



Women in Informal Employment:
Globalizing and Organizing

November 2024

How we can make R204 matter:

A hands-on guide for workers in the informal economy



Credits

Acknowledgements

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What this book is about and who should read it

This book is about the International Labour Organization's Recommendation 204 on the Transition from the Informal to the Formal Economy, and how it can be used to help solve the problems faced by workers in the informal economy.

By reading this book you will learn:

1. What the International Labour Organization is.
2. What the economy is, and a bit about the history of work and workers.
3. What the informal economy is today.
4. How and why the International Labour Organization's Recommendation 204 came about.
5. What Recommendation 204 says.
6. How you can use Recommendation 204 to help with organizing to improve the working conditions and lives of all workers who are informally employed, including self-employed workers.

We hope the book will be useful to worker members and elected leaders of associations, trade unions, and cooperatives.

The book can be read alone for information and ideas, or it can be read in small study groups of workers. It can be kept as a reference to be used, especially when negotiating with local and national government officials.

Towards the end of the book there is an eight session Study Circle guide with questions for discussion that you can use to educate your members about Recommendation 204, using this book as a reference. You will also find the full text of Recommendation 204 at the end of this book.

Please share with your members what you learn from this book. Also, we will be grateful for feedback on what you found useful in the book, and what was not so useful.

Chapter 1: The International Labour Organization



For the reader to understand Recommendation 204, it is helpful to first understand what the International Labour Organization is, as the document comes out of this organization.

The International Labour Organization, or ILO for short, was founded in 1919 and became part of the United Nations system when it was established in 1945. The main aims of the organization are to promote rights at work, encourage decent employment, improve social protection, and promote collective bargaining and dialogue in the workplace.

The ILO is known as a tripartite institution because there are three parties that govern it and make decisions about workers' rights. The three parties are national representatives of governments, organized workers (represented by trade unions) and organized businesses. But only national governments sign up to the ILO and become member states of the organization. In 2024, 187 ILO member states are part of the UN system, out of a possible 193 states.

The International Labour Conference, or ILC for short, meets every year in Geneva for two weeks. National representatives of the ILO's three parties come together to discuss items on an agenda that has been set by the ILO's Governing Body. There are usually seven topics on the agenda every year. The delegates from the three parties (governments, national worker organizations and national business organizations) divide themselves into committees to discuss the topics. Discussion on a particular topic can result in a Resolution and Conclusions, or a Recommendation, or a Convention.

A Convention that comes out of the ILC has the highest status, as it is a guideline for what should be put into national laws. National governments are expected first to formally approve, or ratify, Conventions passed by the ILC, and then to make sure that their national laws are in line with the Convention. In this way Conventions are legally binding instruments. ILC Convention negotiations that workers in the informal economy were directly involved in and which affect them positively are the Home Work Convention 177 (adopted in 1996), the Domestic Workers Convention 189 (adopted in 2011), and the Violence and Harassment in the World of Work Convention 190 (adopted in 2019).

A Recommendation that comes out of the ILC can be used as an official reminder to governments about the commitments they made at the ILC. Unlike Conventions, Recommendations are non-binding in that governments are not obliged to put them into law. However, a Recommendation is more detailed and longer than a Convention. In some situations where organized workers are talking to their government, this makes a Recommendation more useful than a Convention. A Recommendation also guides the ILO staff on how to give support to the parties on its topic. Many Conventions are accompanied by a Recommendation. But some Recommendations, such as Recommendation 204, are stand-alone.



Delegates at the ILC's 108th session, which marked the ILO's 100th anniversary and focused on "Building a better future with decent work", in Geneva in 2019. Source: ILO

Conventions and Recommendations of the ILO are referred to as ILO Standards.

If the result of the discussion in an ILC Committee is a Resolution and Conclusions, then this is a record that the parties can use as a reference back in their own countries. The ILO staff can also refer to these Resolutions and Conclusions to assist them in making sure that their work reflects the wishes of the parties, and that decisions made on ILO follow-up work are implemented.

Conventions, Recommendations, and Resolution and Conclusions always include statements about what each of the parties should do to implement the agreement reached. In most cases, the emphasis is on what national governments should do, as they are the members of the ILO.

The ILO global headquarters are in Geneva, Switzerland, where there is a large staff that provides technical advice and support to governments, organized workers, and organized business. The ILO also has regional and country offices with staff members who give local advice and support and monitor the implementation of agreements reached at the ILC.

In learning about how you can use R204 to support your demands, bear in mind that – depending on which sector you come from – you might also want to use one or more of the other ILO Standards listed above. Also, there are other international agreements and declarations that can be used to support your demands. For example:

- StreetNet International and its national affiliates campaign for Inclusive Cities using some clauses of the New Urban Agenda, which was adopted by the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in 2016, to support their demands.
- The International Domestic Workers Federation and its national affiliates campaign to ratify ILO Convention 189, which spells out the minimum rights of domestic workers.
- HomeNet International and its national affiliates campaign for labour rights, social protection and decent work for home-based workers by pushing governments to ratify ILO Convention 177, which sets the minimum rights of home-based workers.
- The International Alliance of Waste Pickers and its affiliates campaign for the recognition and payment of waste pickers using Resolution 14 adopted by the United Nations Environment Assembly in 2022 to support their demands. The resolution was one step in the process of governments negotiating an international plastics treaty.

Because this book focuses on R204 – which can be used by any sector of informal economy workers – we are not going into the details of these other international agreements here.



Learning Question

Is there an ILO office in your country? If you don't know, you can find out by:

- *Asking a trade union official, if you know one.*
- *Looking on the ILO website <https://www.ilo.org/regions-and-countries>. If you search for your country and click the contact button, you will see where the office that services your country is located. It might be in a neighbouring country. You will get all the contact details too.*

Chapter 2: Understanding the economy as a whole

To understand the informal economy, it helps to first understand the meaning of “the economy”.

“The economy” is a general term that refers to the process of people producing and distributing goods and services.

The dominant economic system in the world is capitalism. Under this system, most production takes place under the control of a minority of people who own factories, mines, shops and farms, and who employ wage workers. Sometimes the owners are individuals, but mostly they are collectives of shareholders. Some production takes place on a small scale, but it is the big owners, including shareholders, who dominate.

These minority owners do whatever they can to keep all their production costs down, including the cost of labour, so that they can extract a profit for themselves. Keeping costs down also helps the minority owners to compete with other producers by lowering their sale prices. This competition inevitably creates conflict between producers, between producers and wage workers, and even between countries that trade with each other. It is this societal conflict that historically led to the emergence of systems of law and social control, coordinated by governments. These systems include laws and regulations on minimum conditions of employment for workers.

One of the reasons that the ILO was set up was to introduce international labour standards as bottom lines below which employment conditions should not drop. Most of the ILO’s labour standards apply only to workers who have an employer. This changed with the adoption of Recommendation 204. We will explain more about this in Chapter 4.

Of course, the capitalist economy, with wage labour, production for profit, the use of money, and the existence of governments has not always been the dominant economic system. Before this, we had the mercantile economy, and before that the feudal economy, and before that the settled and self-sufficient farming economy, and before that the hunter-gatherer economy.

