

Webinar 1: Intro to the Informal Economy



This webinar was held on March 31, 2021 and introduced the informal economy and the vast array of workers that are part of the informal economy.

Pamhidzai Bamu analyzed the different employment statuses and occupational groupings that form part of the 'informal economy.'

Marlese von Broembsen discussed ILO Recommendation 204 concerning the Transition from the Informal to the Formal Economy.

Jacqueline Wamai discussed how lawyers, informal economy worker organizations, and unions have used creative legal strategies and advocacy to challenge existing legal frameworks that exclude informal workers from such rights and protections.

Moderated by **Monika Mehta**, ILAW Network



Women in Informal Employment:
Globalizing and Organizing

ILO Recommendation 204: Formalising the Informal Economy (2015)

ILAW WIEGO WEBINAR INFORMAL ECONOMY
SERIES

31 March 2021

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Content

History : ILO process +

- Background : ILO process
- The Process Behind R204 and the participation of worker organisations
 - Bullet 2 style



The 103rd and 104th ILC 2014 & 2015

- Tripartite process
- Informal workers part of Worker Group
- ILO Expert Meetings + informal process to agree to draft text.
- ILC (1-2 weeks of negotiations)
 - ❖ Each group meets separately
 - ❖ In plenary worker and employer organisations represented by one speaker
 - ❖ Governments choose representatives, but have speaking rights
 - ❖ Every paragraph is debated until consensus is reached (or vote)
 - ❖ Recommendation without a convention



R204: Some background

- In 2012 the Employer Group asked for a General Discussion on Formalising the Informal Economy.
- What is at stake:
 - Definitions of Formalization
 - Categorising the informal sector: enterprise or worker
- Two years of discussion = Recommendation 204



Formalization

ORTHODOX VIEW

- Shift informal workers to formal wage jobs.
- Enterprises: Registration + Taxation
 - Non-compliance

WIEGO VIEW

- Only 3% employers; 97 % below tax brackets
- Already pay taxes: VAT, licensing
- Willing to pay taxes in return for:
 - Recognition
 - Legal and social protection
 - Support services+Infrastructure
 - Freedom of association, representation and collective bargaining.
- Gradual, multi-dimensional + different pathways for different occupational categories.

“Nothing for us without us” :

- <https://www.youtube.com/watch?v=umZfXH-WY50&t=145s>
- 4 regional conferences informal workers + trade unions (2014).
- Platform of demands
- Delegation of 32 informal workers' representatives at the 104th ILC in Geneva.



Based on the platform of demands:

- Submitted amendments to Proposed Conclusions to Workers' Group Chairperson + ITUC Secretariat member before the conference
- Circulated amendments (in 4 languages) to partners and allies
- Submitted through official worker delegates in the group.
- Workers spoke at the Conference
- 27 amendments, 14 accepted.

The preamble

Introduces and sets frame of reference:

- Recognises that most IWs enter the IE because they have no other means of livelihood
- Decent work deficits-lack of rights, social protection- are most pronounced in the Informal Economy
- Urgent measures are needed to enable a transition **BUT**
- Existing livelihoods should be preserved and improved during the transition



Objectives and scope

Scope

- “all economic activities by workers and economic units that are – in law or practice- not covered or insufficiently covered by formal arrangements” (C2)
- own account workers
- members of cooperatives
- contributing family members
- employees in informal jobs
- employers
- Found in all sectors and in public and private spaces

International Labour Conference Conférence internationale du Travail

RECOMMENDATION 204

RECOMMENDATION
CONCERNING THE TRANSITION FROM THE INFORMAL
TO THE FORMAL ECONOMY,
ADOPTED BY THE CONFERENCE
AT ITS ONE HUNDRED AND FOURTH SESSION,
GENEVA, 12 JUNE 2015

RECOMMANDATION 204

RECOMMANDATION
CONCERNANT LA TRANSITION DE L'ÉCONOMIE INFORMELLE
VERS L'ÉCONOMIE FORMELLE,
ADOPTÉE PAR LA CONFÉRENCE
À SA CENT QUATRIÈME SESSION,
GENÈVE, 12 JUIN 2015

AUTHENTIC TEXT
TEXTE AUTHENTIQUE

R204

- Recognition as workers
- Formalisation: Social and legal protection + gradual
- Public space is a workplace
- Right to collective bargaining



R204 (continued)

Collective bargaining – although prior agreement had been reached between us and the trade union movement through ITUC and the Workers in the Committee of Experts, a bitter struggle was initiated in the Workers' Group by some of the long-standing European members who had not participated in the Experts' meetings, who felt that direct participation by workers and economic units in the informal economy in collective bargaining, particularly in tripartite forums, would "weaken tripartism". For those of us who had participated in the discussion on Social Protection Floors during the 99th session of the ILC in 2012 this was *déjà vu* –this was the crucial issue for informal workers that we had lost in the Workers' Group for Recommendation 202 on Social Protection Floors. We had to do a lot of lobbying over the first Sunday break (1st June) with our allies to neutralize this internal dynamic – and a reasonable compromise was crafted which appears in Clauses 11 and 28. Interestingly, on this issue the Employers had no objections.



**Women in Informal Employment:
Globalizing and Organizing**

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. We believe all workers should have equal economic opportunities and rights. WIEGO creates change by building capacity among informal worker organizations, expanding the knowledge base about the informal economy and influencing local, national and international policies.