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**Competition Law Enforcement in Informal Markets – Contribution from Consumers
International**

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Competition Law Enforcement in Informal Markets

- Contribution from Consumers International –*

1. Introduction: the consumer perspective on informal markets

1. The OECD's 2025 roundtable theme, 'Competition Law Enforcement in Informal Markets', arrives at a pivotal moment.
2. The informal economy – defined by the ILO (2012^[4]) as encompassing all “economic activities by workers and economic units that are ... not covered or insufficiently covered by formal arrangements” – is expanding in scope, complexity and relevance.
3. While not criminal in nature, informal activities often bypass regulatory, fiscal or licensing requirements, reflecting structural inequities and regulatory mismatches rather than deliberate evasion.
4. For consumers, informal markets are both vital and vulnerable spaces. They often provide affordable goods and services to low-income populations, fill gaps left by formal market exclusion and preserve local livelihoods.
5. Yet, they also expose consumers to risks of unsafe products, lack of redress and exploitative practices, with limited state capacity to ensure accountability.
6. The coexistence of formal and informal actors generates a complex competitive landscape that challenges the foundational assumptions of competition law enforcement – identifiable entities, documented transactions and enforceable remedies.

2. The consumer reality in informal economies

7. Consumers International's member organisations across Africa, Latin America, South and Southeast Asia and the Middle East consistently report that informal markets function as default retail ecosystems for millions.
8. In Africa, for example, nearly 83% of employment is informal (ILO, 2022^[5]). In Latin American and Caribbean countries, informal employment accounts for about 50% of the non-agricultural workforce (Utzet et al. 2021^[6]).
9. The prevalence of informal actors – street vendors, small transport providers, informal food markets, home-based services – makes them indispensable to daily consumer life.
10. However, informality also constrains consumer choice in subtle ways. Informal suppliers may engage in tacit collusion, price coordination, or territorial market division – forms of anticompetitive conduct that escape formal detection (OECD, 2010, *ibid.*).
11. Moreover, formal firms may exploit regulatory asymmetries to exclude or co-opt informal competitors, leading to concentration of market power upstream or in distribution networks.

* This contribution was prepared by Professor Allan Fels AO.

12. For consumers, the result is often a dual market: one that is affordable but precarious, and another that is safe but exclusionary. The challenge for competition law enforcement is to balance these dimensions – promoting fair rivalry and innovation while safeguarding affordability and access.

3. Informality, regulation, and competition: a structural nexus

13. Traditional competition frameworks assume a level playing field grounded in legal formality.

14. Informal actors, lacking registration, tax identity or verifiable records, sit outside this paradigm. As Ramalho (2009^[7]) observes, competition agencies must consider the informal sector when assessing market concentration as informal actors operate in the same markets as formal actors, therefor affecting competition.

15. Yet competition agencies' standard tools –market definition, dominance assessment and remedy design– are ill-suited to markets with limited data or unstable structures.

16. The OECD's 2025 call for contributions on 'Competition Law Enforcement in Informal Markets' rightly identifies this enforcement dilemma.

17. Informal businesses may exert competitive constraints on formal firms, lowering prices and expanding output.

18. Yet they may also undermine fair competition by enabling regulatory arbitrage.

19. Enforcement agencies thus face a dual imperative: to prevent abuse by powerful formal actors, and to integrate informal competitors into a fair and transparent market system.

20. From a consumer standpoint, both objectives are essential.

21. Excluding informal actors through rigid enforcement risks reducing market diversity and driving up prices; tolerating harmful practices under the guise of informality risks exposing consumers to unsafe or exploitative outcomes.

22. Hence, the policy question is not whether to enforce competition law in informal markets, but how to enforce it equitably.

4. Consumers International's perspective and mission

23. Consumers International's advocacy is grounded in the belief that competition should serve people, not just markets.

24. Our vision aligns with the United Nations Guidelines for Consumer Protection (UNGCP) (2016^[8]), which affirm consumers should have access to safe products, accurate information, and fair treatment.

25. In informal economies, these rights are often weakest – yet consumer dependence is highest.

26. The challenge lies not merely in detecting anticompetitive conduct, but in reimagining enforcement frameworks that reflect real-world market behaviour.

