedures and requirements (“Formalization Route for Lodging - Transforma Turismo”). The initiative has an important communicational presence.



## ThailandConnex

**Economy:** Thailand

**Year:** 2023

**Organizations:** Digital Economy Promotion Agency.

**Description:** ThailandCONNEX is designed to store big data in accordance with the Personal Data Protection Act (PDPA). It uses Artificial Intelligence (AI) technology to analyze travelers' trends, preferences and needs, which benefits tour operators in designing and improving their

products and services, while public agencies can also leverage this data to establish effective direct policies and implement promotion plans that lead to quality tourism. In fact, the platform will enable public agencies and tour operators to work together and raise the standard of Thai tourism. In addition, SMEs can access this new technology and grow their organic businesses using this ever-evolving service model in today's digital age.

## Digital Plan for the Tourism Sector (Attractions)

**Economy:** Singapore

**Year:** 2019

**Agencies:** Infocomm Media Development Authority (IMDA) and Singapore Tourism Board (STB).

**Description:** The Tourism Sector Digital Blueprint (Attractions), a digital innovation blueprint for the tourism sector focused on the attractions industry, assists attractions

businesses in Singapore in their digitalization process. It provides them with step-by-step guidance on selecting digital solutions to adopt at each stage of growth in three key industry job functions: customer service and engagement, sales and marketing, and sustainability. The plan takes a consultative approach to overcoming industry challenges as companies pursue digital transformation to improve their processes, operational efficiency and customer experience.

## Myanmar Companies Online (MyCO)

**Economy:** Myanmar

**Year:** 2018

**Agencies:** Directorate of Investment and Company Registration (DICA).

**Description:** It is an electronic registration platform widely adopted by the business community due to its ability to simplify and streamline the business registration process. First, MyCO simplifies the company registration process by providing an intuitive electronic interface that guides users through the

necessary steps to establish their company. This not only saves time and effort, but also reduces the bureaucracy and costs associated with traditional paper-based registration. In addition, MyCO offers quick and easy access to information about other registered companies in the economy. This is of enormous value to entrepreneurs looking to conduct market research or establish business collaborations. The availability of details on required document formats and the ability to obtain official company statements also streamlines the compliance process for companies.

## SME digitalization plan

**Economy:** Spain

**Year:** 2021-2025

**Organizations:** European Union and Government of Spain.

**Description:** The objective of the scheme is to subsidize the adoption of commercially available digitalization solutions for small businesses, microenterprises and the self-employed. This is a program that was born in

the wake of the COVID-19 pandemic and has been maintained to promote digitalization. Given the nature of the tourism sector, which includes many self-employed and small businesses, it is an important reference for implementing governance instruments to make viable “a Digital SME Seal” as a measure within a scheme that accredits both digitalization and formalization, since this seal requires the entity to be previously registered in the formal system.

## Tourism In

**Economy:** Peru

**Year:** 2016

**Organizations:** PROMPERÚ’s Subdirection of Tourism Intelligence and Prospective.

**Description:** “Turismo In” is the comprehensive strategic business information service that provides exclusive information for the development of innovative ideas, improvement of competencies and, in particular, the strengthening of business strategies for the benefit of entrepreneurs in the 25 regions

of Peru. Since its launch in 2016, more than 76,000 people have benefited from trainings, monthly newsletters, reports via WhatsApp and virtual events. Of the total, 60% reside in regions outside Lima, mainly Cusco, Arequipa, La Libertad and Lambayeque. Likewise, “Turismo In” reaches audiences from different sectors. Forty-nine percent of the beneficiaries are professionals and students in training. Thirty-nine percent are businessmen, tourism entrepreneurs and MSMEs from all over Peru. On the other hand, 7% come from public entities.

## Japan Travel and Tourism Association’s Digital Platform

**Economy:** Japan

**Year:** 2023

**Organizations:** Japan Travel and Tourism Association, Open Tone.

**Description:** A digital platform to help local regions use tourism data analytics for sustainable tourism business, together with Open Tone, a member of the project consortium. The intern digital management platform (DMP) integrates tourism-related big data, such as accommodation bookings, traveler behaviors or

consumption, as well as tourism statistics and survey data. The platform consists of a basic and a paid function. The basic function consists of visualizing open data from tourism statistics in a dashboard, which is divided into four categories: regional tourism outline, regional tourism analysis, regional tourism attractions, and comparison with other regions. The paid function provides a more detailed analysis based on big data, a unique dashboard incorporating original regional data, demand forecasting, calculation of economic effects, among others.

