<u>**Read me file: For One and For All?**</u>

<u>Taxes, Benefits and the Incentives to (In)Formalize Work in</u>
<u>Latin America and the Caribbean 2025</u>

Contents

I. Overview

The following document provides the necessary information regarding the data processing methods used to calculate the figures and tables included in the report *"For One and For All? Taxes, Benefits and the Incentives to (In)Formalize Work in Latin America and the Caribbean 2025."* The reproducibility package folder contains the following materials:

- Data
- Do files
- Results
- Excel files
- Figures & Tables

II. Requirements

1. Computational requirements:

All results were processed using STATA and Microsoft Excel.

2. Memory and runtime requirements:

The data was processed on a standard computer. The time required to reproduce the results for all the figures and tables in the report ranges from 40 to 60 minutes.

III. Folder and contents

i.   "…/Data":

The "Data**"** folder contains all the datasets used for this report, organized into the following subfolders:

- "/Chapter 2":

  - "/raw": contains all SEDLAC databases circa 2019 and circa 2022 and a folder with all the databases for the informal economy analysis.

    1. SEDLAC databases circa 2019 and 2022:
       - bra_2022_pnadc-e1_v01_m_v01_a_sedlac-03_all.dta
       - bra_2019_pnadc-e1_v01_m_v01_a_sedlac-03_all.dta
       - col_2022_geih_v01_m_v01_a_sedlac-03_all.dta
       - col_2019_geih_v01_m_v01_a_sedlac-03_all.dta
       - mex_2022_enighns_v02_m_v02_a_sedlac-03_all.dta
       - mex_2018_enighns_v02_m_v02_a_sedlac-03_all.dta
       - ury_2022_ech_v01_m_v01_a_sedlac-03_all.dta
       - ury_2019_ech_v01_m_v01_a_sedlac-03_all.dta
       - per_2022_enaho_v01_m_v01_a_sedlac-03_all.dta
       - per_2019_enaho_v01_m_v01_a_sedlac-03_all.dta
       - slv_2022_ehpm_sedlac_all.dta
       - slv_2019_ehpm_sedlac_all.dta

    Description: harmonized databases for the countries for Brazil, Colombia, Mexico, Uruguay El Salvador and Peru, prepared by SEDLAC (World Bank and CEDLAS).
    Version/access date: accessed in September 2024
    Access path/URL: World Bank Stata API datalibweb
    Public availability: These datasets are not publicly available, and authorization is required to access the microdata due to their private nature. While the databases can be used for reproducibility verification, they cannot be shared publicly on any platform.

    2. "/Informal economy": contains 19 databases

ILOSTAT

- **Source:** International Labour Organization (ILO), ILOSTAT Data Explorer
- **File Location:** Data/Chapter 2/raw/Informal economy/ILO MEASURE OF INFORMALITY cleaned.dta
- **Description and Variables:**
  This dataset corresponds to **SDG Indicator 8.3.1**: *Proportion of informal employment in total employment by sex and sector*.
    - Filters applied:
        - Sex = Total
        - Economic sector = Total (broad sector)
        - Years = 1999–2023
    - Variables included:
        - ccode – ISO Alpha-3 country code
        - year – Year

- - - `inf_ilo` – Proportion of informal employment
    - - `ln_inf_ilo` – Natural logarithm of `inf_ilo`
- **Access Date:** September 2024
- **Access Type:** Data is publicly available and included in the reproducibility package
- **Link:** ILOSTAT Dashboard

Informal Economy Database

- **Source:** Elgin, C., Kose, M. A., Ohnsorge, F., & Yu, S. (2021). *Understanding Informality*. CERP Discussion Paper 16497, Centre for Economic Policy Research, London.
- **File Locations:**
    - `Chapter 2/raw/Informal economy/informal-economy-database-with-fixes.dta`
    - `Chapter 2/raw/Informal economy/UNDERSTANDING INFORMALITY DATA SET.dta`
- **Access Date:** September 2024
- **Details:**
    - **Informal Economy Database (with fixes):**
        - Original data downloaded in Excel format from the World Bank site.
        - Sheets used: `DGE_p` and `MIMIC_p`.
        - Converted to Stata `.dta` with variables:
            - `economy` – Country name
            - `ccode` – ISO Alpha-3 country code
            - `dge_paverage_1993_2019` – DGE measure of informality (average 1993–2019)
            - `mimic_paverage_1993_2019` – MIMIC measure of informality (average 1993–2019)
            - `var4` and `var5` – Duplicate of `economy` and `ccode`
        - Values reviewed and verified to match the original Excel source.
    - **Second file:**
        - Provided directly by author Shu Yu (*syu2@worldbank.org*).
        - Not publicly available, but included in the reproducibility package.
- **License:** CC BY 4.0
- **Access Type:** Data is publicly available and included in the reproducibility package.

Luxembourg Income Study (LIS)

- **Source:** Luxembourg Income Study Database (LIS)
- **File Location:** `Chapter 2/raw/Informal economy/LIS SELF EMPLOYMENT.dta`
- **Access Date:** September 2024
- **Details:**
    - Users must request access via the LIS portal.
    - Variables included:
        - `ccode` – ISO Alpha-3 country code
        - `year` – 1967–2022
        - `self_emp_LIS` – Self-employment rate

- **▪** `lself_emp_LIS` – Natural logarithm of `self_emp_LIS`
  - o Countries covered: AUS, AUT, BEL, BRA, CAN, CHE, CHL, CHN, CIV, COL, CZE, DEU, DNK, DOM, EGY, ESP, EST, FIN, FRA, GBR, GEO, GRC, GTM, HUN, IND, IRL, ISL, ISR, ITA, JPN, LTU, LUX, MEX, MLI, NLD, NOR, PAN, PER, POL, PRY, PSE, ROU, RUS, SRB, SVK, SVN, SWE, TWN, URY, USA, VNM, ZAF.
- **Access Type:** Public, but redistribution not allowed.

OECD Data Explorer

- **Source:** OECD Data Explorer – Annual labour force survey, summary tables
- **File Location:** `Chapter 2/raw/Informal economy/OECD SELF EMPLOYMENT RATES.dta`
- **Access Date:** September 2024
- **Variables included:**
  - o `year` – 1951–2022
  - o `ccode` – ISO Alpha-3 country code
  - o `inf_oecd` – OECD self-employment rate indicator
- **Link:** OECD Self-Employment Rate
- **Access Type:** Public and included in the reproducibility package
- **License:** OECD Terms and Conditions

The QoG Standard Dataset

- **Source:** Teorell, J., Sundström, A., Holmberg, S., Rothstein, B., Pachon, N. A., Dalli, C. M., Lopez Valverde, R., Phiri, V. S., & Gerber, L. (2023). *The Quality of Government Standard Dataset*, version Jan23. University of Gothenburg.
- **Access Date:** 2024
- **Link:** QoG Data Archive
- **Access Type:** Public, but redistribution not allowed
- **Notes:** Compared public version with provided file; minor differences exist due to updates.
  - o Differences documented in `detailed_value_diffs` and `comparison_report` files.

World Development Indicators (WDI)

- **Source:** World Bank, World Development Indicators
- **File Locations:**
  - o `Chapter 2/raw/Informal economy/value added_Extract_From_World_Development_Indicators.dta`
  - o `Chapter 2/raw/Informal economy/working age population wdi.dta`
- **Access Date:** September 2024
- **Variables:**
  - o Gross Value Added (constant & current 2015 US$)
  - o Population 15–64 (% of population)
- **Access Type:** Public and included in reproducibility package

- **License:** [CC BY 4.0](#)

World Bank Country and Lending Groups

- **Source:** World Bank
- **File Location:** `Chapter 2/raw/Informal economy/wb classification of economies.dta`
- **Access Date:** September 2024
- **Link:** [WB Country Groups](#)
- **License:** [CC BY 4.0](#)

Worldwide Governance Indicators

- **Source:** World Bank
- **File Location:** `Chapter 2/raw/Informal economy/wdi_governance.dta`
- **Access Date:** September 2024
- **Link:** [WGI](#)
- **Notes:**
  - Reshaped by indicator for analysis.
- **License:** [CC BY 4.0](#)

WJP Rule of Law Index

- **Source:** World Justice Project
- **File Location:** `Chapter 2/raw/Informal economy/WJP HISTORICAL DATA cleaned.dta`
- **Access Date:** September 2024
- **Link:** [WJP Data](#)
- **Notes:** Reshaped and consolidated into a single dataset with selected variables.