27. This submission therefore situates competition law enforcement within a broader consumer justice framework.

28. It argues that inclusive enforcement – anchored in fairness, proportionality and collaboration – can transform informal markets from sites of vulnerability into engines of empowerment.

5. The dynamics of informal markets and consumer welfare

5.1. Understanding informal markets in the global economy

29. Informal markets represent a vast and heterogeneous component of the global economy.

30. According to the International Monetary Fund (2021^[9]), the informal economy accounts for an average of 35% of GDP in low-income countries and 15% in advanced economies.

31. As mentioned earlier, the ILO estimates nearly two billion workers worldwide – over 60% of the global labour force – operate informally.

32. These figures underscore that informality is not marginal but systemic, spanning all regions and sectors, from agriculture and retail to construction and personal services.

33. Not all informal activities are of a criminal nature; informal markets are not characterised by illegality, per se, but by non-compliance with formal regulatory frameworks such as tax registration, licensing or labour laws.

34. These markets therefore exist within a grey zone – legally tolerated yet institutionally under-governed.

35. Informal markets are not inherently inefficient or exploitative; in many contexts, they embody adaptive responses to regulatory, institutional or infrastructural deficiencies.

36. In many African countries, for example, barriers to formal infrastructure have given rise to vibrant informal trade networks that ensure consumer access to essential goods (Jarreau, Mitaritonna & Bensassi, 2018^[10]).

37. Similarly, in Latin America, informal transportation systems such as motor-taxis and minibuses have filled service gaps left by underdeveloped public systems, especially in peripheral areas with lower-income communities (Tun et. al. 2020^[11]).

38. From a consumer standpoint, these informal systems frequently deliver accessibility, affordability and proximity – key dimensions of market inclusivity.

39. Yet they often do so at the cost of product quality, safety and accountability.

40. The paradox is clear: informal markets promote inclusion but perpetuate vulnerability.

5.2. Consumer welfare in informal economies: accessibility vs. protection

41. From the perspective of Consumers International, the ultimate test of any market system is its impact on consumer welfare – encompassing affordability, choice, safety and redress.

42. Informal markets contribute positively to price competition and market access, especially where formal markets exclude low-income or rural consumers.

43. However, the absence of enforceable standards often translates into information asymmetries and safety risks.

44. Consumers purchasing from informal vendors may lack access to accurate product information, warranty protections or avenues for complaint.
45. For instance, unregulated lending schemes expose consumers to predatory practices and systemic risks (OECD, 2024^[12]).
46. Moreover, the lack of credible market information – a hallmark of informality – hampers both consumer decision-making and the ability of authorities to assess market dynamics.
47. Where transactions are cash-based and undocumented, consumer harms remain unreported and unquantified, creating a vicious cycle of invisibility.
48. This undermines one of the foundational premises of competition policy: that informed consumers can discipline markets through choice.
49. In this sense, consumer welfare and informality are deeply interlinked.
50. Where informality thrives unchecked, consumers bear hidden costs: unsafe products, exploitative pricing or exclusion from redress systems.
51. Conversely, overly rigid formalisation efforts that disregard consumer realities—such as aggressive vendor evictions or blanket bans on informal transport – can reduce consumer choice and increase prices, ultimately eroding welfare.
52. Thus, any enforcement strategy must navigate the trade-off between protection and inclusion, recognising that informality is both a symptom and a determinant of consumer vulnerability.

5.3. Competitive dynamics in informal markets

53. Informal markets often interact with formal markets in complex ways – sometimes as complements, sometimes as competitors and occasionally as substitutes.
54. For competition authorities, the key question is how these dynamics shape market definition, market power, and competitive constraints.
55. In certain sectors, informal operators exert a downward pressure on prices, effectively constraining formal firms' market power.
56. For example, informal retailers can limit the ability of large supermarket chains to raise prices beyond competitive levels (OECD, 2010 *ibid.*).
57. In other cases, informal competition is segmented by consumer class, with formal and informal suppliers serving distinct demographics. Here, informality may reduce aggregate efficiency by fragmenting markets and entrenching dual systems of quality and pricing.
58. From a consumer standpoint, both outcomes carry implications.
59. Where informal competition disciplines dominant firms, consumers benefit from lower prices and greater choice.
60. Where segmentation isolates informal consumers from formal markets, inequality in product quality and consumer rights becomes entrenched.
61. Consumers International emphasises that competition policy must not view informality solely through the lens of compliance or illegality, but rather as an integral component of real-world market competition.