## Integrated/Electronic Business Permitting and Licensing System (eBPLS)

**Economy:** The Philippines

**Year:** 2018

**Organizations:** Department of Information and Communication Technologies of the Philippines.

**Description:** The Integrated/Electronic Business Permitting and Licensing System (eBPLS) is a cloud-based software that enables Local Government Units (LGUs) to electronically process the application for new business permits and their renewal. It aims to integrate barangay approvals, building permits and health permit processing systems into the LGU business permit processing process to further

streamline and facilitate the issuance of business processing transactions. The eBPLS\_Cloud is a viable option for LGUs that wish to automate / computerize their permitting system in a short period of time to comply with the provisions of the Ease of Doing Business and Efficient Delivery of Government Services Act of 2018. The e-BPLS seeks to address the problem of red tape by launching a single, simple portal for government business / business assistance services. This software allows taxpayers to file and request relevant business documents online. eBPLS also provides access to information on fees, taxes, permits and other essential information for setting up a business.

## G4B.go.kr

**Economy:** Korea

**Year:** 2011

**Agencies:** Government (multiministerial initiative).

**Description:** G4B.go.kr is a one-stop business support system. The portal offers a wide range of information and services to support business activities, such as information on public administration, political information and

additional services through an online one-stop shop. This integrated portal provides, since 2006, detailed information on 1,887 business services and sectoral information from 205 different organizations related to business operations, such as government approval, certification and business assistance. A number of additional services essential for business activities are provided through links to domestic networks, such as public procurement, taxation and the four main social safety nets.

## Electronic Employment Record

**Economy:** Estonia

**Year:** 2014

**Agencies:** Estonian Tax and Customs Board (ETCB).

**Description:** The Estonian Tax and Customs Board (ETCB) has created an electronic registry for companies to register new employees online at a one-stop shop. The one-stop shop also enters information into the Estonian Health Insurance Fund and Unemployment Insurance Fund, which automatically enrolls the employee

in social protection. Thanks to registration, ETCB employees have better control mechanisms to ensure that employees are registered and that taxes are paid. In addition, employees can also check whether their employment is registered with the tax authority. Thus, it is a one-stop shop for employment-related information that contributes to reducing the administrative burden on employers and various public sector actors, simplifying the principles of operation of the social guarantee system, reducing informality and improving social protection.

## Concanaco Tablets

**Economy:** Mexico

**Year:** 2015

**Organizations:** Alliance led by the “ National Productivity Committee “ between the “Tax Administration Service (SAT)”, the “National Entrepreneur Institute (INADEM)” and the “Confederation of Chambers of Commerce, Services and Tourism (Concanaco)”.

**Description:** The Concanaco tablet is a digital tablet that includes a technology solution designed specifically for SMEs. It offers one year of free Internet connection, helps record and provide sales reports, enables electronic sales and invoicing, and includes a point-of-sale terminal with credit and debit card slot. The

tablet facilitates labor formalization by helping SMEs register their employees. The project successfully reached 15,086 beneficiaries of a special tax regime for SMEs (“Régimen de Incorporación Fiscal”), which is Mexico’s main public formalization program. Some 2,000 young people were also included. The project has verified that 89% of the beneficiaries filed tax returns. 147 Chambers of Commerce participated in the Concanaco tablet, and an estimated 25,646 workers benefited. Of the total number of beneficiaries, 45.5% were men and 54.5% were women. Most were between 18 and 45 years old, and 44% had higher secondary education.