Hunter-gatherer economic system

In earliest times, hunter-gathering was the way in which the economy worked. Small clans of people moved around hunting and gathering food to meet their basic needs. There was no need for storage for long periods, and no need for many belongings. Clan members had a deep knowledge of and respect for their environment, animals and plants. Nobody owned the land and there were no sharp inequalities in wealth or power within the clan, and there was time for social interaction.



Settled and self-sufficient farming economic system

The hunter-gatherer economic system changed as people began to settle near rivers and as they developed tools. The dominant system to emerge was the settled and self-sufficient farming economic system. The families in farming communities laboured to produce food using tools and animals to help their efforts. Because they were farming in one place, families stored surplus food for future use, and also to exchange with other farmers. This system was called bartering. By storing surpluses, farming families, or peasants as they are sometimes referred to, had time for developing new tools and systems of irrigation, as well as arts and crafts. Land was usually communally owned, but gradually hierarchies of control emerged in the form of traditional chiefs, lords, and the military. These elites started to take some of the surplus from farmers as a form of taxation.



Feudal economic system

The elites in the settled farming economic system grew in power and control and many farmers lost their land to these elites. In Europe, a feudal economic system emerged. The peasants began to farm on the land belonging to the lords and kings in exchange for a portion of the crop. At the same time, they continued to work on their own communally owned land. Generations of peasants were forced to accept the domination of the lords in exchange for their safety and security. Many were pushed into debt by the taxes demanded of them. Over time, the lords and kings pushed the peasants out of their communally owned land



by enclosing it and denying access to the peasants, who became farm workers, working long hours for low wages. Artisans and merchants evolved to serve the lords and kings with expert goods and services, and a class system of unequal wealth and power emerged. Over time, fierce conflicts over resources led to a breakdown in the feudal economic system.

Mercantilist economic system

As new class relations of unequal power and wealth emerged in the European region, those with economic power (the mercantile class) sought to grow their wealth by extracting the natural resources of other countries – precious metals such as gold and silver, and natural resources like salt and spices. To do this, the mercantile class needed their governments to get involved in controlling both the people and the land that they were extracting from. This was the root of

colonialism. The mercantile economic system forced local people into employment through taxes and other means imposed by the colonial powers, as well as the practice of slavery to meet any shortfalls of labour.

The mercantile economic system dominated in the 1600s (the 17th Century) and 1700s (the 18th Century).



Capitalist economic system

The economic system that emerged after mercantilism was the capitalist system. While there have been serious efforts in some countries in the past 130 years to develop a more collaborative, equal and collective economic system in the form of socialism, the capitalist system of competition, profits, and strong states to defend and bolster these, continues to dominate.

In its early days in Europe and North America, the capitalist system was characterized by the emergence of mass production in factories employing low-paid workers. Even children worked in these factories. The work of many skilled artisans or self-employed craftspeople was made redundant by the production of cheaper mass-produced goods. But these artisans did not go quietly. Starting in Britain, they combined their forces to form the first trade unions in the 1700s. There were hat-maker unions, shoemaker unions and lace-maker unions – all demanding protection for the work that their members were doing. This reminds us that trade unions started with own-account workers!



Organizing into trade unions spread to factories and mines across Europe and North America. This organizing met with some violent opposition from the factory and mine owners, and from governments. Thousands of militant workers were jailed and others were deported to foreign lands like Australia. This was the beginning of the trade union movement of today.



At the same time, colonial rule continued to spread in support of the capitalist economic system. Decolonization took place in the early 1800s in Latin America, the 1940s in Asia, and the 1950s and 1960s in Africa. But the capitalist system had taken root and political independence did not make much difference to the economic relations between the former colonies and colonizers. The people of the newly independent countries were not the owners or managers of factories, mines or commercial farms, and were mostly not even employed in these places. This is how the current situation arose, with the economies of many former colonies relying heavily on the sale of minerals, basic unprocessed agricultural products such as coffee beans, sugar, beef and cotton, and energy materials such as crude oil, petroleum products, and natural gas. These three types of exports are called mining, agricultural and energy commodities (a commodity is another word for a useful and valuable thing). Most of the world's poorest countries are dependent on commodity exports – that is, more than 60% of the value of their exports are made up of commodities. The profits from the sales of these countries' commodities go to not just a few, but extremely few owners, and these owners mostly live in other countries. In addition, not many local jobs are created by the production of these commodities.

Countries that depend on the export of commodities tend to have only a few factories and these mostly produce goods on a sub-contracted basis for foreign companies, and mostly for export. The workers in these factories are low paid with no or few formal contracts or rights.

So, countries that rely on exporting commodities mostly have high rates of unemployment. People who are employed are in low-income informal employment – either as own account workers or as workers with an employer. We will look more at the realities of informal employment in the next chapter.

These countries are what economists call “low-income countries” or “developing countries”. Their characteristics include low levels of industrialization, low levels of formal employment and high levels of poverty. Their people have low life expectancy as well as low levels of income.

These countries that depend so heavily on exporting commodities are constrained by current capitalist economic relations of power. They find it impossible to leap out of poverty and low levels of development by suddenly opening lots of new factories and commercial enterprises. This is what structural global inequality means.



Understanding structural global inequality helps us to see that – as organized workers – we must do two things at the same time. We must challenge the global economic imbalances of power and resources. And we must do what we can to improve the conditions of work and the incomes of all workers, especially those in informal employment.

By doing these two things at the same time we can start imagining a new – more equal and caring – economy based on the principle of solidarity.

Lessons from history

This story of different economic systems in different times and places offers us lessons:

- Economies do change over time, shaped by human action. The current dominant economic system could become something else, depending on many factors, mostly to do with the outcomes of conflicts between different interest groups. In struggling for improved conditions of work and incomes, organized workers start to shape the future, especially what new economy will emerge in the march of history.
- No one economic system is pure. When new systems evolve, some of the old remains. So it is that even today we have pockets of hunter-gatherer societies, we have some societies that look feudal, and we still have a peasantry in many parts of the world. When organizing for change, we must take these remnants of the past into account.

We now turn to the needs of workers in informal employment today, and how we can use Recommendation 204 to achieve improvements in their working conditions.

Chapter 3: The informal economy today

Our current capitalist economic system has different types of producers of goods and services. Some are private citizens organized into companies, or collectives such as cooperatives, or even working as individuals. Some are institutions such as schools and hospitals, which are owned and run by governments or private citizens. And in some cases, the government itself produces or provides services, and sometimes even goods. All these producers are called economic units.

We talk about the economy of a town or city, or a province or state, or a country, or a region, or even the global economy. The economy in a specified geographical space is the total of all the economic units producing, buying and selling in that area.

We also talk about the way in which producing, buying and selling takes place. This is where we start to talk about the formal economy and the informal economy – which are two parts of one economic system.

In the formal part of the economy:

- The economic units that produce, buy and sell have some kind of registration with the government.
- The economic units operate according to laws and regulations. For example, tax laws, audit regulations, and employment laws.
- In the economic units, workers' employment conditions are regulated. For example, laws and regulations limit the length of the working day, set a minimum wage, and provide social protections like unemployment insurance or insurance for accidents at work.
- There are class relations of power and ownership. There are owners of economic units and there are workers who sell their labour for wages.