62. Ignoring informal dynamics risks misdefining markets, misjudging dominance and misdirecting enforcement priorities.

63. For example, in merger assessments, failure to consider the competitive pressure of informal players can lead to overestimation of market concentration, while neglecting their vulnerability to exclusionary practices can permit anticompetitive conduct by formal incumbents.

64. Thus, a nuanced understanding of informality is essential to ensure that competition enforcement enhances – not distorts – consumer welfare.

5.4. Data, measurement and information deficits

65. One of the most persistent barriers to effective competition enforcement in informal markets is the lack of reliable data.

66. In its 2025 call for contributions on ‘Competition Law Enforcement in Informal Markets’, the OECD explicitly raises the question of how authorities can identify and measure informal markets.

67. Traditional tools – such as business registries, tax filings, and corporate disclosures – are largely absent in informal economies.

68. The IMF (2025^[13]) notes that national accounts typically underestimate informal activities due to their omission from administrative data sources and statistical surveys.

69. The consequence is a systemic underrepresentation of consumer realities: the prices consumers actually pay, the quality they receive and the competitive alternatives they face.

70. For consumer advocates, this data gap is not merely technical – it represents a blind spot in market justice.

71. Where consumer experiences in informal sectors are undocumented, their voices remain unheard in policymaking.

72. To address this, Consumers International recommends integrating consumer organisation data, civic technology and participatory research into market analysis.

73. Civil society often has the most direct access to informal consumer experiences, particularly in marginalised communities.

74. Additionally, cross-agency data cooperation – between competition authorities, tax agencies and statistical offices – can yield valuable insights into informal supply chains and price dynamics.

75. However, data-sharing frameworks must protect consumer privacy and avoid punitive targeting of vulnerable groups.

76. The objective is to illuminate, not criminalise, informality.

5.5. Informality as both constraint and opportunity

77. From a consumer-oriented perspective, the persistence of informal markets signals both market failure and consumer resilience.

78. Informality often arises not from evasion but from exclusion – from credit systems, infrastructure or fair regulation.

79. In this sense, informal enterprises act as shock absorbers, sustaining consumer access in contexts where formal systems fall short.

80. Yet, informality can also constrain market transformation by disincentivising formal investment and perpetuating low-quality equilibria.

81. For example, in informal service sectors, unregulated competition can suppress wages and reinforce gendered labour disparities (Johannsen & Rodriguez, 2025^[14]).

82. Consumers International therefore advocates a dual approach: recognising informal markets as legitimate spaces of consumer exchange while progressively integrating them into fair and transparent frameworks. Enforcement should focus on harmful conduct – collusion, abuse, exclusion – not on the status of informality itself.

83. Competition law, when implemented with sensitivity to consumer realities, can act as a bridge between informality and inclusion. It can empower informal entrepreneurs to compete fairly, protect consumers from exploitation and ensure that market efficiency serves social welfare.

5.6. Consumer-centric framing for policy analysis

84. Traditional competition analysis often prioritises firm efficiency and price outcomes.

85. A consumer-centric approach expands this lens to include equity, access and trust.

86. Informal markets test the adaptability of competition law to contexts where formal documentation is limited but consumer stakes are high.

87. Consumers International proposes that enforcement agencies incorporate qualitative consumer welfare metrics – such as accessibility, product safety and grievance mechanisms – alongside traditional price-based indicators.

88. This approach aligns with the UNGCP (2016, *ibid.*), which encourage member states to ensure that redress mechanisms account for “the needs of vulnerable and disadvantaged consumers”.

89. Ultimately, the measure of competition law enforcement in informal markets should be whether it enhances consumer welfare equitably, not merely whether it achieves formal compliance.