## Formaliza Perú” Integrated Center

**Economy:** Peru

**Year:** 2018

**Agencies:** Ministry of Labor and Employment Promotion.

**Description:** The “Formaliza Peru” Integrated Center is created to promote the entry and permanence of workers in labor formalization. Its objectives are met through guidance, training and technical assistance services, and it provides support to facilitate labor formalization procedures and thus gain access to incentives and benefits such as preferential access to

government purchases, support programs and health services. It is currently present in 12 regions of Peru: Metropolitan Lima, La Libertad, Moquegua, Ucayali, Cajamarca, Huanuco, Ancash, San Martin, Puno, Apurimac, Huancavelica and Tacna. According to the MTPE 2020 Annual Report, the Center’s branches assisted and/or oriented 3,567 people, trained 9,423 people and provided technical assistance to 1,274 people. The report also mentions that 31,940 labor queries were resolved through the electronic consultation system and 36,316 labor queries were resolved through social networks.

## Digital Solutions – Australian Small Business Advisory Services Program

**Economy:** Australia

**Organizations:** Department of the Treasury, Department of Industry, Science and Resources (Business Grants Hub).

**Description:** The Digital Solutions program helps support small businesses to harness opportunities and grow in the digital economy. Through the program, small business owners can access up to 4 hours of one-on-one digital advice from a qualified and experienced business adviser for a small fee.

Small business owners can also access free workshops, webinar presentations and self-directed tutorials. Services cover a range of topics including:

- digital marketing
- social media
- websites and selling online
- business software
- cybersecurity

The program is for small businesses with fewer than 20 full-time (or equivalent) employees, as well as sole traders. The service is available across all metropolitan and regional areas in Australia. Small businesses can attend workshops and webinars at no cost. A small fee is charged for one-on-one advisory services.



# ANNEX 2: POST-WORKSHOP SURVEY TO MEASURE THE LEVEL OF KNOWLEDGE

**Question 1:** What level of knowledge do you have on the main barriers that companies in the tourism sector in APEC economies face in order to transition to the formal economy?

	Not Much	Low	Moderate	High	Very High
Post workshop	0,00%	2,70%	40,54%	37,84 %	18,92 %

**Question 2:** How informed are you on the policies and regulations in force in APEC economies that promote formalization in the tourism sector?

	Not Much	Low	Moderate	High	Very High
Post workshop	5,41%	16,22%	24,32%	43,24%	10,81%

**Question 3:** What is your level of knowledge on informal actors and their impact on the tourism sector within APEC economies?

	Not Much	Low	Moderate	High	Very High
Post workshop	2,70%	8,11%	29,73%	51,35 %	8,11 %

**Question 4:** How familiar are you with the digital tools that facilitate the formalization of businesses in the tourism sector within APEC economies?

	<i>Not Much</i>	<i>Low</i>	<i>Moderate</i>	<i>High</i>	<i>Very High</i>
Post workshop	5,41%	5,41%	37,84%	35,14 %	16,22 %

**Question 5:** How aware are you of recent efforts and initiatives by APEC economies to integrate digital tools into the tourism sector to promote a transition to formalization?

	<i>Not Much</i>	<i>Low</i>	<i>Moderate</i>	<i>High</i>	<i>Very High</i>
Post workshop	5,41%	8,11%	37,84%	32,43%	16,22%

# ANNEX 3: WORKSHOP AGENDA

Day 1: August 14th	
Time	Agenda
08:30 Hrs.	Registration and accreditation
09:30 Hrs.	Welcoming remarks
	<b>Madeleine Burns Vidaurrazaga</b> <i>Vice Minister of Tourism Mincetur (Peru)</i>
	<b>Ministro Renato Reyes</b> <i>APEC Senior Official - MRE (Peru)</i>
09:40 Hrs	Presentation of the study report
	<b>David Licheri</b> <i>Managing Partner of Equilibrium BDC (Peru)</i>
10:10 Hrs	Methodology
	<b>Felix Lossio</b> <i>Chief of the Arts and Creation Office at Pontificia Universidad Catolica del Peru PUCP (Peru)</i>
10:15 Hrs	<b>Panel 1: Current status and challenges to promote the transition to formal economy of the tourism sector in APEC economies</b>
	Moderator
	<b>David Licheri</b> <i>Managing Partner of Equilibrium BDC (Peru)</i>
	Panelists
	<b>Esteban Ferro</b> <i>Past Vice-Ministre of Economy of Ecuador, Manager of Econologic (Ecuador)</i>
	<b>Eldo Malba Simanjuntak</b> <i>PSU APEC Research (Singapore) (Virtual)</i>
	<b>Ruth Garcia</b> <i>Director of Tourism Regulations and Quality, MINCETUR (Peru)</i>
11:15 Hrs	Q&A
11:30 Hrs	Coffe break