In the informal part of the economy:

- The economic units that produce, buy and sell are not registered with the government – or the government does not count what they are producing, buying or selling.
- Workers do not have laws protecting them or social protections. This can be because:
 - the economic unit appears to be formal but the employer is ignoring the law. In such cases, the economic unit and the worker are in the informal economy, OR
 - the economic unit is not required to be registered, for example, because it is a very small employer, OR
 - the economic unit is a self-employed or own-account worker and the law does not provide any regulation of working conditions or social insurances.
- There are class relations of power and ownership in the same way as in the formal part of the economy. Economic units that employ others have power over the workers they employ. And economic units that have the financial resources to grow have more power than individual self-employed or own-account workers who do not have such wealth. It is important to recognize these class differences within the informal economy. Policy makers in national governments tend to use the term “entrepreneurs” to describe everybody in the informal economy, which leads them to look for solutions that only serve the interests of economic units that are small businesses. This reinforces the exclusion of workers in the informal economy.

The ILO has a short definition of the informal economy. It is defined as “all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements”. This definition was the outcome of negotiations in the ILC in 2002, under the discussion topic of Decent Work and the Informal Economy and is used in the ILO’s Recommendation 204.

Recommendation 204 adds to the definition of the informal economy by making it clear that for the purposes of the process of formalization the informal economy does not include illegal activities such as the illicit production and sale of drugs or firearms, the trafficking of people, and money laundering. These kinds of illicit activities are not to be confused with for example, a street vendor not having a permit or license to trade.

Examples of economic units and workers in the informal economy

- Own-account or self-employed workers who are not registered for taxation or as businesses, and who do not have any employment protections or insurances. Examples are:
 - Street vendors and market traders.
 - Waste pickers or recyclers or reclaimers.
 - Own-account workers who produce things or provide a service from home. We call these workers home-based workers. Examples are home-based sewers, bakers and hairdressers.
 - Own-account street barbers.
 - Own-account tailors.
 - Own-account shoe repairers.
- Unpaid family workers.
- Small or micro economic units that are not registered with the government, usually because they are not required to, sometimes because they are avoiding registration. They often have a small number of employees. Examples are small neighbourhood-based economic units such as:
 - Very small shops and cooked-food outlets.
 - Carpentry workshops.
 - Car-repair workshops.
 - Panel beaters.
 - Hairdressers.
- The employees of unregistered small or micro economic units.
- Larger economic units that appear to be formal firms but avoid registration (sometimes only partly) and do not register their employees.
- Unregistered employees of economic units that do not comply with required registrations. Types of workers that fit into this category are:
 - Permanent unregistered workers, including many domestic workers and farm workers.
 - Casual unregistered workers, or day labourers.
- Informal-producer cooperatives and their members.
- Outsourced workers where it is not clear who the employer is.
- Workers working through information technology platforms such as Uber, Bolt and Grab, who are seen as self-employed in most countries, and who have no employment protections or insurances.



What is the difference between the informal economy and the informal sector?

We have explained that the informal economy is the total of informal economic units, plus economic units that should be fully registered and regulated but are not, plus all the workers who work in all these economic units. The definition of the informal economy is sometimes described as based on “enterprises and employment”.

The informal sector is not the same as the informal economy. It is defined by informal economic units only and does not include workers who are informally employed in formal economic units or firms. It is “enterprise based” only. This means, for example, that unregistered domestic workers are not part of the informal sector, but they are part of the informal economy. E-hailing drivers are also not part of the informal sector but, in most countries, they are part of the informal economy. In fact, right across the formal sector we find workers who do not have contracts or protections – and these formal sector workers are therefore part of the informal economy.

In this book, we mostly talk about the informal economy (and not the informal sector). This is because ILO Recommendation 204 is about all economic units and workers in the informal economy.

Our focus in this book is on those with the least wealth and power in the informal economy – the workers. This is in line with the focus of the four global networks of organizations of workers in the informal economy: StreetNet International (SNI), the International Alliance of Waste Pickers (IAWP), HomeNet International (HNI) and the International Domestic Workers Federation (IDWF). It is also in line with WIEGO’s focus of support to the global networks.

The importance of the informal economy to the economy as a whole

In most countries, the informal economy – including the workers in it – is not recognized as an important part of the economy. The goods and services that are produced, and the money that flows from these, are not counted into the economic statistics of most countries. Some governments say that the informal economy is an important part of the economic engine, especially at election time. But very few governments actually do anything to recognize or support the informal economy.

Counting the world’s workers in the informal economy

To understand the significance of the informal economy, we will first look at the numbers of workers who are in it.

In 2018, the ILO published the third edition of global informal economy worker statistics. The figures were taken from government statistics in more than 100 countries. The ILO found that there are 3.27 billion workers in the world, and that 2 billion of these workers are informally employed. 1.27 billion are formally employed.

That means 61% of the world’s workers are informally employed. This is nearly six out of every ten workers. In some countries, more than six out of ten are informally employed, and in others, fewer than six out of ten are informally employed. The diagram below shows the numbers according to geographic regions.