Justifiable Cheating on Taxes Data

- **Source:** World Values Survey & Latinobarómetro
- **File Location:** `Chapter 2/raw/Informal economy/wvs final.dta`
- **Access Date:** September 2024
- **Notes:** Variable represents perception of tax evasion (higher values = more justifiable).
- **Links:**
  - [WVS](#)
  - [Latinobarómetro](#)

Doing Business 2005–2019

- **Source:** World Bank
- **File Location:** `Chapter 2/raw/Informal economy/epl indices.dta`
- **Access Date:** September 2023
- **Details:**

- o Variable constructed via special request using methodology from Packard & Montenegro (2017).
- o Built using principal component analysis.
- **Link:** <u>Doing Business Archive</u>
- **License:** <u>CC BY 4.0</u>

International Income Distribution Database (I2D2) — COUNTRY COVERAGE & VARIABLES

Source: World Bank. I2D2 (legacy, replaced by GMD/GLD). These databases are not publicly downloadable. Harmonization code and instructions for GLD access are available via the GLD documentation.

Files location: `Chapter 2/raw/Informal economy/house ownership.dta`, `Chapter 2/raw/Informal economy/i2d2_ilo_inf.dta`, `Chapter 2/raw/Informal economy/inf_i2d2_selfemp.dta`

Access date: September 2024

i2d2_ilo_inf.dta

- **Variables:** `ccode` (ISO Alpha-3), `year` (1974–2019), `inf_i2d2_fimsize`, `linf_i2d2_fimsize` (natural log).
- **Notes:** Informality indicator derived from I2D2/ILO harmonized microdata per project codebook; log is provided for analysis convenience.

Countries:
AFG, ALB, ARG, ARM, AUS, AUT, BEL, BEN, BFA, BGD, BGR, BHS, BIH, BOL, BRA, CHE, CHL, CHN, CMR, COD, COL, COM, CRI, CYP, CZE, DEU, DJI, DNK, ECU, EGY, ESP, EST, ETH, FIN, FRA, GAB, GBR, GHA, GRC, GTM, HND, HRV, HTI, HUN, IDN, IND, IRL, IRQ, ISL, ITA, JOR, KGZ, KHM, KOR, LBN, LBR, LKA, LSO, LTU, LUX, LVA, MAR, MDA, MDG, MEX, MKD, MLI, MLT, MNE, MNG, MOZ, MUS, MWI, NAM, NER, NGA, NIC, NLD, NOR, NPL, PAK, PAN, PER, PNG, POL, PRT, PRY, ROU, RUS, SLE, SLV, SRB, SUR, SVK, SVN, SWE, TGO, THA, TJK, TLS, TUR, TZA, UGA, URY, UZB, VEN, VNM, XKX, ZAF, ZMB, ZWE.

inf_i2d2_selfemp.dta

- **Variables:** `ccode` (ISO Alpha-3), `year` (1974–2021), `inf_i2d2_selfemp`, `linf_i2d2_selfemp` (natural log).
- **Notes:** Self-employment–based informality indicator constructed from I2D2 harmonized microdata; log provided for analysis.

Countries:
AFG, AGO, ALB, ARG, ARM, AUS, AUT, AZE, BDI, BEL, BEN, BFA, BGD, BGR, BIH, BLR, BLZ, BOL, BRA, BTN, BWA, CAF, CAN, CHE, CHL, CHN, CIV, CMR, COD, COG, COL, COM, CPV, CRI, CYP, CZE, DEU, DJI, DNK, DOM, ECU, EGY, ESP, EST, ETH, FIN, FJI, FRA, FSM, GAB, GBR, GEO, GHA, GIN, GMB, GNB, GRC, GTM, HND, HRV, HTI, HUN, IDN, IND, IRL, IRN, ISL, ITA, JAM, JOR, KAZ, KEN, KGZ, KHM, KOR, LAO, LBN, LBR, LCA, LKA, LSO, LTU, LUX, LVA, MAR, MDA,

MDG, MDV, MEX, MHL, MKD, MLI, MLT, MMR, MNE, MNG, MOZ, MRT, MUS, MWI, MYS, NAM, NER, NGA, NIC, NLD, NOR, NPL, PAK, PAN, PER, PHL, POL, PRT, PRY, PSE, ROU, RUS, RWA, SDN, SEN, SLB, SLE, SLV, SRB, SSD, STP, SUR, SVK, SVN, SWE, SWZ, SYC, SYR, TCD, TGO, THA, TJK, TLS, TON, TTO, TUN, TUR, TUV, TZA, UGA, UKR, URY, UZB, VEN, VNM, VUT, XKX, YEM, ZMB, ZWE.

house ownership.dta

- **Variables:** `ccode` (ISO Alpha-3), `year` (1960–2021), `ownhouse`, `lownhouse` (natural log).
- **Notes:** Home ownership indicator constructed from I2D2/GLD harmonized household microdata; log provided for analysis.

Countries:
AFG, AGO, ALB, ARG, ARM, AUS, AUT, AZE, BDI, BEL, BEN, BFA, BGD, BGR, BHS, BIH, BLR, BOL, BRA, BTN, BWA, CAF, CAN, CHE, CHL, CHN, CIV, CMR, COD, COG, COL, COM, CPV, CRI, CYP, CZE, DEU, DJI, DNK, DOM, ECU, EGY, ESP, EST, ETH, FIN, FJI, FRA, FSM, GAB, GBR, GEO, GHA, GIN, GMB, GNB, GRC, GTM, GUY, HND, HRV, HTI, HUN, IDN, IND, IRL, IRN, IRQ, ISL, ITA, JAM, JOR, KAZ, KEN, KGZ, KHM, KIR, LAO, LBN, LBR, LCA, LKA, LSO, LTU, LUX, LVA, MAR, MDA, MDG, MDV, MEX, MHL, MKD, MLI, MLT, MMR, MNE, MNG, MOZ, MRT, MUS, MWI, NAM, NER, NGA, NIC, NLD, NOR, NPL, PAK, PAN, PER, PHL, PNG, POL, PRI, PRT, PRY, PSE, ROU, RUS, RWA, SAU, SDN, SEN, SLB, SLE, SLV, SOM, SRB, SSD, STP, SUR, SVK, SVN, SWE, SWZ, SYC, SYR, TCD, TGO, THA, TJK, TLS, TON, TTO, TUN, TUR, TUV, TZA, UGA, UKR, URY, USA, UZB, VEN, VNM, VUT, YEM, ZAF, ZMB, ZWE.

Minimum Wage Data

- **Source:** Constructed by the team using ILO minimum wage database.
- **File Location:** `Chapter 2/raw/Informal economy/minimum wage cleaned.dta`
- **Date Created:** September 2024
- **Notes:** Harmonized using PPP dollars.
- **Access Type:** Included in reproducibility package.

Social Security Contributions Data

- **Source:** National sources on social security contributions, harmonized by the team.
- **File Location:** `Chapter 2/raw/Informal economy/social insurance tax 2006-2015 FINAL.dta`
- **Date Created:** September 2024
- **Variables:**
  - `ccode` – ISO Alpha-3 country code
  - `year` – 2006–2015
  - `oads_ins` – Paid by insured individuals (administrative datasets)
  - `oads_emp` – Paid by employers (administrative datasets)

- o `oads_tot` – Total contributions (insured + employer, administrative datasets)
- o `ossp_ins` – Paid by insured individuals (official social security programs)
- o `ossp_emp` – Paid by employers (official social security programs)
- o `ossp_tot` – Total contributions (official social security programs)
- o `lossp_tot` – Log-transformed total contributions
- **Access Type:** Included in reproducibility package

  - o "/clean": includes all SEDLAC databases used in this paper, with all informality variables included. The corresponding databases (.dta) included are:

    - BRA_2019
    - BRA_2022
    - COL_2019
    - COL_2022
    - MEX_2019
    - MEX_2022
    - URY_2019
    - URY_2022
    - SLV_2019
    - SLV_2022
    - PER_2019
    - PER_2022

    Description: The "/clean" folder contains the processed harmonized databases prepared by SEDLAC (World Bank and CEDLAS).
    Public availability: These databases are of restricted use, with the original source being the World Bank's datalibweb, intended for internal use only. These datasets are not publicly available, and authorization is required to access the microdata due to their private nature. While the databases can be used for reproducibility verification, they cannot be shared publicly on any platform.