90. This requires collaboration with consumer organisations, who can provide crucial insights into how consumers actually experience competition – or its absence – in informal economies.

5.7. Summary

91. In summary, informal markets play a paradoxical but indispensable role in global consumer welfare.

92. They expand access but erode protection; they stimulate competition but evade regulation.

93. For competition authorities and consumer advocates alike, the challenge lies in crafting enforcement and policy mechanisms that reconcile these dualities.

94. Consumers International argues that informal markets are not anomalies to be eliminated, but realities to be understood and improved.

95. Effective enforcement must begin with inclusive measurement, consumer-centred analysis and collaborative governance.

6. The intersection of informality and competition law

6.1. The enforcement dilemma: formal rules in informal contexts

96. Competition law is traditionally designed for markets that are transparent, documented, and legally constituted.

97. The analytical tools that competition authorities use – market definition, assessment of dominance and evaluation of competitive effects – depend on data, traceability and identifiable economic entities.

98. In informal markets, these preconditions rarely exist; transactions are often cash-based, fragmented and undocumented, and the actors involved may not even possess legal identity or stable operating premises.

99. This poses an enforcement dilemma.

100. If authorities apply formal competition law tools rigidly, they risk excluding the very markets where consumer harm and exclusion are most pronounced.

101. Yet, if they disregard these sectors entirely, they risk perpetuating unregulated inequities and market distortions.

102. Consumers International's position is that competition law enforcement must evolve toward a contextual and inclusive approach – one that adapts legal frameworks to the realities of informality rather than attempting to force informal markets into formal moulds.

103. This means refining analytical tools to account for mixed market structures, adopting proportionate remedies and strengthening cross-agency collaboration with consumer protection and regulatory bodies.

6.2. Market definition in mixed formal–informal environments

104. Market definition is the cornerstone of competition analysis; it determines which products and services are considered substitutes and, therefore, which firms are in competition.

105. However, in markets where informal and formal actors coexist, defining the 'relevant market' becomes conceptually and empirically complex.

106. For example, should informal street vendors of food or clothing be included in the same market definition as formal retailers? Should informal transport providers, such as moto-taxis or minibuses, be considered competitors to formal taxi companies?

107. Traditional tools such as the Small but Significant Non-Transitory Increase in Price (SSNIP) test assume the existence of reliable price and sales data.

108. In informal markets, this type of data is rarely available or consistent.

109. Moreover, the non-price dimensions of competition – such as accessibility, quality and trust – often dominate consumer decision-making.

110. From the consumer perspective, informal and formal services may be highly substitutable despite differences in legality or quality.

111. For instance, consumers may switch between informal and formal transport depending on cost, convenience or location.

112. This indicates that the competitive constraint imposed by informal operators can be significant even when they are technically outside the regulatory framework.

113. Therefore, Consumers International recommends that competition authorities adopt flexible and evidence-light approaches to market definition, drawing on consumer surveys, ethnographic methods and cross-sector data.

114. The aim should be to reflect actual consumer behaviour and substitution patterns, rather than adhering rigidly to formal economic definitions.

115. Incorporating informality into market definition aligns with a consumer-centric philosophy: it acknowledges the diversity of consumer choices and the realities of affordability and access.

6.3. Assessing market power in informal and hybrid markets

116. Market power – the ability of firms to raise prices or restrict output – is central to competition law.

117. Yet, in informal markets, traditional indicators of dominance (market share, pricing trends, entry barriers) are difficult to measure.

118. Informal enterprises are typically small and numerous, suggesting atomistic competition.

119. However, Consumers International cautions that this apparent fragmentation can conceal localised monopolies or collusive structures.

120. In many informal markets, particularly those involving essential goods or services, local cartels, territorial exclusivity or input control can emerge.

121. For example, informal transport unions in urban areas may coordinate routes and fares, effectively exercising collective dominance.

122. Similarly, groups of informal street vendors may engage in price coordination or market allocation, often mediated by local associations or intermediaries.

123. These practices may not fit neatly within the categories of ‘agreement’ or ‘concerted practice’ under formal competition law, yet they limit consumer choice and inflate prices.