Global Informal Economy

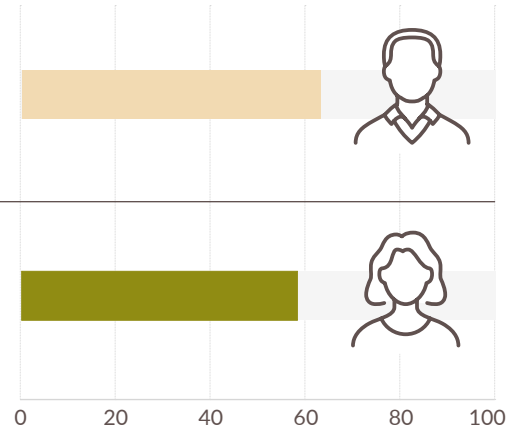
61.2%

of the global workforce

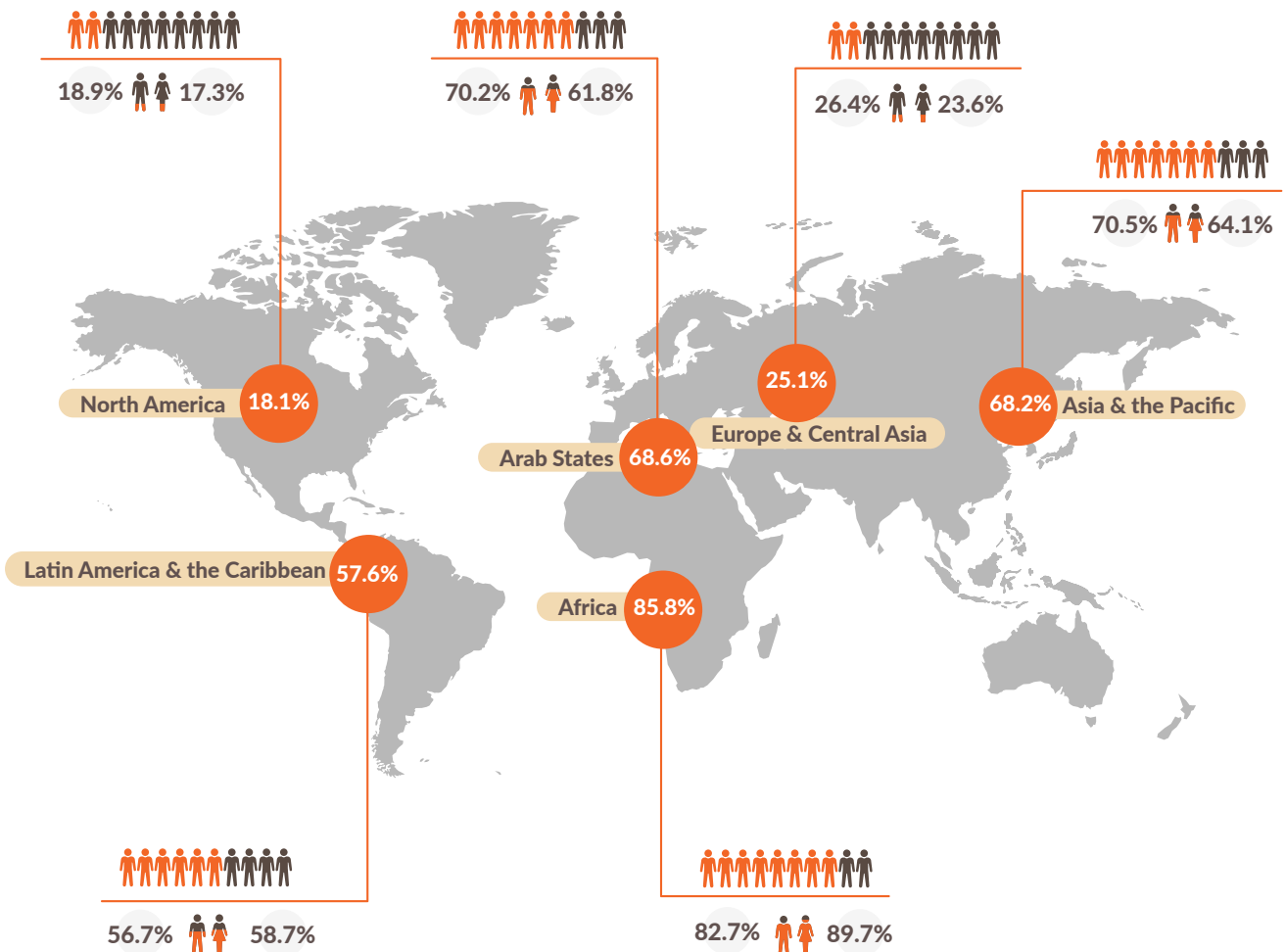


63%
of men in
employment are
informally employed

58.1%
of women in
employment are
informally employed

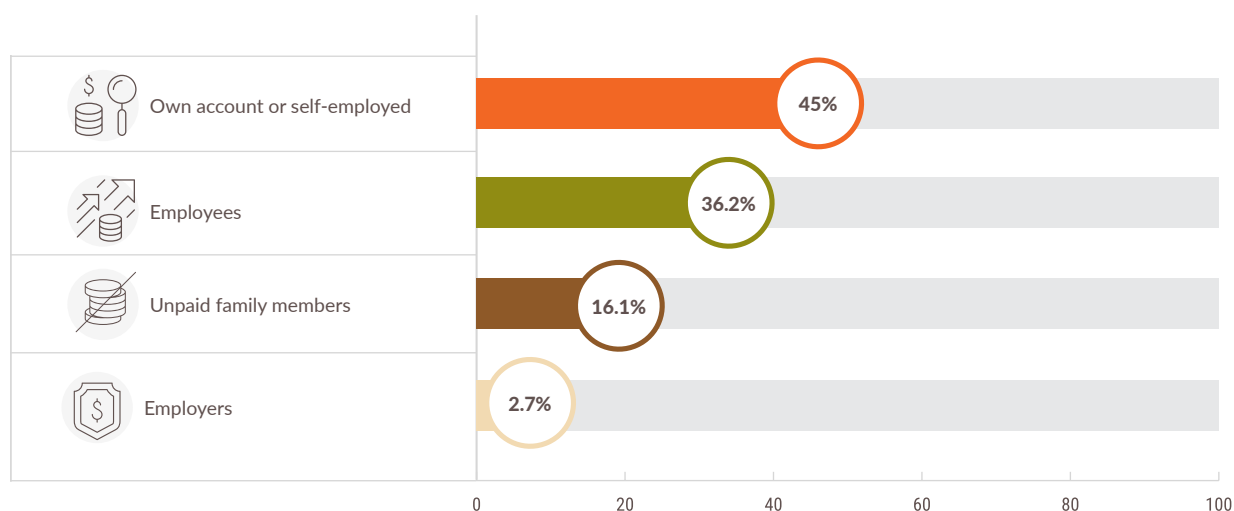


Regional Informal Economy



■ Informal employment ■ Formal employment

Informal employment by status in employment



As explained earlier, not all workers who are informally employed are own-account workers or self-employed. Of the 2 billion (or 2,000 million) informally employed workers in the world, 900 million are self-employed, 720 million are employees (they have an employer), 320 million are unpaid workers in the family, and 60 million are employers. These different types of informal employment are called “status in employment”.

If you want to go deeper into country and global statistics on informal employment, read WIEGO's [Women and Men in the Informal Economy: A Statistical Brief](#) by Florence Bonnet, Joann Vanek and Martha Chen, and WIEGO's pamphlet [Counting the World's Informal Workers: A Global Snapshot](#) (in French, English and Spanish). For an even deeper read, go to the ILO's [Women and Men in the Informal Economy: A Statistical Picture 3rd Edition](#).

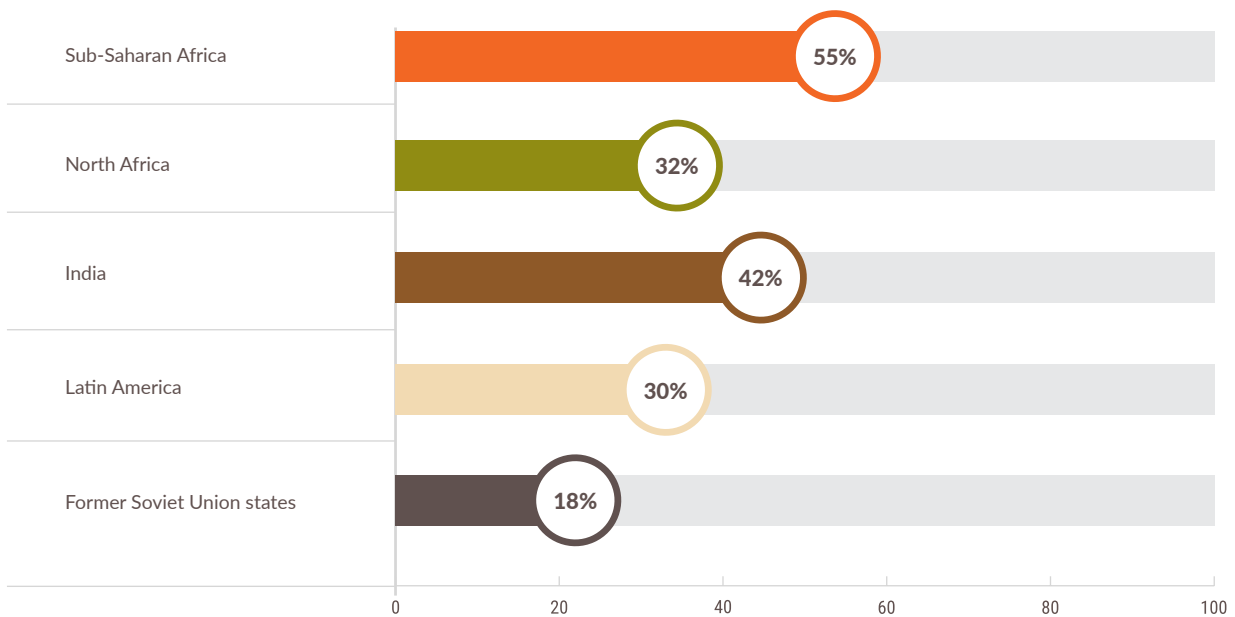
Counting the total money value of goods and services produced in the informal economy

Another way of looking at the contribution of the informal economy to the whole economy is to count the value of the goods and services that are produced in the informal economy.