- "/Chapter 3":

  - o "/raw": contains the database with processed data from the Doing business report.

    1. WW_DB_master_PCA_MW_JOIN_yr(11.12.2019).dta

    Description: Data constructed by Maratou-Kolias et al. (2020) using Employing Workers data from the Doing Business project, World Bank.
    Version/access date: accessed in September 2024
    Access path/URL: Data can be obtained by contacting Maratou-Kolias et al. (2020)
    Public availability: This dataset is not publicly available, and authorization is required to access the microdata due to its private nature. While the databases

can be used for reproducibility verification, they cannot be shared publicly on any platform.

- "/Chapter 4"
  - "/raw": contains processed databases that were created through hypothetical scenarios applying the de jure rules of the microsimulation tools available for Brazil, Uruguay, and El Salvador

    2. net_incs_CLT.dta

    Description: Data constructed using the Brazil microsimulationtool BraSim.
    Version/access date: accessed in September 2024
    Access path/URL: Microsimulation tool Brazil (access can be requested by contacting the WB Poverty Team Brazil)
    Public availability: This tool is not publicly available, and authorization is required to access the microsimulation tool due to its private nature. While the databases can be used for reproducibility verification, they cannot be shared publicly on any platform.

    - net_incs_RegimenGral.dta

    Description: Data constructed using the Brazil microsimulation tool BraSim and the tax and benefit calculator BraJure.
    Version/access date: accessed in September 2024
    Access path/URL: Microsimulation Tool Brazil, Tax and Benefit calculator BraJure. (access can be requested by contacting the WB Poverty Team Brazil and World Bank Social Protection Team Brazil)
    Public availability: This tool is not publicly available, and authorization is required to access the microsimulation tool due to its private nature. While the databases can be used for reproducibility verification, they cannot be shared publicly on any platform.

    - Salsimfin.dta

    Description: Data constructed using the El Salvador Microsimulation Tool.
    Version/access date: accessed in September 2024
    Access path/URL: Microsimulation Tool El Salvador (access can be requested by contacting the WB Poverty Team El Salvador)
    Public availability: This tool is not publicly available, and authorization is required to access the microsimulation tool due to its private nature. While the databases can be used for reproducibility verification, they cannot be shared publicly on any platform.

- "/Chapter 5"

    o "/raw": contains the database created for the group of countries: Brazil, Colombia, Mexico, Uruguay, El Salvador and Peru (circa 2022)

        ▪ ftr_allcountries.dta

        Description: Data constructed using the household surveys databases of the analysis countries:
        - Peru: Encuesta Nacional de Hogares (ENAHO) 2019 – Household survey
        - Uruguay: Encuesta continua de hogares 2021 – Household survey
        - El Salvador: Encuesta de Hogares de Proposites Multiples (EHPM) 2019 – Household survey
        - Colombia: Gran Encuesta Integrada de Hogares (GEIH) 2019 – Household survey
        - Brazil: Pesquisa Nacional por Amostra de Domicílios 2019 – Household survey
        - Mexico: Encuesta Nacional de Ingresos y Gastos de los Hogares ENIGH 2018 – Household survey

        Version/access date: accessed in September 2024
        Access path/URL: Special request prepared by each country team.
        Public availability: The database is of restricted use only and is not publicly available. While the database can be used for reproducibility verification, it cannot be shared publicly on any platform.

    o "/clean": contains the "masterdataFTR.dta" that is a harmonized dataset built from the original FTR database, including all key variables related to informality.

        Description: The "/clean" folder contains the processed "ftr_allcountries.dta" database.
        Public availability: The database is of restricted use only and is not publicly available. While the database can be used for reproducibility verification, it cannot be shared publicly on any platform.

- "/Chapter 6"
    o "/raw": contains the database created for the group of countries: Brazil, Colombia, Mexico, Uruguay, El Salvador and Peru (circa 2022) and additional databases used in the analysis for Peru, Uruguay, and Colombia.

        ▪ ftr_allcountries.dta
    Description: Please refer to chapter 5

        ▪ ftr_Peru_sim_SSC.dta
    Description: Data constructed using the Peru Microsimulation Tool.
    Version/access date: accessed in September 2024

Access path/URL: Microsimulation Tool Peru (access can be requested by contacting the WB Poverty Team Peru)
Public availability: The tool is of restricted use only and is not publicly available. While the tool can be used for reproducibility verification, it cannot be shared publicly on any platform.

- ftr_Peru.dta

Description: Data constructed using the Peru Microsimulation Tool.
Version/access date: accessed in September 2024
Access path/URL: Microsimulation Tool Peru (access can be requested by contacting the WB Poverty Team Peru)
Public availability: The tool is of restricted use only and is not publicly available. While the tool can be used for reproducibility verification, it cannot be shared publicly on any platform.

- Ftr_uruguay_harmonized.dta

Description: Data constructed using Uruguay Microsimulation Tool
Version/access date: accessed in September 2024
Access path/URL: Microsimulation Tool Uruguay (access can be requested by contacting the WB Poverty Team Uruguay)
Public availability: The tool is of restricted use only and is not publicly available. While the tool can be used for reproducibility verification, it cannot be shared publicly on any platform.

- COL_FTRregvars_ownagg_latestwage_new_r1.dta

Description: Data constructed using the Colombia Microsimulation Tool.
Version/access date: accessed in September 2024
Access path/URL: Microsimulation Tool Colombia (access can be requested by contacting the WB Poverty Team Colombia)
Public availability: The tool is of restricted use only and is not publicly available. While the tool can be used for reproducibility verification, it cannot be shared publicly on any platform.

- COL_FTRregvars_ownagg_latestwage_new_r3.dta

Description: Data constructed using the Colombia Microsimulation Tool.
Version/access date: accessed in September 2024
Access path/URL: Microsimulation Tool Colombia (access can be requested by contacting the WB Poverty Team Colombia)
Public availability: The tool is of restricted use only and is not publicly available. While the tool can be used for reproducibility verification, it cannot be shared publicly on any platform.

- COL_FTRregvars_ownagg_latestwage_new_r4.dta

Description: Data constructed using the Colombia Microsimulation Tool

Version/access date: accessed in September 2024
Access path/URL: Microsimulation Tool Colombia (access can be requested by contacting the WB Poverty Team Colombia)
Public availability: The tool is of restricted use only and is not publicly available. While the tool can be used for reproducibility verification, it cannot be shared publicly on any platform.

- COL_FTRregvars_ownagg_latestwage_new.dta

Description: Data constructed using the Colombia Microsimulation Tool
Version/access date: accessed in September 2024
Access path/URL: Microsimulation Tool Colombia (access can be requested by contacting the WB Poverty Team Colombia)
Public availability: The tool is of restricted use only and is not publicly available. While the tool can be used for reproducibility verification, it cannot be shared publicly on any platform.

- FTR compare sim afam.dta

Description: Data constructed using Uruguay Microsimulation Tool.
Version/access date: accessed in September 2024
Access path/URL: Microsimulation Tool Uruguay (access can be requested by contacting the WB Poverty Team Uruguay)
Public availability: The tool is of restricted use only and is not publicly available. While the tool can be used for reproducibility verification, it cannot be shared publicly on any platform.

- o "/clean": contains the processed databases used for the analysis of Peru.

  - ftr_Peru_Baseline.dta
  - ftr_Peru_Reform.dta

  Description: The "/clean" folder contains the processed databases.
  Public availability: The databases are of restricted use only and are not publicly available. While the databases can be used for reproducibility verification, it cannot be shared publicly on any platform.

- "/Chapter 7"

  - o "/raw": contains a folder with all the databases needed to perform the analysis for the informal economy.