124. Detecting and addressing such conduct requires innovative investigatory methods, including community-based intelligence gathering, collaboration with consumer groups and the use of behavioural economics tools to infer coordination patterns.

125. Conversely, in some markets, formal firms exercise monopsony or buyer power over informal suppliers.

126. Research by Johannsen and Rodriguez (2025, *ibid.*) highlights how women in informal labour markets across Latin America face exploitative wages and deficit in working conditions due to monopsonistic practices.

127. This form of asymmetry – where formal firms exploit the informality of suppliers – poses profound implications for consumer welfare, as it can suppress production quality, constrain supply and ultimately raise prices for end consumers.

128. Competition authorities must therefore recognise both bottom-up and top-down power asymmetries in mixed markets: informal actors can collude, but formal incumbents can also exploit regulatory advantages to entrench dominance.

129. Consumers International proposes that market power assessments in such contexts incorporate social and structural indicators – such as dependence, vulnerability and exclusion – alongside traditional economic metrics.

130. Market power is not only a matter of price control; it is a question of who can shape consumer options.

7. Enforcement barriers and legal constraints

131. Even when anticompetitive conduct in informal markets is identifiable, enforcement faces major procedural obstacles.

132. Authorities may struggle with issues such as service of process, verification of identity and fine collection as informal enterprises may lack fixed addresses, legal status or financial records, making compliance monitoring and sanctioning impractical.

133. Moreover, informal actors often operate at the intersection of regulatory and economic vulnerability.

134. They may fear engagement with authorities due to potential repercussions under tax or labour laws.

135. Heavy-handed enforcement in such contexts risks driving informality deeper underground or punishing survival behaviour rather than deliberate market manipulation.

136. Consumers International stresses that competition law enforcement must distinguish between survival-driven informality and anti-competitive intent.

137. The objective should be to protect consumers from harm, not to penalise poverty or structural exclusion.

138. Enforcement should prioritise cases where conduct in informal markets distorts competition or harms consumers, rather than targeting the mere absence of formal registration.

139. This calls for proportionate remedies – such as compliance education, cooperative registration schemes, or sectoral codes of conduct – rather than punitive fines that may be impossible to enforce.

140. Finally, cross-agency collaboration is essential; competition authorities cannot enforce effectively in isolation.

141. Partnerships with consumer protection agencies, tax authorities and local governments enable more holistic interventions – targeting structural barriers to formality while preserving consumer welfare.

7.1. Interplay between competition law and other regulatory violations

142. Informal markets often sit at the intersection of multiple legal domains: competition, tax, labour, consumer protection and public safety.

143. This overlap complicates enforcement.

144. For instance, an informal food vendor may simultaneously breach licensing, tax and hygiene regulations – but not necessarily engage in anticompetitive conduct.

145. Similarly, a formal wholesaler may collude to exclude informal competitors, violating competition law but not tax law.

146. Enforcement agencies must disentangle competition concerns from other forms of non-compliance to avoid duplication or overreach.

147. From the consumer perspective, the priority is to address behaviours that directly reduce consumer welfare (collusion, abuse of dominance, exclusionary pricing) while supporting pathways toward regulatory inclusion.

148. To this end, Consumers International advocates for the creation of multi-agency task forces that coordinate enforcement and share intelligence while maintaining clear mandates.

149. For example, competition authorities could collaborate with consumer protection bodies to investigate price-fixing in informal retail sectors, while tax authorities focus on compliance facilitation rather than punishment.

150. Such coordination enhances both efficiency and legitimacy, ensuring that enforcement is perceived not as coercive but as supportive of fair markets.

151. In contexts of weak trust between state and society, this distinction is critical for achieving consumer-oriented outcomes.

7.2. The consumer as a stakeholder in enforcement

152. A defining feature of Consumers International's perspective is the recognition of the consumer as an active stakeholder in enforcement, not a passive beneficiary.

153. In informal markets, where state oversight is limited, consumers often play a quasi-regulatory role – disciplining suppliers through word-of-mouth, collective bargaining or informal rating systems.