The gross domestic product – called GDP – of a country is the total money value of goods and services produced in that country in the period of a year.

Because most countries do not count the value of goods and services produced in the informal economy, it is difficult to know how much of any country's GDP is produced in the informal economy. However, we do have some examples where this calculation has been done. A European Union [research paper published online](#) estimates the contributions made by the informal sector to GDP in a number of countries and regions. As was explained earlier, the informal sector is smaller than the informal economy, so the real figures for the contribution of the informal economy to GDP would be higher. Based on country data that was collected from 2010 to 2015, the European Union estimates the following contributions of the informal sector to GDP in the following regions:

Contribution of the informal sector to GDP



This means that, in developing countries, the informal sector plays a huge role in generating economic activity and wealth. It would look even bigger if we had the figures for the whole of the informal economy. And yet the workers in the informal economy are hardly ever seen as being important economic players, and they are not rewarded for their contributions. Instead, they work without work-related protections, work long hours often in unsafe conditions, and in most cases their incomes are not enough to meet their basic needs. To make matters worse, informal economy workers are often called insulting names, including illegal.



If you would like to learn more about the important role of workers in the informal economy, go to the WIEGO website to read [Myths and Facts about the Informal Economy and Workers in the Informal Economy](#) (in English, French and Spanish).



Learning Question

List five adult members of your family. Using what you have learned about the formal economy and informal economy in this chapter, write next to each person's name whether you would categorize them as being in the formal or the informal economy.

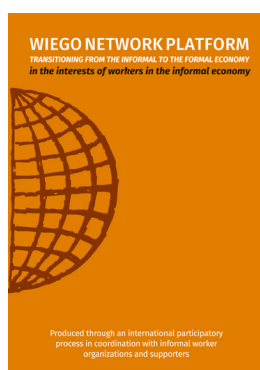
You could ask your members to answer a similar question about the people living in their street. In this way you could use the question to count the informal economy workers in your community.

Chapter 4: How Recommendation 204 came about

ILO Recommendation 204 on the Transition from the Informal to the Formal Economy was adopted by the ILC on 12 June 2015. It was the first ILO Standard to cover all workers in informal employment. But agreement between the parties did not come out of the blue in 2015. As early as 2002, when the ILC had an agenda item on Decent Work and the Informal Economy, WIEGO coordinated representatives from workers organizations to attend and participate. The Conclusions of this ILC discussion recognized own-account or self-employed individuals as workers for the first time. This was a major breakthrough, together with agreement reached on the definition of the informal economy, discussed in Chapter 3 of this book.



In 2013, the ILO organized a Tripartite Experts Meeting on informal employment, which WIEGO and SEWA (the Self Employed Women's Association of India) took part in. After this meeting, the ILO Governing Body decided that a Standard should be developed. Discussions towards a Recommendation started at the ILC in 2014. In the same year, WIEGO organized regional workshops in Africa, Asia and Latin America where informal economy workers gave their input into a [*WIEGO Network Platform: Transitioning from the Informal to the Formal Economy in the Interest of Workers in the Informal Economy*](#). This Platform document, available on the WIEGO website in English, Spanish, French and Russian, was developed with informal economy worker representatives across the world. The document guided the 32 informal economy worker representatives who took part in the next round of ILC discussions in 2015.



The Platform set out demands for informal economy workers. These focused on organizing rights, strengthening the voice and bargaining power of workers through representation and recognition in collective bargaining, giving informal economy workers the same legal protections and social protections that formal economy workers have won through many years of struggle, and recognizing their economic contribution with government policies to support them.

The Platform also set out some demands relevant to street vendors, domestic workers, home-based workers, and waste pickers.

The Platform also made it very clear what formalization should not mean. For example, ILO Recommendation 204 should not pave the way for costly taxation and registration without rights, benefits and protections for informal economy workers. Formalization should not criminalize or persecute informal economy workers, and there should be no discrimination against women, foreign nationals, people with disabilities and other vulnerable people.

The adoption of Recommendation 204 was the outcome of the 2015 discussions at the ILC.

Because of the hard work by informal economy workers organizations before and during the final discussions at the ILC, many of the demands in the Platform were achieved. For this reason, it can be said that R204 is a document that informal economy workers can own and promote as belonging to them. The Recommendation has a few unfavourable clauses, which we will identify in the next chapter, but overall the Recommendation is highly favourable and can be used in fighting for the rights and improved working conditions of workers in the informal economy.



To read the full [WIEGO Network Platform: Transitioning from the Informal to the Formal Economy in the Interest of Workers in the Informal Economy](#), follow the embedded link or use the title to search for it on the WIEGO website: www.wiego.org

Chapter 5: What R204 says

The full name of R204 is:

*R204 - Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) Recommendation concerning the transition from the informal to the formal economy
Adoption: Geneva, 104th ILC session (12 June 2015)*

Here, we summarize R204. We identify parts of R204 that worker leaders could quote to employers or to government official in support of demands of informal economy workers. We refer to Chapter numbers (in Roman numerals) and clause numbers (in ordinary numbers) as they appear in the text of R204.

There are many other parts of R204 that you might also find useful. You can find the full text of R204 in an Annexure at the end of this book. Or you can go to the ILO website www.ilo.org and use the search function to find the document. R204 is available on the ILO website in English, Spanish, French, Arabic, German, Russian and Chinese.

We hope that, in reading this summary, it will become clear that the formalization that R204 refers to, has multiple paths. For workers who have an employer who does not apply existing labour law protections, the path might be simply getting the employer to comply with the law. For an own-account worker, the path will likely be more complex and include demands for infrastructure, social protections, occupational safety and health, as well as freedom of association and the right to collective bargaining.

We hope that as you read the summary you get some ideas about how to use R204 to support the demand for improved working conditions and incomes of all workers in the informal economy.

There is nothing that scares a government official into action more than a worker leader who demonstrates that she or he knows what an international standard says the government should be doing!



The Preamble of R204

R204 starts with a preamble that recognizes the following facts:

1. Most informal economy workers enter the informal economy because they have no other means of livelihood.
2. The absence of rights and social protections (referred to as decent-work deficits) are most pronounced in the informal economy.
3. Urgent measures are needed to enable a transition, *but*
4. Existing livelihoods should be preserved and improved during the transition.



Note: This is a very important statement to remember as it can be used in situations where, for example, a local government wants to provide trading spaces for a specific number of street vendors – and, in the process, would put all the other street vendors out of work.