    - "/Informal economy: contains 19 databases based on indicators from labor, social insurances, governance, and informal economy (same as chapter 2)
      Description: Please refer to chapter 5

ii. "…/Do files"

This folder contains the do-files with the code used to calculate the results summarized in the figures and tables of the report. The following scripts are included:

- MASTER.do: The main script that organizes the workflow and executes all the chapters do files.

- "/Chapter 2": contains 6 scripts corresponding to each country, two scripts to create all the figures and tables for chapter 1 and for the annex of the chapter, and a master do file that organizes the workflow and executes all the scripts of chapter 2.

  - MASTER_Chapter2.do
  - INF_BRA.do
  - INF_COL.do
  - INF_MEX.do
  - INF_URY.do
  - INF_SLV.do
  - INF_PER.do
  - Informal_economy.do
  - Chapter2_figures.do
  - AnnexChapter2_figures.do

- "/Chapter 3": contains 1 script corresponding to the calculation of Figure 3.2, this do file is organized as a master do file.

  - MASTER_Chapter3.do

- "/Chapter 4": contains 7 scripts corresponding to each country that create all the figures and tables for chapter 4 and for the annex of these chapter; and a master do file that organizes the workflow and executes all the scripts of chapter 4.

  - MASTER_Chapter4.do
  - Chapter4_BRA.do
  - Chapter4_COL.do
  - Chapter4_MEX.do
  - Chapter4_URY.do
  - Chapter4_SLV.do
  - Chapter4_PER.do
  - Chapter4_JAM.do

- "/Chapter 5": contains two scripts one to create all the figures for chapter 5, and a master do file that organizes the workflow and executes the script of chapter 5.

  - MASTER_Chapter5.do
  - Chapter5_figures.do

- "/Chapter 6": contains 4 scripts corresponding to Brazil, Uruguay, Colombia, El Salvador, and Peru that create all the figures and tables for chapter 6 and for the annex of these chapter, and a master do file that organizes the workflow and executes all the scripts of chapter 6.

  - MASTER_Chapter6.do
  - Chapter6_BRA.do
  - Chapter6_URY.do
  - Chapter6_SLV.do
  - Chapter6_PER.do
  - Chapter6_COL.do

- "/Chapter 7": contains 1 script corresponding to the calculation of Table 7.3 and Figure 7.4, this do file is organized as a master do file.

  - MASTER_Chapter7.do

- "/Chapter 8": contains 1 script corresponding to the data preparation for figures 8.2 and 8.6, these figures are created in "/Tables & Figures/Figures&Tables.xlsx"
  - MASTER_Chapter8.do

iii. "…/Excel files"

This folder contains excel files with data prepared for the report, Excel simulation tools, and data downloaded from public datasets. Below is a detailed description of the files:

- "/Chapter 4":

  - "Taxing_wages_LAC.xls"
    Description: Data from the "Taxing Wages in Latin America and the Caribbean" (OECD, 2016) report.
    Version/access date: accessed in September 2024
    Access path/URL: http://dx.doi.org/10.1787/888933410093
    Public availability: Publicly available

  - "BRDeJureInputSheet.xlsx":
    Description: Input Sheet for the Brazil Microsimulation Tool and Tax and Benefit calculator.
    Version/access date: accessed in September 2024
    Access path/URL: Microsimulation Tool Brazil, Tax and Benefit calculator BraJure. (access can be requested by contacting the WB Poverty Team Brazil and the Social Protection Team Brazil)
    Public availability: Not publicly available

  - "MXdata.xlsx":

Description: Input sheet for the Mexico Microsimulation Tool
Version/access date: accessed in September 2024
Access path/URL: Microsimulation Tool Mexico (access can be requested by contacting the WB Poverty Team Mexico)
Public availability: Not publicly available

- "URsim.xlsm":
Description: Input Sheet for the Uruguay Microsimulation Tool.
Version/access date: accessed in September 2024
Access path/URL: Microsimulation Tool Uruguay (access can be requested by contacting the WB Poverty Team Uruguay)
Public availability: Not publicly available

- "Augmented_tax_wedge.xls":
Description: Comparison of total augmented tax wedge for single-earner households in selected LAC countries (2013–2023) data.
Version/access date: accessed in September 2024
Access path/URL: Special request prepared based on the labor law of each country and OECD data taken from 2 OECD reports: "OECD. 2024. Taxing Wages. Non-Tax Compulsory Payments as an Additional Burden on Labour Income in 2023" and "Inter-American Center of Tax Administrations (2016), Taxing Wages in Latin America and the Caribbean 2016. OECD Publishing."
Public availability: Not publicly available

- "Tax_wedge_minimum_wage_single_earner.xls":
Description: De jure tax wedge data for single-earner households earning 1 minimum wage in selected LAC countries, including various types of mandatory contributions and taxes. Based on 2018–2021 data depending on the country.
Version/access date: accessed in September 2024
Access path/URL: Special request prepared based on the labor law of each country
Public availability: Not publicly available

- "Tax_wedge_minimum_wage_adults&child.xls":
Description: De jure tax wedge data for households with two adults (one earner) and two children at 1 minimum wage in selected LAC countries, including mandatory contributions and taxes. Based on 2018–2021 data, depending on the country.
Version/access date: accessed in September 2024
Access path/URL: Special request prepared by each country team
Public availability: Not publicly available

- "Tax_wedge_minimum_wage_BR.xls":

> **Description:** Data based on the tax wedge at 1 minimum wage in Brazil, comparing formal dependent workers, informal salaried workers, and the self-employed.
> **Version/access date:** accessed in September 2024
> **Access path/URL:** Special request prepared by each country team
> **Public availability:** Not publicly available

- o "Tax_wedge_minimum_wage_single_fullvaluation.xls":
  Description: Tax wedge data under the full valuation and no valuation assumptions, showing the substantial impact that valuation has on the tax wedge at 1 minimum wage.
  Version/access date: accessed in September 2024
  Access path/URL: Special request prepared by each country team
  Public availability: Not publicly available

- o "Tax_wedge_diffcontracts.xls":
  Description: Data from the de jure tax wedge at 1 minimum wage for different types of contracts or work in selected LAC countries
  Version/access date: accessed in September 2024
  Access path/URL: Special request prepared by each country team
  Public availability: Not publicly available

- o "Distribution_workers.xlsx":
  Description: Data of the distribution of workers in selected LAC countries, by type of employment.
  Version/access date: accessed in September 2024
  Access path/URL: Special request prepared by each country team
  Public availability: Not publicly available

- • "/Chapter 6":

  - o "Additional_figures_elsalvador.xlsx":
    Description: Data from proposed reform scenarios based on FTR simulations of changes in health insurance in El Salvador
    Version/access date: accessed in September 2024
    Access path/URL: Special request prepared by each country team
    Public availability: Not publicly available

  - o "Additional_figures_uruguay.xlsx":
    Description: Data from proposed reform scenarios based on FTR simulations evaluating policy changes in Uruguay, including the introduction of an unemployment subsidy for independent workers and the elimination of the formal income cap for cash transfer eligibility.
    Version/access date: accessed in September 2024

Access path/URL: Special request prepared by each country team

Public availability: Not publicly available

- o "Template Outputs Reform Scenario.xlsx":
  Description: Data from FTR simulations assessing various proposed policy reforms, including changes in the minimum wage, payroll and childcare contributions, health insurance coverage, and the statutory contribution base.
  Version/access date: accessed in September 2024
  Access path/URL: Special request prepared by each country team
  Public availability: Not publicly available

- o "COL_DRM_reforms.xlsx":
  Description: Data from FTR simulations evaluating the impact of lowering the minimum statutory contribution base, the reform of the contribution to the CCF, and statutory increases in the minimum wage in Colombia.
  Version/access date: accessed in September 2024
  Access path/URL: Special request prepared by each country team
  Public availability: Not publicly available

- "/Chapter 7":

  - o "Augmented_dejure_tax.xlsx":
    Description: Data of tax wedges
    Version/access date: accessed in September 2024
    Access path/URL: Special request prepared based on the labor law of each country and OECD data taken from the report: "OECD. 2024. Taxing Wages. Non-Tax Compulsory Payments as an Additional Burden on Labour Income in 2023."
    Public availability: Not publicly available

- "/Chapter 8":