154. Digitalisation has amplified this potential.

155. Mobile payment systems and online platforms are increasingly integrating informal traders into traceable ecosystems.

156. For instance, consumers can use ratings and reviews to report exploitative pricing or unsafe products.

157. These consumer-generated data streams can serve as early-warning indicators of anticompetitive practices.

158. Competition authorities should therefore institutionalise consumer participation in enforcement, leveraging civil society networks to gather intelligence, disseminate information and co-design remedies.

159. Consumers International's global network of member organisations is well-positioned to facilitate such collaboration, bridging the gap between regulators and consumers in informal sectors.

160. Moreover, consumer education is a critical enforcement tool.

161. Empowered consumers – those who understand their rights and market mechanisms – can resist collusion, expose abuse and demand accountability.

162. Integrating consumer education into competition advocacy thus strengthens both enforcement and equity.

7.3. Rethinking remedies: from punishment to participation

163. In formal markets, remedies for anticompetitive conduct often involve fines, divestitures or behavioural commitments.

164. In informal markets, such tools are often ineffective or unenforceable.

165. Consumers International advocates for innovative, participatory remedies that address root causes of informality and promote compliance through inclusion. Possible models include:

- community-level codes of fair competition, co-developed with informal associations and consumer groups;
- registration incentives, such as simplified licensing or access to credit for compliant enterprises;
- collective consumer redress mechanisms, where consumer organizations facilitate resolution in the absence of formal contracts; and
- targeted capacity-building programmes, enabling informal entrepreneurs to understand and comply with competition norms.

166. Such remedies align with a restorative enforcement philosophy, emphasising learning, fairness and market improvement over punishment.

167. They also strengthen consumer trust, as enforcement becomes a collaborative effort rather than a top-down imposition.

7.4. Summary

168. The intersection of informality and competition law exposes deep tensions between legality, equity and market reality.

169. Informal markets defy the assumptions of classical enforcement – traceability, compliance and legal identity – yet they profoundly shape consumer welfare.

170. Consumers International argues that inclusive enforcement requires reimagining core analytical tools: market definition must reflect consumer realities; market power must account for social vulnerability; and remedies must balance deterrence with empowerment.

171. Ultimately, competition law must evolve from a framework of exclusion to one of inclusion – protecting consumers not only from firms that exploit market power, but from systems that exclude them from fair competition altogether.

8. Consumers International's policy response and recommendations

8.1. Guiding principles for inclusive competition enforcement

172. Consumers International believes that competition law enforcement in informal markets must evolve beyond traditional firm-centric paradigms toward a consumer- and inclusion-centred model.

173. Enforcement should not simply replicate the tools of formal market regulation, but rather adapt them to reflect the realities of informal economic participation and the lived experiences of consumers.

174. To achieve this, Consumers International proposes five guiding principles that should underpin all policy and enforcement interventions in informal markets:

1. **Consumer-centricity:** enforcement should be guided by the principle that the ultimate goal of competition law is to enhance consumer welfare. In informal contexts, this includes not only price and efficiency outcomes, but also access, quality, safety and fairness.
2. **Proportionality:** remedies and sanctions should reflect the intent, scale and impact of the conduct in question. Authorities should differentiate between survival-driven informality and deliberate anti-competitive behaviour.
3. **Inclusivity:** informal actors, particularly those representing marginalised consumers or micro-enterprises, should be recognised as legitimate market participants and included in dialogue, policy design and remedy implementation.
4. **Transparency and accountability:** enforcement must be transparent, predictable and publicly justifiable. Consumers and civil society should be able to track how decisions in informal markets affect welfare outcomes.
5. **Collaboration and coherence:** effective enforcement requires coordination among competition authorities, consumer protection agencies, tax and labour authorities, and local governments. Cooperation should be institutionalised through memoranda of understanding, joint data systems and shared objectives.

175. These principles reflect a paradigm shift toward ‘inclusive competition governance’, where competition law operates as a tool for both market efficiency and social equity.

