

SOCIAL PROTECTION FOR ECONOMIC RECOVERY

Key Messages and Calls to Action from Workers in the Informal Economy

Investments in social protection are integral to economic recovery. As national governments, global financial institutions, donors and corporations consider economic recovery from the COVID-19 pandemic, they must consider how to support the recovery of the 2 billion people around the world working in the informal economy. WIEGO has prepared the following key messages and demands to support informal economy workers and their organizations in advocating for inclusive recovery policies related to social protection.

The document includes seven high-level key messages and supporting calls to action aimed at actors at the international level and national level.

Key Message 1

Invest in policies to connect workers to social protection and health and child care. These investments are integral to economic recovery.

International Calls to Action:

- International financial institutions can support governments by ending practices that result in governments cutting vital public spending and reducing social insurance contributions by employers and businesses. They can also cancel the debt of low-income countries so they can invest in social protection and public services to support their economic recovery.
- Clamping down on tax avoidance and evasion alongside more progressive tax systems where high-income earners pay proportionally more income and corporate taxes than the working poor can guarantee greater income redistribution through tax-financed social assistance programmes.
- High-income countries and international financial institutions can fund the Global Fund for Social Protection - a model that helps the lowest-income countries pay for their citizens to have a minimum level of income security throughout their lives.

National Calls to Action:

- National governments must protect, not cut, spending on social protection and key public services that protect workers and their families from poverty, vulnerability and exclusion.
- Governments must guarantee social solidarity in financing social protection, with employers and economic actors paying a larger share of their earnings in social insurance contributions and taxes than informal workers with much lower incomes (see Key Message 7).

Key Message 2

Universal social protection is the goal. It should include a mix of social assistance, inclusive social insurance, and public services.

International Calls to Action:

- International financial institutions must support national governments to extend social assistance to more people, particularly those who are likely to become vulnerable in the event of a shock, such as informal workers.
- They should also support governments to expand contributory systems that are fairly financed, inclusive, and gender sensitive. These systems should be linked closely to quality public services, like health and child care.

National Calls to Action:

- In relation to contributory social protection schemes, governments should:
 - not rely only on informal workers to finance their own social protection – ensure that co-financing or full subsidization is available.
 - adjust contribution criteria to be more flexible, allowing access to those with low and irregular incomes.
 - lower administrative barriers to access.
 - establish greater trust by ensuring good governance and transparency.
 - include gender-sensitive elements such as care credits and parental leave benefits.
 - link to non-contributory benefits and social services.
- Eligibility for non-contributory social protection must be widened so more people are entitled to it. In addition, administrative barriers like cost of transport, application fees and complicated application criteria need to be lowered to make access easier for the poor and vulnerable.
- Governments must fund public services so they are of good quality, affordable, accessible, and fit in with working peoples' lives.

Key Message 3

Women informal workers need targeted policies and services to address their unpaid care work and support them to keep earning.

International Calls to Action:

- Quality public care services create decent working conditions for women, and protect them from poverty and hunger.
- International financial institutions must support governments to strengthen these systems now, to prepare and protect against the next crisis and prevent deepening gender inequalities.
- These systems must recognize, reduce and redistribute unpaid care work, and rebuild just and equitable care systems for paid care workers, including domestic workers.

National Calls to Action:

- Governments should expand cash and in-kind transfers to support women workers with care responsibilities, in the form of maternity benefits, child grants, and old-age pensions.
- Health-care systems should be bolstered to relieve the burden borne unequally by women informal workers to care for the ill.
- Women informal workers should have access to free, quality child-care services so they can keep working and supporting their families financially.

Key Message 4

Recognize the critical role informal worker organizations have played in the COVID-19 relief effort and must play in recovery.

International Calls to Action:

- Bilateral donors, international financial institutions and national governments should recognize and include informal workers in social and economic decision-making platforms.

National Calls to Action:

- Informal workers should have a voice in the design and governance of social protection schemes, informing how they are designed and managed.
- Ensure workers' organizations involved in last mile delivery of services to workers are supported and enabled to play this role.
- Recognize the contribution of the solidarity economy to social protection, providing legal protections to these organizations as well as adequate sources of financing and other forms of support.

Key Message 5

Governments must ensure those without access to digital technology do not get further excluded from social protection programmes as the digital welfare state expands.

National Calls to Action:

- Acknowledge the reality of the digital divide for women and the working poor by ensuring manual options are always available.
- Invest in building knowledge, skills and equal access to communications infrastructure, which in the longer term will help to close the digital gap.
- Frontline bureaucracy, such as social workers and registration officials, must be bolstered to ensure the state has capacity to overcome the digital divide.

Key Message 6

Governments must ensure that social protection policies and labour protections work together to protect workers from poverty.

International Calls to Action:

- The World Bank, the IMF and regional development banks must stop promoting the flexibilization of labour markets and start implementing basic protections for both wage employed and self employed workers.
- Stop encouraging reductions in labour protections. Rather, ensure social protections and labour protections work together.

National Calls to Action:

- Enhance labour protections for all categories of workers and ensure social and labour protections work together.
- All workers have the right to collective bargaining and to be invited to the table when governments are discussing policies that will affect their lives. All work, including informal work, must be covered by labour protections so that all workers can access decent work.
- Governments and multilateral institutions must ensure that global brands bear responsibility for worker welfare regardless of their proximity in the supply chain and end practices that profit off exploitative working conditions, particularly for women who work from home as dependent contractors in global supply chains.
- Reform labour law to recognize all informal workers as workers entitled to rights, regardless of status in employment.

Local Calls to Action:

- Municipal governments must end the practice of evicting informal workers from public spaces and ensure that livelihood security, especially for women informal workers, is protected. Workers and their livelihoods must be prioritized in urban planning processes.
- Municipal governments have a critical role in planning and partially financing quality public services accessible to informal workers where they live and work.

Key Message 7

Financing for social insurance should be progressive, sustainable and based on the principles of social solidarity. This means more powerful economic actors who profit from the work of informal workers must contribute to the financing of social insurance measures.

International Calls to Action:

- [Refer to ask on Global Social Protection Fund under Key Message 1]
- Home-based workers in global supply chains must be treated as other wage earners (C 177), which includes contributions from brands and employers. Brands can contribute to a common pool of funds to support homeworkers and other informal economy workers in their value chains.
- International financial institutions should stop the privatization and dismantling of social insurance systems that may be leveraged for financing social protection for informal workers under national social protection systems.

National Calls to Action:

- Domestic workers should receive co-contributions from their employers (per the International Labour Organization's Domestic Workers' Convention C189, article 14).
- Corporate actors can implement social benefits for the inclusion of waste pickers and other actors in the informal recycling sector in any extended producer responsibility system that covers labour and social protection.
- Home-based workers in domestic supply chains must be treated as other wage earners (see ILO Home Work Convention C177), which includes contributions from brands and employers. Brands can contribute to a common pool of funds to support homeworkers and other informal economy workers in their value chains.
- Governments can connect transaction taxes to social insurance funds for street vendors.

About WIEGO

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org.