  - o "IDB_SIMS.csv":
    Description: Database of Labor Markets and Social Security Information System (SIMS) of the Inter-American Development Bank
    Version/access date: accessed on September 19, 2024
    Access path/URL: https://data.iadb.org/dataset/database-of-labor-markets-and-social-security-information-system-sims
    Public availability: Publicly available

  - o "WHO_GHED.xlsx":
    Description: Global Health Expenditure Database of the World Health Organization, filtered for Gross Domestic Product (GDP) per Capita in US$ and Household out-of-pocket payments (OOPS).
    Version/access date: accessed on September 21, 2024
    Access path/URL: https://apps.who.int/nha/database/Select/Indicators/en

Public availability: Publicly available

o "OECD_SEAD.xlsx":
  Description: Social Expenditure Aggregates dataset (SOCX) of the OECD filtered for Total Social Expenditure.
  Version/access date: accessed on September 20, 2024
  Access path/URL: https://data-explorer.oecd.org/
  Public availability: Publicly available

o "UN_WPP.xlsx": World Population Prospects 2024 of the United Nations.
  Description: World Population Prospects 2024 of the United Nations.
  Version/access date: accessed on September 20, 2024
  Access path/URL: https://population.un.org/wpp/
  Public availability: Publicly available

o "ECLAC_PPSE.xlsx":
  Description: Public and private social expenditure (SOCX methodology) of the ECLAC.
  Version/access date: accessed on September 20, 2024
  Access path/URL: https://statistics.cepal.org/portal/cepalstat/
  Public availability: Publicly available

o "Edu_finance_watch.xlsx":
  Description: The Education Finance Watch (EFW) is a database developed by the World Bank, GEM Report, and UIS to analyze global trends and challenges in education financing. It draws on data from the World Bank, UIS, IMF, and OECD.
  Version/access date: accessed on September 20, 2024
  Access path/URL: *https://www.unesco.org/gem-report/en/publication/2024-education-finance-watch*
  Public availability: Publicly available

iv. **"…/Results"**

This folder contains files that store intermediate results used to construct the final figures and tables included in this report. All files in this folder are generated by running the STATA scripts. This folder is structured with one subfolder for each chapter and one folder for the annex

- "/Chapter1"
- "/Chapter3"
- "/Chapter4"
- "/Chapter5"
- "/Chapter6"
- "/Annex"

v. "…/Tables & Figures"

This folder contains the Excel files where the final report figures are created and compiled. This includes the following files:

- "Figures&Tables.xlsx": This file contains all the final figures and tables included in the report.

- "FiguresAnnex.xlsx": This file contains all the final figures and tables included in the annex of the report.

- "Figures1.5.xlsx": This file contains the figures included in the "Figure1.5" from chapter 1 of the report.

- "Figures2.2.xlsx": This file contains the figures included in the "Figure2.2" from chapter 2 of the report

VI. Instructions for Replicators

In order to use the complete package, it is necessary to have access to databases specified in the folder and contents data section.

The report, titled *"For One and For All? Taxes, Benefits and the Incentives to (In)Formalize Work in Latin America and the Caribbean 2025,"* is divided into 8 chapters and an annex. The do files have been organized into sections corresponding to each chapter. The code used to generate each figure is located in the do-file associated with its corresponding chapter. For instance, the figures for Chapter 2 are generated by the code in the "/Do files/Chapter 2" folder.

The "MAIN.do" file serves as the master script, organizing the workflow and ensuring the directories are correctly specified for the entire package. Each chapter also has its own "Master.do" file. Before running the statistical package, ensure that the directories specified in the "MAIN.do" file align with the folder structure of your local environment. To configure these, modify the line specifying "global path" in the script. The entire statistical package can be executed by running the "MAIN.do" file, or you can run each "Master" do-file individually to obtain the results for each chapter separately. In that case, make sure to include the global path line in each Master.do file. Note that the "MAIN.do" file is the only one that includes the specific directories required for the entire package.

The outputs are saved in the "/Results" folder to produce the final Excel figures. These results must be manually copied into the corresponding files located in the "/Figures & Tables" folder. The main Excel file, "Figures&Tables.xlsx", consolidates all figures and tables used in the report. Each element in the Excel file is clearly labeled with its corresponding figure or table number.

The following section provides a detailed description of each figure and table included in the report.

VII. List of Exhibits

Chapter	Exhibit name	Name	Output filename	Script/Link	Note
Chapter 2	Figure 2.1	Share of People Working Informally and Income Per Capita	"Figure2.1.png"	Do file "Informal_economy"	The corresponding graph for Figure2.1 is created in in the output file "Figure2.1.png"
	Figure 2.2	Average share of people working informally, by size of the informal economy in LAC countries, 1993–2019	"Figure2.2.png"	Do file "Informal_economy"	The corresponding graph for Figure2.2 is created in in the output file "Figure2.2.png"
	Figure 2.3	Informal Work: The Focus and Scope of this Report	-	-	Figure 2.3 does not require any data calculations and is therefore not included in the dataset or scripts.
	Figure 2.4	Distribution of workers in select LAC countries, by informality category, 2022	"Figure2.4_all.xls"	Do file "Chapter1_figures"	For Figure 2.4, insert the data from "Figure2.4.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 2.5	Profile of workers in select LAC countries, by (in)formality category and job characteristics, 2022	"Figure2.5_BRA.xls", "Figure2.5_COL.xls", "Figure2.5_MEX.xls", "Figure2.5_URY.xls", "Figure2.5_SLV.xls" "Figure2.5_PER.xls"	Do file "Chapter2_figures"	For Figure 2.5, insert the data from "Figure2.5_BRA.xls", "Figure2.5_COL.xls", "Figure2.5_MEX.xls", "Figure2.5_URY.xls", "Figure2.5_SLV.xls" and "Figure2.5_PER.xls" into the file "Figures2.5.xlsx", ensuring it is placed in the corresponding columns.
	Table 2.1	Profile of workers in select LAC countries, by informality category and individuals' characteristics, 2022	"Table2.1_gender_all.xls" "Table2.1_age_all.xls" "Table2.1_area_all.xls" "Table2.1_edu_all.xls"	Do file "Chapter2_figures"	For Table 2.1, insert the data from "Table2.1_gender_all.xls", "Table2.1_age_all.xls", "Table2.1_area_all.xls" and "Table2.1_edu_all.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.

	Figure	Description	Input files	Script	Notes
	Figure 2.6	Distribution of workers in select LAC countries, by informality category and per capita household income decile, 2022	"Figure2.6_BRA.xls", "Figure2.6_COL.xls", "Figure2.6_MEX.xls", "Figure2.6_URY.xls", "Figure2.6_SLV.xls" "Figure2.6_PER.xls"	Do file "Chapter2_figures"	For Figure 2.6, insert the data from "Figure2.6_BRA.xls", "Figure2.6_COL.xls", "Figure2.6_MEX.xls", "Figure2.6_URY.xls", "Figure2.6_SLV.xls" and "Figure2.6_PER.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 2.7	Share of total labor income in select LAC countries, by informality category and per capita household income decile, 2022	"Figure2.7_BRA.xls", "Figure2.7_COL.xls", "Figure2.7_MEX.xls", "Figure2.7_URY.xls", "Figure2.7_SLV.xls" "Figure2.7_PER.xls"	Do file "Chapter2_figures"	For Figure 2.7, insert the data from "Figure2.7_BRA.xls", "Figure2.7_COL.xls", "Figure2.7_MEX.xls", "Figure2.7_URY.xls", "Figure2.7_SLV.xls" and "Figure2.7_PER.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 2.8	Income distribution in select LAC countries, by informality category, 2022	"Figure2.8_BRA.png", "Figure2.8_COL.png", "Figure2.8_MEX.png", "Figure2.8_URY.png", "Figure2.8_SLV.png" "Figure2.8_PER.png"	Do file "Chapter2_figures"	The corresponding graphs for each country are created in each output file "Figure2.8_BRA.png", "Figure2.8_COL.png", "Figure2.8_MEX.png", "Figure2.8_URY.png", "Figure2.8_SLV.png" and "Figure2.8_PER.png".
	Figure 2.9	Average labor income in select LAC countries, by informality category and per capita household income decile, 2022	"Figure2.9_BRA.xls", "Figure2.9_COL.xls", "Figure2.9_MEX.xls", "Figure2.9_URY.xls", "Figure2.9_SLV.xls" "Figure2.9_PER.xls"	Do file "Chapter2_figures"	For Figure 2.9, insert the data from "Figure2.9_BRA.xls", "Figure2.9_COL.xls", "Figure2.9_MEX.xls", "Figure2.9_URY.xls", "Figure2.9_SLV.xls" and "Figure2.9_PER.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
Chapter 3	Figure 3.1	Three factors that influence negotiations for formalization	-	-	Figure 3.1 does not require any data calculations and is therefore not included in the dataset or scripts.
	Figure 3.2	Normalized indexes of labor market regulations in select LAC countries, 2019	"Figure3.2.xlsx"	Do file "Master_Chapter3"	For Figure 3.2, insert the data from the files "Figure3.2.xls" in the excel file "Figure3.2.xlsx" in the corresponding columns