Chapter I. Objectives and Scope of R204

The objectives include giving guidance to members (that is, governments) to:

1. Facilitate the transition, while respecting workers' rights.
2. Promote the creation of decent jobs.
3. Prevent the informalization of formal economy jobs.



Note: This is an important point as many organized workers in formal economy jobs are afraid that paying attention to improving conditions for workers in informal employment might undermine their own rights and conditions. This statement can be used to reassure them.

R204 defines the informal economy using the words quoted on page 12. The definition reads:

“For the purposes of this Recommendation the term informal economy refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements” (clause 2 a).

It goes on to explain that the scope includes own-account workers, members of cooperatives, contributing family members, employees in informal jobs and unregulated employment relationships, and employers (clauses 3 and 4).

The scope of the Recommendation also includes all sectors of the economy in both public and private spaces (clause 5).



Note: This is an important clause because it makes it clear that R204 covers workers such as waste pickers/reclaimers and street vendors, who work in public spaces.

As we stated on page 13, R204 makes it clear that – for the purposes of the formalization process – the informal economy does not include illegal activities such as the illicit sale of drugs or guns, human trafficking, and money laundering. These kinds of illicit activities are not to be confused with for example, a street vendor, waste picker or homebased worker who does not have a permit or licence to work. It is not the intention of R204 that clause 2 b) on illicit activities is used to discriminate against workers in the informal economy whose activities contribute to the social and economic good of society but are nevertheless not currently legalized. Worker representatives need to be on their toes to make sure that clause 2 b) is not used against legitimate informal economy workers.

Chapter II: Guiding Principles

The R204 chapter on Guiding Principles states that – in designing strategies to facilitate the transition to the formal economy – members (that is, governments) and others must take into account the following:

1. The different needs and circumstances of informal economy workers and economic units, including those who are especially vulnerable.
2. The promotion and protection of human rights of everyone in the informal economy.
3. The fulfilment of decent work for all in law and practice.
4. The promotion of gender equality and non-discrimination.
5. The importance of balancing compliance measures with incentives.
6. The need to prevent and/or punish deliberate avoidance of the formal economy for the purpose of evading taxes and avoiding labour laws.

Chapter III: Legal and Policy Frameworks

Chapter III makes it clear that member governments should adopt and implement laws, regulations, policies and other measures that protect all categories of workers and economic units in the informal economy (clauses 8 and 9).



Note: This is a hugely important point because the labour laws of most countries do not cover workers in the informal economy.

Each member government should develop a policy framework (clauses 10 and 11) to address:

1. Poverty alleviation and job creation strategies.
2. Respect for rights at work.
3. The organization and representation of employers and workers to promote social dialogue.



Note: This is an important point for two reasons. In most countries, the organizations of own-account workers in the informal economy are not allowed to register as trade unions. Second, in most countries there are no established and permanent platforms of social dialogue for informal economy workers.

4. The promotion of equality, and the elimination of discrimination and gender-based violence.
5. Access to skills, financial services, markets, and social protections.
6. Effective occupational safety and health policies



Note: In most countries, occupational safety and health laws and regulations apply only to the formal economy. This clause can be used to argue for occupational safety and health for all workers – in the informal economy as well as the formal economy.

7. Income security, including appropriately designed minimum wage policies.



Note: This clause can be used to challenge evictions and any other actions that undermine the income security of own-account workers.

8. The promotion of regulated access for the **use** of public space.

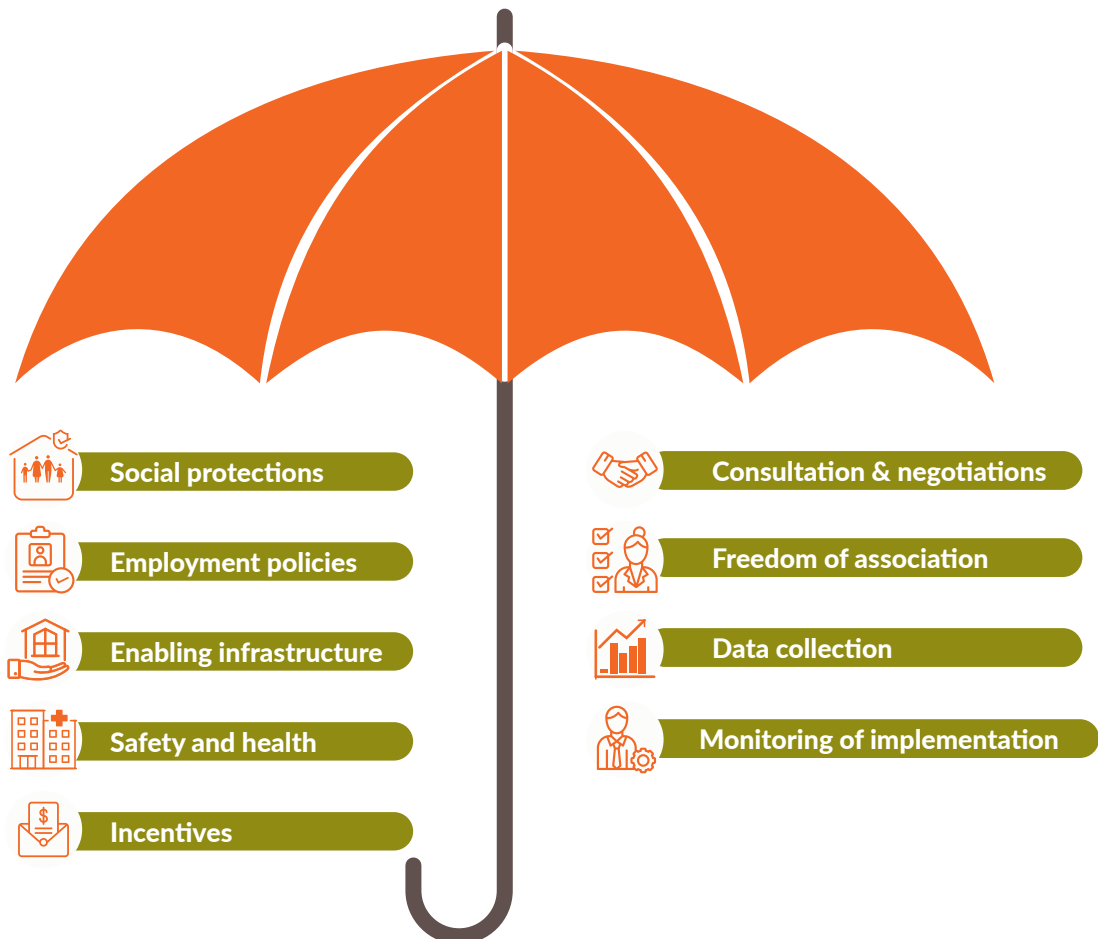


Note: This clause is not just about access to public space, but the use of it. This was achieved by the arguments of representatives of informal economy workers at the ILC.

Member governments should coordinate across different entities and levels of government to develop an integrated policy framework (clause12).



Note: Informal economy workers across the world complain about the lack of coordination within governments – so it is important to point out this section of R204 to governments.



Chapter IV: Employment Policies

Chapter IV insists that member governments develop and implement a national employment policy framework based on tripartite consultations (clause 14).



