



**Women in Informal Employment
Globalizing and Organizing**

FORMALIZATION FROM PERSPECTIVE OF INFORMAL WORKERS

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OSF-WIEGO MEETING

JUNE 6, 2018

REMARKS

- ▣ **Common Approaches to Formalization**

- ▣ **WIEGO Stance on Formalization**

- ▣ **ILO Recommendation 204**
 - process
 - WIEGO Network Platform
 - outcomes

- ▣ **WIEGO Strategy re Formalization**

COMMON APPROACHES TO FORMALIZATION

- ▣ Register & tax informal enterprises
- ▣ Shift informal workers to formal jobs

WIEGO STANCE ON FORMALIZATION

- ❑ **Register & tax informal enterprises – BUT in so doing**
 - simplify registration procedures for informal enterprises
 - make taxation progressive & transparent + take into account taxes and fees that informal workers already pay & income levels of informal workers
 - offer benefits in exchange for registering & paying taxes
- ❑ **Shift as many informal workers as possible, and who want to, to formal jobs**
 - create more formal jobs
 - re-formalize jobs that have been in-formalized
- ❑ **Support livelihoods of informal workers**
 - *reduce negatives* – reduce harassment & penalization of informal workers
 - *increase positives*
 - invite informal worker organizations to participate in relevant policy-making & rule-setting processes
 - create enabling policy and legal environment
 - increase access to public services, public space & public procurement
 - integrate informal units/activities in economic and urban plans

ILO RECOMMENDATION 204: TRANSITION FROM THE INFORMAL TO FORMAL ECONOMY

- ▣ ILO approves two kinds of standards:
 - conventions
 - recommendations
- ▣ Consideration of all standards involves a 2-year process:
 - Governing Body: approves items for consideration – in this case, standard-setting discussion of Formalization proposed by Employers
 - Tripartite Social Partners: Employers + Workers + Governments
 - Expert Group Meetings
 - feed-back on Draft Document
 - Standard-Setting Discussions at two consecutive annual International Labour Conferences
 - first year/2014: preliminary vote
 - second year/2015: final vote

ILO RECOMMENDATION 204: WIEGO NETWORK PLATFORM & DELEGATION

❑ **3 Regional Workshops** ► WIEGO Network Platform of Common Demands

- Africa, Asia and Latin America
- 54 organizations from 24 countries

<http://wiego.org/sites/wiego.org/files/resources/files/WIEGO-Platform-ILO-2014.pdf>

❑ **Informal Worker Delegation:** to 2014 & 2015 International Labour Conferences

- provided inputs into Workers' Working Group
- invited to speak in plenary sessions

For more details, see:

- ❑ [blog interview with Chris Bonner](#), then director of WIEGO's Organization and Representation Programme.
- ❑ <http://wiego.org/content/international-labour-conference-2015>

WIEGO NETWORK PLATFORM: CORE NEEDS & DEMANDS

Informal workers need & demand that **formalization should include...**

- ❑ **Organizing Rights** ► formal legal recognition of organizations of informal workers

- ❑ **Representation or Voice** – through direct representation (NOT just consultation) in
 - policy negotiations
 - bargaining forums
 - tripartite forums

- ❑ **Legal Identity and Standing** ► formal recognition in policies and legislation + official recognition of their contributions
 - legal recognition
 - legal protections

Note: this requires appropriate legal frameworks

WIEGO NETWORK PLATFORM: CORE NEEDS & DEMANDS (cont.)

Informal workers need & demand that **formalization should also include...**

- ❑ **Labor Rights** – through implementation of ILO Decent Work agenda

- ❑ **Economic Rights** - realized through...
 - favorable policy & legal environment
 - improved terms of trade & employment

- ❑ **Social Rights, including Social Protection** including...
 - protection against common core contingencies – illness, disability, old age, death
 - protection against loss of - or drop in - income due to unemployment, underemployment or economic shocks – through cash transfers, public works and/or public distribution systems
 - occupational health & safety protections at the workplace
 - special protections for women: maternity benefits & child care

WIEGO NETWORK PLATFORM: SECTOR-SPECIFIC NEEDS & DEMANDS

HOME BASED WORKERS	STREET VENDORS	WASTE PICKERS
<ul style="list-style-type: none">• Freedom from forced relocations and zoning restrictions• Secure tenure and upgrading of their homes-cum-workplaces• Basic infrastructure services—water, electricity, sanitation• Occupational health and safety services	<ul style="list-style-type: none">• Freedom from harassment, bribes, confiscation of goods, evictions, arbitrary warrants and convictions, and arbitrary relocations• Right to vend in public spaces in central locations, near pedestrian and customer traffic• Integration of natural markets of street vendors in urban zoning, land allocation, and market development plans• Fair, transparent, and participatory system for allocating licenses and permits• Basic infrastructure services at their vending sites, including shelter, water, sanitation, and storage facilities	<ul style="list-style-type: none">• Freedom from harassment and confiscation of collected waste and reclaimed materials by city officials• Access to waste• Right of their organizations to bid for solid waste management contracts as paid service providers for collecting, recycling, and transporting waste• Space and equipment for collecting, transporting, sorting, and storing recyclable materials, including safety equipment and clothing

ILO RECOMMENDATION 204 (2015): KEY PROVISIONS FOR INFORMAL WORKERS

- *Most informal workers are from poor households trying to earn a living against great odds and, therefore, need protection and promotion in return for regulation and taxation.*
- *Most informal economic units are single person or family operations run by own account workers who do not hire others (i.e., not enterprises with entrepreneurs)*
- *Informal livelihoods should not be destroyed in the process of formalization.*
- *Regulated use of public space is essential to the livelihoods of informal workers, especially in cities.*
- *Regulated use of natural resources is also essential to the livelihoods of informal workers, especially in rural areas.*

HABITAT III (2016)

NEW URBAN AGENDA

“We commit to recognize the contribution of the working poor in the informal economy, particularly women, including the unpaid, domestic, and migrant workers to the urban economies, taking into account national circumstances. Their livelihoods, working conditions and income security, legal and social protection, access to skills, assets and other support services, and voice and representation should be enhanced. *A progressive transition of workers and economic units to the formal economy will be developed by adopting a balanced approach, combining incentives and compliance measures, while promoting preservation and improvement of existing livelihoods.*”

WIEGO STRATEGY RE-FORMALIZATION

- ▣ **Promote participation of informal worker organizations in national and local formalization initiatives & build the advocacy capacity of informal workers**
- ▣ **Develop guidelines and a methodology for assessing different approaches to formalization from the perspective of informal workers, including:**
 - what are the costs & benefits? for whom?
 - whose interests are being served?
 - whether/how interests of informal workers are being undermined and could be better served?
- ▣ **Develop criteria & statistical indicators for distinguishing between fully formal and fully informal workers, and where workers are located along the path towards formalization.**



THANK YOU!!