	Figure 3.3	Likelihood of observing compliance with labor laws and regulations and participation in voluntary insurance schemes	-	-	Figure 3.3 does not require any data calculations and is therefore not included in the dataset or scripts.
Chapter 4	Figure 4.1	Total augmented tax wedge in select LAC countries, 2013–23	"Augmented_tax_wedge.xlsx".	-	For Figure 4.1 insert the data from the excel file "Augmented_tax_wedge.xlsx". into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns-
	Table 4.1	Categories and components of Total Labor Costs	-	-	Table 4.1 does not require any data calculations and is therefore not included in the dataset or scripts.
	Figure B4.1.1	Tax wedge at 1 minimum wage in Brazil, by type of employment	"Tax_wedge_minimum_wage_BR.xls"	-	For Figure B4.1.1 insert the data from the excel file "Tax_wedge_minimum_wage_BR.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 4.2	De jure tax wedges at 1 minimum wage: single-earner households in selected LAC countries	"Tax_wedge_minimum_wage_single_earner.xls"	-	For Figure 4.2, insert the data from the excel file "Tax_wedge_minimum_wage_single_earner.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 4.3	De jure tax wedges at 1 minimum wage: households with two adults and two children in selected LAC countries	"Tax_wedge_minimum_wage_adults&child.xls"	-	For Figure 4.3, insert the data from the excel file "Tax_wedge_minimum_wage_adults&child.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 4.4	Tax wedge under the full valuation and no valuation assumptions	"Tax_wedge_minimum_wage_fullvaluation.xls"	-	For Figure 4.4, insert the data from the excel file "Tax_wedge_minimum_wage_fullvaluation.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.

Chapter 5	Figure B5.2.1	Steps in the implementation of the formalization tax rate	-	-	Figure B5.2.1 does not require any data calculations and is therefore not included in the dataset or scripts.
	Figure 5.1	Distribution of formalization incentives, by country and employment status, 2019	"Figure5.1_all.png"	Do file "Chapter5_figures"	The corresponding graph for Figure5.1 is created in in the output file "Figure5.1_all.png"
	Figure 5.2	Formalization incentives by earning level, country and employment status, 2019	"Figure5.2_all.png"	Do file "Chapter5_figures"	The corresponding graph for Figure5.2 is created in in the output file "Figure5.2_all.png"
	Figure 5.3	Decomposition of formalization disincentives into social security contributions, income taxes and transfers, by country, 2019	"Figure5.3_all.png"	Do file "Chapter5_figures"	The corresponding graph for Figure5.3 is created in in the output file "Figure5.3_all.png"
	Figure B5.4.1	Correlations between formalization disincentives and gender, age, education, and urban residence	"FigureB5.4.1_all"	Do file "Chapter5_figures"	The corresponding graph for Figure4.6 is created in in the output file "FigureB5.4.1_all.png"
	Figure 5.4	Impact of benefit valuation on formalization incentives	"Figure5.4_all"	Do file "Chapter5_figures"	The corresponding graph for Figure5.4 is created in in the output file "Figure5.4_all.png"

Chapter 6	Table 6.1	Selected Reform Measures Analyzed for their Impact on the FTR	-	-	Table 6.1 does not require any data calculations and is therefore not included in the dataset or scripts.
	Figure 6.1	Effects on the FTR due to a statutory increase in the minimum wage in Mexico, by worker type, 2018	"Figure6_1_MEX.png"	Do file "Chapter6_figures"	The corresponding graph for Figure6.1 is created in in the output file "Figure6_1_Mexico.png"
	Figure 6.2	Effects on the FTR due to statutory increases in the minimum wage in Colombia, by worker type, 2019	"Figure6_2_Colombia.png"	Do file "Chapter6_figures"	The corresponding graph for Figure6.2 is created in in the output file "Figure6_2_Colombia.png"
	Figure 6.3	Changes in the FTR due to the real increase in the minimum wage in Colombia, 2019–24	"Figure6_3_COL_a.png" "Figure6_3_COL_b.png" "Figure6_3_COL_c.png"	Do file "Chapter6_COL"	The corresponding graphs for Figure6.3 are created in in the output file ""Figure6_3_COL_a.png" "Figure6_3_COL_b.png" and "Figure6_3_COL_c.png"
	Figure 6.4	Elimination of payroll taxes and changes in the FTR in Brazil, 2019	"Figure6_4_BRA.png"	Do file "Chapter6_figures"	The corresponding graph for Figure6.4 is created in in the output file "Figure6_4_Brazil.png"
	Figure 6.5	Changes in childcare contributions and in the FTR in Mexico, 2018	"Figure6_5_MEX.png"	Do file "Chapter6_figures"	The corresponding graph for Figure6.5 is created in in the output file "Figure6_5_Mexico.png"
	Figure 6.6	"Universalizing" access to health coverage through reductions in statutory contributions for	"Figure6_6_MEX.png"	Do file "Chapter6_figures"	The corresponding graph for Figure6.6 is created in in the output file "Figure6_6_Mexico.png"

		health in Mexico, 2018			
	Figure 6.7	FTR simulations of reduced contributions for the CCF in Colombia, 2019	"Figure6_7_COL.png"	Do file "Chapter6_figures"	The corresponding graph for Figure6.7 is created in in the output file "Figure6_7_COL.png"
	Figure 6.8	Changes in the FTR under the proposed changes in contributions for the CCF in Colombia, 2019	"Figure6_8_COL_a.png" "Figure6_8_COL_b.png" "Figure6_8_COL_c.png" "Figure6_8_COL_d.png"	Do file "Chapter6_COL"	The corresponding graphs for Figure6.8 are created in in the output file ""Figure6_8_COL_a.png" "Figure6_8_COL_b.png", "Figure5_8_COL_c.png" and "Figure5_8_COL_d.png"
	Figure 6.9	Changes in the FTR with the introduction of an unemployment subsidy for independent workers in Uruguay, 2021	"Figure6_9_URY_a.png" "Figure6_9_URY_b.png" "Figure6_9_URY_c.png"	Do file "Chapter6_URY"	The corresponding graphs for Figure6.9 are created in in the output files "Figure6_9_URY_a.png" "Figure6_9_URY_b.png" and "Figure6_9_URY_c.png"
	Figure 6.10	Lowering the minimum statutory contribution base in Colombia, 2019	"Figure6_10_COL.png"	Do file "Chapter6_COL"	The corresponding graph for Figure6.10 is created in in the output file "Figure6_10_COL.png"
	Figure 6.11	Changes in the FTR under a lower minimum statutory contribution base in Colombia, 2019	"Figure6_11_COL_a.png" "Figure6_11_COL_b.png" "Figure6_11_COL_c.png"	Do file "Chapter6_COL"	The corresponding graphs for Figure6.11 are created in in the output files "Figure6_11_COL_a.png", "Figure6_11_COL_b.png" and "Figure6_11_COL_c.png"
	Figure 6.12	FTR simulations of changes in health insurance in El Salvador, 2019	"Figure_6_12_SLV.png"	Do file "Chapter6_SLV"	The corresponding graph for Figure6.12 is created in in the output file "Figure6_12_SLV.png"
	Table 6.2	Proposed social security reform in Peru	-	-	Table 6.2 does not require any data calculations and is therefore not included in the dataset or scripts.