Note: It is important that organized informal economy workers are included in the worker party to the consultations so that their interests are properly represented in the policy discussions.

The national employment policy framework should include:

1. Policies that help low-income households to escape poverty, such as minimum wages, social protection schemes, and employment services to workers in the informal economy (clause 15 d).
2. Policies that promote the rights of all migrant workers (clause 15 e).
3. Skills development policies that recognize what workers have already learned in their work (clause 15 f).
4. Infrastructure policies that promote employment and improved productivity (clause 15 b).



Note: This clause can be used to argue with local and national government officials that they should provide access to infrastructure – such as storage spaces for vendors, sorting spaces for waste pickers, water and electricity points for vendors and home-based workers – so that own-account informal economy workers can become more efficient and thereby improve their incomes.



Chapter V: Rights and Social Protection

This R204 chapter is very practical and specific about the rights and social protections that workers in the informal economy should have. In the hands of organized workers, this chapter is very useful in discussions with local and national government officials.

The chapter starts by stating that member governments should introduce measures that promote and implement the rights of workers in the informal economy (clause 16). These include freedom of association, that is, the right to join or form a workers' organization of choice. Also included is the right to collective bargaining.



Note: This is one of the most important statements in R204. Many countries do not recognize the organizations of own-account workers as trade unions. And collective bargaining is almost nonexistent for own-account workers and many other informal economy workers. Pushing governments to implement this clause on freedom of association and collective bargaining could open the door to national and local agreements that could change the lives of millions of workers in the informal economy.

This chapter also specifies that member governments should:

1. Take measures to fix unsafe and unhealthy working conditions in the informal economy (clause 17 a).
2. Extend health protection to workers in the informal economy (clause 17 b).
3. Extend minimum wages and social protections, including maternity benefits, to the informal economy (clause 18).
4. Help to provide affordable and high quality childcare and other care services (clause 21).



Chapter VI: Incentives, Compliance and Enforcement

Chapter VI is also very practical and can be used to argue with government officials about law enforcement.

The chapter states that member governments must take action against employers who create informality and insecurity for workers by avoiding labour laws and regulations, social contributions, and/or tax (clause 22). They must also have good systems of labour inspection and enforcement (clause 27).

It also states that member governments should assist the formalization of small economic units by lowering registration costs (clause 25 a). They should simplify procedures and simplify tax payment systems (clause 25 b). Governments should improve access to credit and savings schemes (clause 25 d), and to entrepreneurship training and skills development (clause 25 e).

Chapter VII: Freedom of Association, Social Dialogue and Role of Employers' and Workers' Organizations

Chapter VII repeats that member governments should ensure that informal economy workers enjoy freedom of association and the right to collective bargaining (clause 31). Governments should start by creating the right environment for collective bargaining and social dialogue (clause 32).

This chapter also states that workers organizations (including trade unions) should extend their membership and services to workers in the informal economy (clause 33).

Importantly, it says that workers organizations can ask the ILO office to support them in strengthening their capacity (clause 35).

Chapter VIII: Data Collection and Monitoring

On pages 14, 15 and 16 of this book, we give statistics on workers in the informal economy. Chapter VIII of R204 emphasizes that member governments should collect and analyze statistics on the size and composition of the informal economy (clause 36 a). They must make these public. Governments should also monitor progress on formalization (clause 37 b). These processes should be conducted by governments in consultation with workers organizations and employers organizations.





Note: Accurate statistics on the informal economy can be a powerful weapon in the hands of organized workers in arguing for policy changes. Statistics help to make informal economy workers more visible.

Chapter IX: Implementation

We all know that commitments without implementation are not worth the paper they are written on. Chapter IX on implementation is therefore critical.

This chapter states that member governments should implement R204 in consultation with representative employers organizations and workers organizations, which should include representatives of membership-based organizations of workers and economic units in the informal economy (clause 38). Consultative reviews of progress should also be undertaken (clause 39).



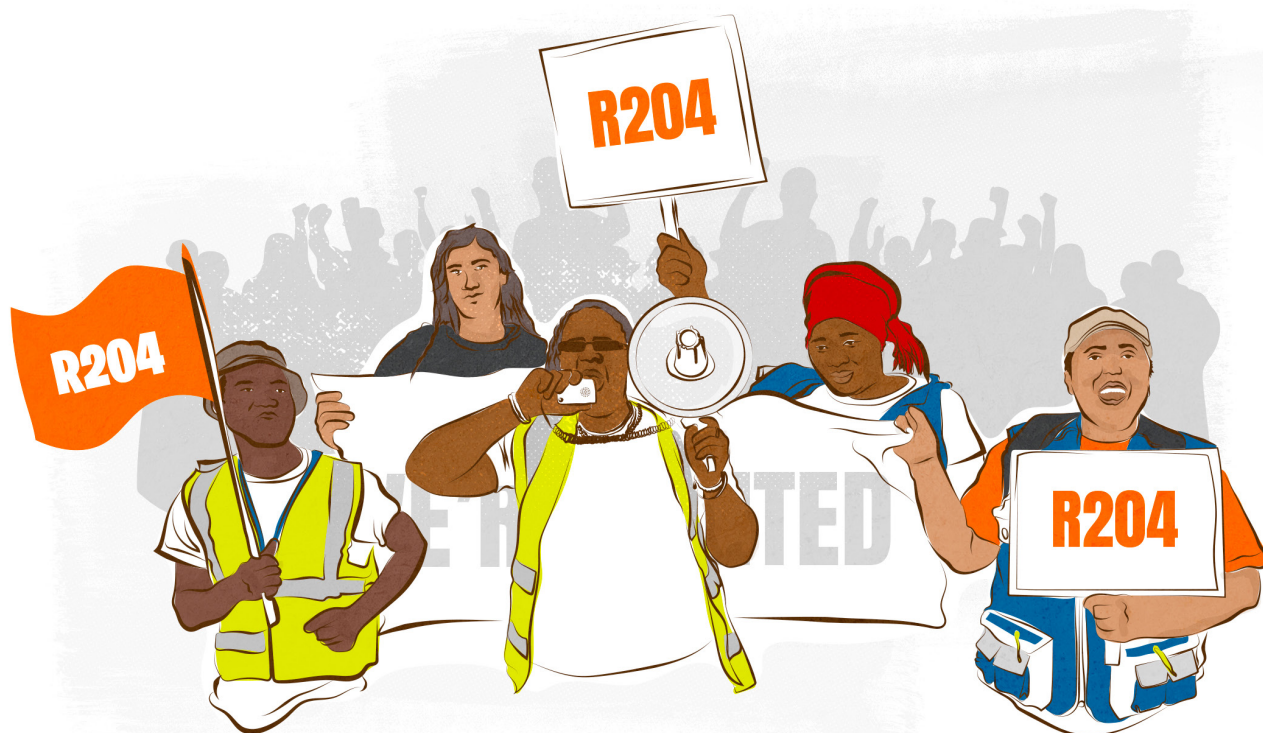
Note: Chapter IX has the most explicit statements in R204 on the importance of direct representation by organizations of informal economy workers in both implementation and reviewing progress. It can be used by organizations of informal economy workers in fighting for representation.