11:40 Hrs **Panel 2: Best practices for the use and operation of digital tools in the tourism sector in the transition to the formal economy**

Moderator

**Adrian Torrejon**

CEO Digitalia and MAMBO Consulting Manager (Peru)

Panelists

**Marushka Chocobar**

Digital Transformation Expert (Peru)

**Antonio Lopez de Avila**

Director of Innovation, Education and Investment, UN Tourism (Spain) (Virtual)

**Sandra Zubieta**

Dean of the Faculty of Hotel Administration, Tourism and Gastronomy and Director of the Hotel Administration degree at USIL (Peru)

**Sebastian Lopez**

Smart governments through digital transformation of the Development Bank of America -CAF (Argentina)

12:50 Hrs Q&A

13:00 Hrs Lunch

14:30 Hrs Working groups

16:00 Hrs Coffee break

16:20 Hrs Presentation of the results of the working groups

17:00 Hrs Closing session

Day 2: August 15th	
Time	Agenda
09:00 Hrs.	Opening
09:30 Hrs.	Welcoming remarks
	Presentation of results from Day 1 of the Workshop
	<b>David Licheri</b>
	<i>Managing Partner of Equilibrium BDC (Peru)</i>
09:40 Hrs	Methodology
	<b>Felix Lossio</b>
	<i>Chief of the Arts and Creation Office at Pontificia Universidad Catolica del Peru PUCP (Peru)</i>
09:50 Hrs	<b>Panel 3: Innovation: digital tools as a driver fro the transition to business formalization</b>
	Moderator
	<b>Ana Maria Martinez Franklin</b>
	Panelists
	<b>Alex Le Bienvenu</b>
	<i>Director of Data and Artificial Intelligence for Latin America at Microsoft</i>
	<b>Melissa Pelosi</b>
	<i>Commercial Director of Niubiz Processing (Peru)</i>
	<b>Juan Manuel García Carpio</b>
	<i>Official Coordinator of Innovation for formalization in Latin America of the ILO</i>
10:15 Hrs	Q&A
11:05 Hrs	Coffe break



11:20 Hrs **Panel 4: Costs and Benefits of Formalizing and Strengthening Business Capabilities with Emphasis on the Tourism Sector**

Moderator

**David Licheri**

*Managing Partner of Equilibrium BDC (Peru)*

Panelists

**Francisco Leiva**

*Digital Transformation Expert (Peru) Head of the Department of Regulation of Tourist Services, SERNATUR (Chile)*

**Diana Guerra**

*Director of the School of Tourism of the PUCP (Peru)*

**Elena Gonzales Flores**

*Association of Tourism Agencies of Cusco -AATC, President of the Association (Peru)*

**Edgar Vásquez**

*Director of the Center for Research in Global Economy and Business CIEN- ADEX (Peru)*

12:30 Hrs Q&A

13:00 Hrs Lunch

14:30 Hrs Working groups

16:00 Hrs Coffe break

16:20 Hrs Presentation of the results of the working groups

17:00 Hrs Workshop Summary

**David Licheri**

*Managing Partner of Equilibrium BDC (Peru)*

17:15 Hrs Closing remarks

**Luis Guillen**

*Director General of Tourism Development Policies, MINCETUR (Peru)*

# ANNEX 4: FINAL ATTENDANCE LIST

<i>Speaker/Expert or Participant</i>	<i>Economy</i>	<i>Organization</i>	<i>Total</i>
Expert	Peru	Equilibrium BDC	1
Expert	Peru	Kaudal	1
Expert	Peru	Mambo	1
Participant	APEC Secretariat	APEC	1
Participant	Chile	Transforma Turismo	1
Participant	Chile	Undersecretariat of Tourism	1
Participant	Chinese Taipei	Ministry of Transportation and Communications	2
Participant	Colombia	Ministry of Foreign Affairs	1
Participant	Indonesia	Ministry of Tourism and Creative Economy	2
Participant	Malaysia	Embassy of Malaysia in Lima	1
Participant	Malaysia	Ministry of Tourism, Arts and Culture	2
Participant	Peru	CHAMBER OF TOURISM OF BARRANCA	1
Participant	Peru	Cesar Vallejo University	2
Participant	Peru	College of Licentiates in Tourism of Lima	2
Participant	Peru	Condor Travel Agency	1
Participant	Peru	DIRCETUR Ica	1