	Figure 6.13	FTR simulations of changes in contributions in Peru, 2019	"Figure_6_13_PER.png"	Do file "Chapter6_PER"	The corresponding graph for Figure6.13 is created in in the output file "Figure6_13_PER.png"
	Table 6.3	Bolsa Familia rules in Brazil, 2019 and 2024	-	-	Table 6.3 does not require any data calculations and is therefore not included in the dataset or scripts.
	Figure 6.14	Distribution of the FTR in Brazil, 2019	"Figure6_14_BRA.png" "Figure6_14_BRA_c.png" "Figure6_14_BRA_d.png"	Do file "Chapter6_figures" "Chapter6_BRA"	The corresponding graphs for Figure6.14 are created in in the output files "Figure6_14_BRA.png", "Figure6_14_BRA_c.png" and "Figure6_14_BRA_d.png"
	Figure 6.15	Changes in the FTR with the elimination of the formal income cap in Uruguay, 2021	"Figure6_15_URY_a.png" "Figure6_15_URY_b.png" "Figure6_15_URY_c.png" "Figure6_15_URY_d.png"	Do file "Chapter6_URY"	The corresponding graphs for Figure6.15 are created in in the output files "Figure6_15_URY_a.png", "Figure6_15_URY_b.png", "Figure6_15_URY_c.png" and "Figure6_15_URY_d.png"
	Figure 6.16	Results from the simulation of increasing the Bolsa Familia benefit in Brazil, 2019	"Figure6_16_BRA_a.png" "Figure6_16_BRA_b.png"	Do file "Chapter6_BRA"	The corresponding graphs for Figure6.16 are created in in the output files "Figure6_16_BRA_a.png" and "Figure6_16_BRA_b.png"
Chapter 7	Figure 7.1	Estimates of the augmented de jure tax wedge in LAC and OECD countries, 2019 and 2023	"Augmented_dejur_tax.xlsx"	-	For Table 7.1, insert the data from "Augmented_dejur_tax.xlsx" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 7.2	Observed contribution density: Portion of working life making contributions to social insurance	-	-	Figure 7.2 corresponds to calculations from Apella and Zunino (2024)

	Table 7.1	Pension plans for Argentina, Mexico, Peru, and Uruguay	-	-	Table 7.1 corresponds to calculations from Apella and Zunino (2024)
	Figure 7.3	Estimates of social security wealth from social insurance pension plans in Argentina, Mexico, Peru, and Uruguay	-	-	Figure 7.3 corresponds to calculations from Apella and Zunino (2024)
	Table 7.2	Country-level variables used in the multivariate correlation analysis	-	-	Table 7.2 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 7.3	Share of people working informally: Cross-country, multivariate correlation analysis	"Table7_3_a.png" "Table7_3_b.png" "Table7_3_c.png" "Table7_3_d.png" "Table7_3_e.png" "Table7_3_f.png"	Do file "Master_Chapter7"	For Table 7.3, insert the data from "Table7_3_a.xls", "Table7_3_b.xls", "Table7_3_c.png", "Tabl7_3_d.png", "Table7_3_e.png" and "Table7_3_f.png" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 7.4	Marginal correlations of the share of people working informally and income, tax morale, employment protection, minimum wages, and total payroll taxes in Argentina	"Figure7_4.png"	Do file "Master_Chapter7"	The corresponding graph for Figure7.4 is created in in the output file "Figure7_4.png"
Chapter 8	B8.1.1	Policy recommendations from a social protection white paper on risk sharing	-	-	Figure B8.1.1 does not require any data calculations and is therefore not included in the dataset or scripts.

	Figure	Description	Source files	Do file	Notes
	Figure 8.1	Changes in the level of statutory minimum wages relative to median wages, selected LAC countries, 1990 – 2022	"Figure8_1.xlsx"	Do file "Master_Chapter8"	For Figure 8.1, insert the data from "Figure8_1.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 8.2	Social spending and the dependent population in LAC countries, 2020	"OECD_SEAD.xlsx" "UN_WPP.xlsx" "ECLAC_PPSE.xlsx"	-	For Figure 8.2, insert the data from the excel file "OECD_SEAD.xlsx", "ECLAC_PPSE.xlsx" and "UN_WPP.xlsx" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 8.3	LAC countries have far less time to contain fiscal costs than European countries had, 1950–2100	-	-	Figure 8.3 corresponds to calculations from Rofman and Apella (2020)
	Figure 8.4	Given the rising costs of aging, what does social insurance aim to achieve in LAC countries?	-	-	Figure 8.4 corresponds to calculations from Rofman and Apella (2020)
	Figure 8.5	Households' out-of-pocket payments for health and education in LAC countries, 2023	"WHO_GED.xlsx" "EFW2024_database.xls"	Do file "Master_Chapter8"	For Figure 8.5 (a) and Figure 8.5 (b), insert the data from "Figure8_5_b.xlsx" and "Figure8_5_b.xlsx" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
Anexo 1	Figure 2A.1	Profile of workers in select LAC countries, by (in)formality category and job characteristics, circa 2019	"FigureA.2.1_all.xls"	Do file "AnnexChapter2_ Figures"	For Figure A.2.1, insert the data from "FigureA2.1.xls" into the file "FiguresAnnex.xlsx", ensuring it is placed in the corresponding columns.

		Table 2A.1	Profile of workers in select LAC countries, by (in)formality category and job characteristics, circa 2019	"TableA.2.1_relab_all.xls" "TableA.2.1_sector_all.xls" "TableA.2.1_firm_all.xls"	Do file "AnnexChapter2_ Figures"	For Table A.2.1, insert the data from "Table2.1_relab_all.xls", "Table2.1_sector_all.xls" and "Table2.1_firm_all.xls" into the file "FiguresAnnex.xlsx", ensuring it is placed in the corresponding columns.
		Table 2A.2	Profile of workers in select LAC countries, by (in)formality category and individuals' characteristics, circa 2019.	"TableA.2.2_gender_all.xls" "TableA.2.2_age_all.xls" "TableA.2.2_area_all.xls" "TableA.2.2_edu_all.xls"	Do file "AnnexChapter2_ Figures"	For Table A.2.2, insert the data from "TableA.2.2_gender_all.xls", "TableA.2.2_age_all.xls", "TableA.2.2_area_all.xls", and "TableA.2.2_edu_all.xls" into the file "FiguresAnnex.xlsx", ensuring it is placed in the corresponding columns.
		Figure 2A.2	Formality rate among complying and participating workers in select LAC countries, by (in)formality category and per capita household income decile, circa 2019	"FigureA.2.2_BRA.xls", "FigureA.2.2_COL.xls", "FigureA.2.2_MEX.xls", "FigureA.2.2_URY.xls", "FigureA.2.2_SLV.xls" "FigureA.2.2_PER.xls"	Do file "AnnexChapter2_ Figures"	For Figure A.2.2, insert the data from "FigureA.2.2_BRA.xls", "FigureA.2.2_COL.xls", "FigureA.2.2_MEX.xls", "FigureA.2.2_URY.xls", "FigureA.2.2_SLV.xls" and "FigureA.2.2_PER.xls" into the file "FiguresAnnex.xlsx", ensuring it is placed in the corresponding columns.
		Figure 2A.3	Share of total labor income in select LAC countries, by (in)formality category and per capita household income decile, circa 2019	"FigureA.2.3_BRA.xls", "FigureA.2.3_COL.xls", "FigureA.2.3_MEX.xls", "FigureA.2.3_URY.xls", "FigureA.2.3_SLV.xls" "FigureA.2.3_PER.xls"	Do file "AnnexChapter2_ Figures"	For Figure A.2.3, insert the data from "FigureA.2.3_BRA.xls", "FigureA.2.3_COL.xls", "FigureA.2.3_MEX.xls", "FigureA.2.3_URY.xls", "FigureA.2.3_SLV.xls" and "FigureA.2.3_PER.xls" into the file "FiguresAnnex.xlsx", ensuring it is placed in the corresponding columns.
		Figure 2A.4	Distribution of labor income in select LAC countries, by	"FigureA.2.4_BRA.xls", "FigureA.2.4_COL.xls", "FigureA.2.4_MEX.xls", "FigureA.2.4_URY.xls", "FigureA.2.4_SLV.xls" "FigureA.2.4_PER.xls"	Do file "AnnexChapter2_ Figures"	The corresponding graphs for each country are created in each output file "FigureA.2.4_BRA.xls", "FigureA.2.4_COL.xls",