8.2. Strengthening institutional cooperation and capacity

176. Institutional silos remain one of the most significant barriers to effective enforcement in informal markets.

177. Consumers International recommends the establishment of multi-stakeholder cooperation frameworks that bring together competition authorities, consumer protection agencies and civil society organisations under a shared mandate to promote fair markets for all.

178. Key elements of this approach include:

- **Joint task forces on informal market enforcement:** these task forces should enable agencies to coordinate investigations, share intelligence and design complementary remedies. For instance, where collusion among informal traders intersects with unsafe product sales, competition and consumer protection authorities should pursue joint interventions that address both issues simultaneously.
- **Cross-training and capacity building:** authorities should develop specialised expertise on informal market structures, behavioural economics and data collection. Training programs co-designed with consumer organisations can improve understanding of consumer vulnerabilities and strengthen evidence-based enforcement.
- **Local-level enforcement mechanisms:** decentralised enforcement offices or partnerships with municipal authorities can improve visibility into local informal markets, enabling context-sensitive responses and community participation.

179. Such coordination enhances both effectiveness and legitimacy.

180. When agencies act in concert and communicate clearly, consumers gain confidence that enforcement serves public welfare rather than bureaucratic procedure.

8.3. Data Systems and Consumer Intelligence

181. Data is the lifeblood of competition analysis, but in informal markets, conventional data sources are scarce.

182. Consumers International calls for a new data paradigm that integrates multiple sources of consumer and market intelligence, including non-traditional and participatory data streams.

183. Key recommendations include:

- Consumer organisation data integration: civil society and consumer groups often hold qualitative data on informal transactions, pricing and complaints. Authorities should develop protocols to incorporate such data into competition analysis, while protecting confidentiality and privacy.
- Community and digital reporting tools: mobile-based complaint platforms or ‘market monitoring apps’ can allow consumers to report collusion, price manipulation or unsafe products in real time. These tools have proven effective in contexts such as financial consumer protection and could be adapted for competition monitoring.
- Partnerships with statistical and fiscal agencies: cooperation with tax authorities and national statistical offices can improve measurement of informal market size and structure.
- Open data for accountability: publicly accessible datasets on enforcement outcomes, market concentration and consumer impacts can strengthen trust and encourage stakeholder participation.

184. These initiatives would create a more democratic evidence base for competition policy—grounded not only in firm data but in the lived realities of consumers.

8.4. Proportionate and restorative enforcement approaches

185. Traditional enforcement tools (fines, cease-and-desist orders or divestitures) are often ill-suited to informal markets, where firms lack formal structures or capacity to pay penalties.

186. Consumers International advocates for proportionate, restorative and educative remedies that address conduct while supporting inclusion.

187. Recommended approaches include:

- Compliance education and guidance: competition authorities should develop simplified educational materials for informal traders, explaining fair competition principles and consumer rights in accessible language. Outreach through trade associations and NGOs can extend reach and impact.
- Incentivised formalisation: rather than punitive measures, authorities could offer benefits such as access to credit, simplified licensing or technical assistance for informal enterprises that voluntarily formalize and commit to compliance.
- Community codes of fair competition: authorities and civil society can co-develop voluntary codes of conduct in informal sectors (e.g. informal transport, street

vending) that encourage fair pricing, prevent exclusionary practices and protect consumers.

- Collective redress and mediation mechanisms: in contexts where formal dispute resolution is inaccessible, consumer organisations can facilitate mediation between informal traders and consumers, supported by legal recognition of these mechanisms.

188. These approaches prioritise prevention and inclusion over punishment, fostering a culture of compliance through empowerment rather than fear.

8.5. Digital platform governance

189. Digitalisation is rapidly transforming informal commerce, as millions of micro-entrepreneurs and informal sellers transact through online platforms.

190. To protect consumers while ensuring fair competition, Consumers International recommends a framework of shared responsibility between competition authorities and digital intermediaries.

191. Key actions include:

- Platform accountability standards: platforms should verify sellers, disclose algorithms affecting visibility and pricing and ensure fair access for small traders.
- Joint investigations and data-sharing agreements: authorities should establish formal channels for obtaining anonymised transaction data from platforms to detect collusion, market manipulation or abuse of dominance.
- Consumer redress integration: platforms must provide accessible complaint and refund mechanisms for consumers purchasing from informal or unverified sellers.
- Fair access for informal sellers: enforcement should prevent platform practices that exclude or disadvantage small informal traders – such as discriminatory algorithms or predatory commission fees – while promoting transparency and competition.