<b>Speaker/Expert or Participant</b>	<b>Economy</b>	<b>Organization</b>	<b>Total</b>
Participant	Peru	Ecocrueros - marine ecotourism company	2
Participant	Peru	Equilibrium BDC	3
Participant	Peru	INKA & AMAZONIAN TOURS	3
Participant	Peru	Independent	3
Participant	Peru	Interarts Peru	1
Participant	Peru	Jungle Experiences Tavel Agency	1
Participant	Peru	Ministry of Economy and Finance	1
Participant	Peru	Ministry of Foreign Affairs	2
Participant	Peru	Ministry of Foreign Trade and Tourism	19
Participant	Peru	Ministry of Labor and Employment Promotion	1
Participant	Peru	NASSF TRAVEL Agency	1
Participant	Peru	National Chamber of Tourism	2
Participant	Peru	National Forestry and Wildlife Service - SERFOR	1
Participant	Peru	National Institute for the Defense of Competition and the Protection of Intellectual Property	3
Participant	Peru	National Institute of Statistics and Informatics	1
Participant	Peru	National Service for Natural Areas Protected by the State	4
Participant	Peru	National Superintendence of Customs and Tax Administration - SUNAT	2

<b>Speaker/Expert or Participant</b>	<b>Economy</b>	<b>Organization</b>	<b>Total</b>
Participant	Peru	Peruvian Association of Adventure Tourism, Ecotourism and Specialized Tourism	1
Participant	Peru	Peruvian Association of Hotels, Restaurants and Allied Businesses	1
Participant	Peru	Pontifical Catholic University - PUCP	1
Participant	Peru	REGIONAL GOVERNMENT OF PASCO	1
Participant	Peru	Regional Directorate of Foreign Trade and Tourism of Huancavelica	1
Participant	Peru	Regional Directorate of Foreign Trade and Tourism of Ica	2
Participant	Peru	Regional Directorate of Foreign Trade and Tourism of Tumbes	1
Participant	Peru	Regional Directorate of Foreign Trade and Tourism of Ucayali	2
Participant	Peru	Regional Government of Callao	1
Participant	Peru	Regional Government of Tumbes	1
Participant	Peru	Secretary of Government and Digital Transformation	4
Participant	Peru	TURINET GROUP SAC	1
Participant	Peru	Tourism Training Center - CENFOTUR	5
Participant	Peru	Travel Agency	1
Participant	Peru	Travel Agent	1
Participant	Peru	Women's Association of Executives of Tourism Companies of Peru	2
Participant	Thailand	Ministry of Tourism and Sports	2
Participant	The Philippines	Department of Tourism	2

<b>Speaker/Expert or Participant</b>	<b>Economy</b>	<b>Organization</b>	<b>Total</b>
Participant	The Philippines	Philippine Institute for Development Studies	1
Participant	The United States	Department of Justice	1
Participant	The United States	U.S. Department of State	1
Speaker	Argentina	Development Bank of Latin America - CAF	1
Speaker	Chile	Chilean Tourism Service - SERNATUR	1
Speaker	Ecuador	EconLogic	1
Speaker	Peru	Association of Tourism Agencies of Cusco	1
Speaker	Peru	Exporters Association - ADEX	1
Speaker	Peru	International Labour Organization	1
Speaker	Peru	Microsoft	1
Speaker	Peru	Ministry of Foreign Trade and Tourism	1
Speaker	Peru	Niubiz	1
Speaker	Peru	Pontifical Catholic University - PUCP	1
Speaker	Peru	San Ignacio de Loyola University	1
Speaker	Singapur	APEC	1
Speaker	Spain	UN Tourism	1
Speaker	Peru	Independent	1



# ANNEX 5: REFERENCES AND SUPPORTING DOCUMENTS

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