		(in)formality category, circa 2019.			"FigureA.2.4_MEX.xls", "FigureA.2.4_URY.xls", "FigureA.2.4_SLV.xls" and "FigureA.2.4_PER.xls"
	Figure 2A.5	Average labor income in select LAC countries, by (in)formality category and per capita household income decile, circa 2019	"FigureA.2.5_BRA.xls", "FigureA.2.5_COL.xls", "FigureA.2.5_MEX.xls", "FigureA.2.5_URY.xls", "FigureA.2.5_SLV.xls" "FigureA.2.5_PER.xls"	Do file "AnnexChapter2_ Figures"	For Figure A.2.5, insert the data from "FigureA.2.5_BRA.xls", "FigureA.2.5_COL.xls", "FigureA.2.5_MEX.xls", "FigureA.2.5_URY.xls", "FigureA.2.5_SLV.xls" and "FigureA.2.5_PER.xls" into the file "FiguresAnnex.xlsx", ensuring it is placed in the corresponding columns.
Annex 3	Figure 3A.1	Framework for the incentives for the self-employed to formalize	-	-	Figure 3A.1 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 3B.1	Enforcement Index: Average of the normalized variables, medium total penalty, number of inspectors and trust in courts.	-	-	Table 3B.1 corresponds to the reinforcement index, which was calculated by Kanbur and Ronconi (2019).
Annex 4	Table 4A.1	Overview of tax, contribution and benefit classifications	-	-	Table 4A.1 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4A.2	Overview of tax and benefit indicators	-	-	Figure 4A.2 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4A.3	Detailed explanation of categories of Table 1	-	-	Table 4A.3 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.1	De-jure mapping for dependent workers in Brazil	-	-	Table 4B.1 does not require any data calculations and is therefore not included in the dataset or scripts.

	Table 4B.2	De-jure mapping for independent workers in Brazil	-	-	Table 4B.2 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.3	De-jure mapping for dependent workers in Colombia	-	-	Table 4B.3 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.4	De-jure mapping for independent workers in Colombia	-	-	Table 4B.4 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.5	De-jure mapping for dependent workers in Jamaica	-	-	Table 4B.5 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.6	De-jure mapping for independent workers in Jamaica	-	-	Table 4B.6 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.7	De-jure mapping for dependent workers in Mexico	-	-	Table 4B.7 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.8	De-jure mapping for independent workers in Mexico	-	-	Table 4B.8 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.9	De-jure mapping for dependent workers in Peru	-	-	Table 4B.9 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.10	De-jure mapping for independent workers in Peru	-	-	Table 4B.10 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.11	De-jure mapping for dependent workers in El Salvador	-	-	Table 4B.11 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.12	De-jure mapping for independent workers in El Salvador	-	-	Table 4B.12 does not require any data calculations and is therefore not included in the dataset or scripts.

	Table 4B.13	De-jure mapping for dependent workers in Uruguay	-	-	Table 4B.13 does not require any data calculations and is therefore not included in the dataset or scripts.
	Table 4B.14	De-jure mapping for independent workers in Uruguay	-	-	Table 4B.14 does not require any data calculations and is therefore not included in the dataset or scripts.
	Figure 4C.1	Total taxes and contributions paid by workers and firms: Single-earner households in selected LAC countries	"FigureA.4.1_BRA.png" "FigureA.4.1_COL.png" "FigureA.4.1_JAM.png" "FigureA.4.1_MEX.png" "FigureA.4.1_URY.png" "FigureA.4.1_SLV.png" "FigureA.4.1_PER.png"	Do file "Chapter4_BRA", "Chapter4_COL", "Chapter4_JAM", "Chapter4_MEX", "Chapter4_PER", "Chapter4_SLV", "Chapter4_URY"	The corresponding graph for Figure4C.1 is created in in the output file "FigureA.4.1_BRA.png", "FigureA.4.1_COL.png", "FigureA.4.1_JAM.png", "FigureA.4.1_MEX.png", "FigureA.4.1_URY.png", "FigureA.4.2_SLV.png" and "FigureA.4.2_PER.png"
	Figure 4C.2	Pure tax wedge paid by workers and firms as a share of total labor cost, one-adult, single-earner households in selected LAC countries	"FigureA.4.2_BRA.png" "FigureA.4.2_COL.png" "FigureA.4.2_JAM.png" "FigureA.4.2_MEX.png" "FigureA.4.2_URY.png" "FigureA.4.2_SLV.png" "FigureA.4.2_PER.png"	Do file "Chapter4_BRA" "Chapter4_COL", "Chapter4_JAM", "Chapter4_MEX", "Chapter4_PER", "Chapter4_SLV", "Chapter4_URY"	The corresponding graph for Figure4AC.2 is created in in the output file "FigureA.4.2_BRA.png", "FigureA.4.2_COL.png", "FigureA.4.2_JAM.png", "FigureA.4.2_MEX.png", "FigureA.4.2_URY.png", "FigureA.4.2_SLV.png" and "FigureA.4.2_PER.png"
	Figure 4C.3	De jure tax wedge for different types of contracts or work in selected LAC countries	"Tax_wedge_diffcontracts.xls"	-	For Figure 4C.3, insert the data from the excel file "Tax_wedge_diffcontracts.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
	Figure 4C.4	Distribution of workers in selected LAC countries, by type of employment	"Distribution_workers.xls"	-	For Figure 4C.4, insert the data from the excel file "Distribution_workers.xls" into the file "Figures&Table.xlsx", ensuring it is placed in the corresponding columns.
Annex 6	Figure 6A.1	Dimension 1: Policies affecting labor market	"Figure_A_6_1_BRA.png" "Figure_A_6_1_COL.png" "Figure_A_6_1_MEX.png"	Do file "Chapter6_figures"	The corresponding graphs for FigureA6.1 are created in in the output files "Figure_A_6_1_BRA.png",

		competitiveness: increase in the minimum wage	"Figure_A_6_1_SLV.png" "Figure_A_6_1_PER.png" "Figure_A_6_1_URU.png"		"Figure_A_6_1_COL.png", "Figure_A_6_1_MEX.png", "Figure_A_6_1_SLV.png", "Figure_A_6_1_PER.png" and "Figure_A_6_1_URU.png"
	Figure 6A.2	Dimension 2: Policies affecting valuation: Reducing direct payroll taxation	"Figure_A_6_2_BRA.png" "Figure_A_6_2_COL.png" "Figure_A_6_2_COL_b.png" "Figure_A_6_2_MEX.png" "Figure_A_6_2_SLV.png" "Figure_A_6_2_PER.png"	Do file "Chapter6_figures"	The corresponding graphs for FigureA6.2 are created in the output files "Figure_A_6_2_BRA.png", "Figure_A_6_2_COL.png", "Figure_A_6_2_COL_b.png", "Figure_A_6_2_MEX.png", "Figure_A_6_2_SLV.png" and "Figure_A_6_2_PER.png"
	Figure 6A.3	Dimension 2: Policies affecting valuation: Reducing direct payroll taxation	"Figure_A_6_3_BRA.png" "Figure_A_6_3_COL.png" "Figure_A_6_3_MEX.png" "Figure_A_6_3_SLV.png" "Figure_A_6_3_PER.png" "Figure_A_6_3_URU.png"	Do file "Chapter6_figures"	The corresponding graphs for FigureA6.3 are created in in the output files "Figure_A_6_3_BRA.png", "Figure_A_6_3_COL.png", "Figure_A_6_3_MEX.png", "Figure_A_6_3_SLV.png", "Figure_A_6_3_PER.png" and "Figure_A_6_3_URU.png"

Data Availability Statement

" Taxes, Benefits and the Incentives to (In)Formalize Work in Latin America and the Caribbean 2025 "

The data used for the preparation of this report is for internal use only and therefore cannot be made publicly available. Exceptions include datasets accessed through publicly available web platforms such as SIMS, Global Health Expenditure Database, OECD, UN, ECLAC, and others. For more details, please refer to the section describing the datasets and Excel files used in the report.