192. By treating platforms as both market facilitators and regulatory partners, authorities can extend the reach of competition and consumer protection principles into the digital informal economy.

8.6. Global and regional cooperation

193. Informal markets are not restricted by national borders.

194. As informal goods, services and labour flow through global value chains, enforcement requires international cooperation.

195. Consumers International urges the OECD and its member states to champion a global framework for inclusive competition governance, building on this forum's discussions.

- This framework should include: OECD guidelines on competition and informality: a global policy instrument synthesising best practices, emphasising proportionality, coordination and consumer welfare in informal contexts.
- Regional cooperation platforms: regional competition bodies (e.g., COMESA, CARICOM, ASEAN Experts Group on Competition) should establish working groups on informality to harmonise enforcement approaches and data collection.

- Integration with UN and ILO frameworks: the OECD should collaborate with the UN Conference on Trade and Development, ILO and the World Bank to align competition policy with broader agendas on decent work, sustainable development and consumer protection.
 - South–South knowledge exchange: countries with extensive experience managing informal economies, such as India, Kenya and Brazil, can provide valuable models for inclusive enforcement and cooperative formalisation.
196. Through such initiatives, the OECD can play a catalytic role in building a global community of practice around fair and inclusive competition enforcement.

8.7. Consumer empowerment and market literacy

197. Consumers are not passive participants in informal markets; they are agents of accountability.
198. Empowering consumers with knowledge and tools enhances both enforcement and market fairness.
199. Consumers International recommends:
- national consumer education strategies that incorporate competition principles and informality awareness into public campaigns;
 - collaboration with grassroots consumer organisations to disseminate information on fair pricing, complaint mechanisms and digital safety in informal commerce; and
 - integration of market literacy into school curricula, emphasising informed consumption, ethical entrepreneurship and awareness of competition’s role in fair markets.
200. Consumer empowerment not only protects individuals but strengthens systemic accountability, creating a virtuous cycle of informed demand and responsible supply.

4.8 Monitoring, Evaluation, and Learning

201. To ensure lasting impact, enforcement and policy interventions in informal markets must be accompanied by robust monitoring and evaluation (M&E) systems.
202. These systems should measure not just compliance outcomes, but broader effects on consumer welfare and inclusion.
203. Consumers International proposes that M&E frameworks incorporate indicators such as:
- consumer access to essential goods and services;
 - price variation and affordability in sectors with high informality;
 - safety and product quality outcomes;
 - levels of trust and satisfaction among informal market consumers; and
 - the degree of participation by informal actors in market governance.
204. Periodic evaluation reports – developed collaboratively by authorities, academia and civil society – would foster accountability, transparency and continuous learning.

9. Conclusion: building fair and inclusive markets for all

205. Competition law enforcement in informal markets stands at the frontier of inclusive economic governance.

206. Informal markets are not exceptions to market activity; they are its foundation for billions of consumers worldwide.

207. For Consumers International, the central question is not whether competition law should apply to informal markets, but how it should apply: in ways that are fair, proportionate and aligned with consumer welfare.

208. Enforcement that is detached from consumer realities risks deepening inequality; enforcement that embraces inclusivity can transform informality into a pathway for empowerment.

209. This submission therefore urges the OECD and its partners to:

- recognise informal markets as integral to competition ecosystems;
- foster institutional collaboration and data innovation;
- embrace proportional and restorative enforcement; and
- place consumers – especially the most vulnerable – at the heart of policy design and implementation.

210. By advancing an agenda of inclusive competition enforcement, the OECD can help bridge the divide between formal and informal economies, ensuring that markets work for everyone, everywhere.

211. Consumers International stands ready to collaborate with governments, competition authorities and international organisations to make this vision a reality – where every consumer, regardless of where they live or how they buy, benefits from fair, safe and competitive markets.

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