



## WIEGO MANIFESTO

*In most developing countries, well over half of the urban workforce is informal. Yet informal workers – and their livelihoods – tend to be ignored or excluded in city planning and local economic development. No amount of social or financial inclusion can make up for exclusion from city plans and economic policies. The urban informal workforce, especially the working poor, need to be recognized, valued and supported as economic agents who contribute to the economy and to society.*

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### **Principle #1**

Widespread unemployment and underemployment plus growing income inequality are at the core of the development challenge today. And supporting the informal workforce is the key pathway to tackling unemployment/underemployment and income inequality – as most of the working poor are employed in the informal economy where, on average, earnings are low plus costs and risks are high. This makes it difficult for the working poor to work their way out of poverty without a support services and a supportive policy environment.

### **Principle #2**

Informal employment should be recognized as the major share of total employment – the norm – in the developing world and the informal economy should be seen as part of the solution, not an obstacle, to economic and human development.

Yet the informal economy is stigmatized in economic theory and by economic planners as illegal, underground, black or grey. But the whole of the informal economy should not be tarred by the same brush – the bulk of the informal workforce is comprised of working poor persons trying to earn an honest living against great odds. The self-employed in the informal economy should be seen as innocent until proven guilty of evading regulations and taxation, not vice versa. For instance, relatively few informal self-employed hire workers: in other words, relatively few informal self-employed are evading labour regulations.

On the other hand, an increasing share of formal firms – both private and public – are hiring workers informally, without worker benefits or social protection contributions: in other words, avoiding labour regulations. This is happening both in countries where labour regulations are strict and where they are lax, and also where labour regulations have not changed in many years.

### **Principle #3**

No amount of social inclusion of the working poor will compensate for their exclusion from – or their inclusion on unfavourable terms in – economic opportunities, financial and product markets, and economic planning. And no amount of social inclusion of the working poor will compensate for their lack of economic power and economic rights. What is needed, in other words, are policies and interventions that integrate informal livelihoods into urban and economic planning, address the institutional barriers faced by the working poor, and increase the demand for their goods and services.

### **Principle #4**

Existing laws, regulations, and policies are premised on – or tend to be biased towards – formal employment and formal enterprises.

Consider the case of cities and urban informal workers. Here is how WIEGO understands and approaches the challenge of urban development for the working poor:

#### **Urban Informality, Exclusion and Inequality**

- informal enterprises = broad base of urban economy – yet have to operate at great odds competing for access to public space and resources from a position of invisibility and powerlessness
- informal settlements = sites of production/industrial hubs – yet often evicted at short notice to periphery of cities at long distances from markets and customers
- working poor – lack rights to the city – to public space and resources; their livelihoods are not integrated in city planning or local economic development
- city governments often collude with real estate developers and other powerful economic interests – public space becomes a battleground between those with power and those without power; consumption by the rich is privileged over production by the poor (consider the proliferation of shopping malls where once there were natural markets of street vendors)

### **WIEGO Approach**

- understanding and highlighting the political economy of cities
- specifying economic rights of specific groups of working poor in the informal economy: notably, home-based producers, street vendors, domestic workers and waste pickers
- mediating between city planners/officials and the working poor
- bridging mainstream urban debates/discourse and ground reality/working poor