Chapter IX (clause 38) summarizes the vehicles for implementation as:

1. National laws and regulations
2. Collective agreements
3. Policies and programmes
4. Effective coordination among government bodies and other stakeholders
5. Institutional capacity building and raising of funds

The conclusion states that R204 must be understood as standing beside – and not replacing or undermining – other ILO and United Nations instruments (clauses 40 and 41). The other instruments are listed in an Annexure to R204.

Chapter 6: Using R204 to build worker power and bring about change



In this chapter, we suggest ways that workers organizations, including trade unions, cooperatives and associations, can use R204 to build their power to bring changes in the working conditions of informal economy workers.

We also share examples of collective action by informal economy workers that led to victory in winning their demands. In some of the cases, R204 was mentioned by the workers in their struggle to win their demands. In others, R204 was not mentioned directly but the demands are related to the paths to formalization that R204 spells out.

R204 is just a piece of paper unless organizations of workers in the informal economy use it!

It can be used in the following ways:

- To remind government of the commitments it made in Geneva, when R204 was adopted.
- To remind the trade unions of the commitments they made in Geneva and to build common arguments with them to support workers in informal employment.
- To educate members of your organization on the commitments that government made in Geneva and then to identify priority demands for implementation of R204.

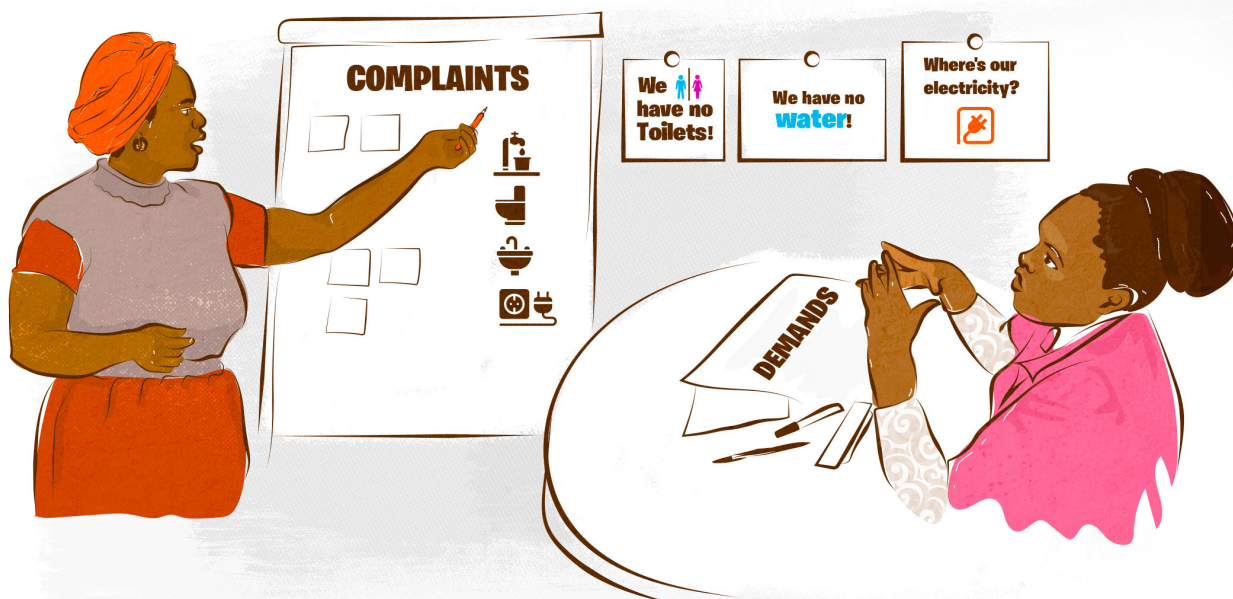
The way in which you as a worker leader use R204 should relate directly to the complaints and needs of the constituency that you represent. So, the starting point, before engaging national or local governments, is to be clear on what those complaints and needs are. Only at a later stage, when you are clear what your organization's mandated demands for change are, should you start looking for the section of R204 that can help you with your arguments.

The WIEGO Network Platform that we referred to in Chapter 4 recorded the problems and complaints of workers in the informal economy across the world at that time and turned them into a set of demands. Your task as a worker leader, together with other leaders in your organization, is to do the same with your own local constituency. It is not helpful to go to a government official or to an employer with complaints. Those complaints need to be turned into positive demands for change. For example, instead of saying

“We don't have access to water to keep the vegetables that we are selling clean and fresh”, it is better to say “we demand access to water to keep the vegetables that we are selling clean and fresh, and we have worked out a place in the market where the municipality should place a washing area”.

Turning complaints into clear demands or proposals is one of the core principles and skills of collective bargaining. Preparing your arguments, including finding references such as R204 to back you up, is the next step in the process.

The process of collecting complaints and turning them into demands starts with talking to the members that you represent (the constituency), usually in a meeting, but also through individual discussions with the workers. If you find the list is unmanageably long, you might need to ask your members to say which are the most important issues to put on the table first.



Examples of victories in making R204 real

Here, we share one story each from street vendors, home-based workers, waste pickers and domestic workers.

Waste pickers in Colombia win recognition and payment from their municipalities



In 2012, waste picker organizations affiliated to the National Association of Waste Pickers in Colombia won a Constitutional Court ruling that municipal governments should recognize waste pickers and pay them for their public recycling service. Only the capital city of Bogota implemented the ruling and so, in 2016, the association started a campaign – called “our work is a public service” – for implementation in other Colombian cities, using R204 to support their demands. The waste picker organizations’ actions resulted in another three municipal governments agreeing to comply with the court ruling, according to which the waste pickers would receive regular payment for their waste recycling services. By 2022, more than 85 Colombian cities had agreed to implement a similar scheme.

The Colombian waste picker story shows how at least three of R204’s chapters – IV, V and VII – can be made real through struggle.



To read how the Colombian waste pickers won recognition and payment from their municipalities, go to the WIEGO MBO Newsletter of February 2018 on the WIEGO website, or by following this link: <https://www.wiego.org/resources/wiego-mbo-newsletter-february-2018>

Malawi street vendors win their first Memorandum of Understanding with a municipality



The implementation of R204 has been a priority for the Malawi Union for the Informal Sector (MUFIS) for many years. In 2023, Gladys Mponda, Vice President of MUFIS, told WIEGO in an interview:

“We want to see R204 being implemented... because we also pay tax and are paying levies every day”. She said: “One of our proudest moments was when we were able to sign a memorandum of understanding with the Mzuzu City Council. Our union has grown since then – we have organized members from the southern region to the northern region. We were not known; now we are trying to lobby with the government to work with us.” Importantly, Gladys also said: “Once R204 is accepted, we could then employ others. People would have jobs because our businesses would be bigger.”



This is an example of the importance of R204’s Chapter IV and Chapter VII. To read the full story go to the WIEGO Blog of 21 March 2023, For an Organization to Move, It Needs Women, on the WIEGO website, or by following this link: <https://www.wiego.org/blog/organization-move-it-needs-women>

Homeworkers in Thailand win access to social protection



This story is from before R204 was adopted but is nevertheless a good example of how R204's Chapter V and Chapter III can be implemented.

In 2011, homeworkers in Thailand, represented by HomeNet Thailand, won a new law, the Homeworkers Protection Action Act. This legislated that homeworkers should be paid the same as their factory equivalents, that they should have a contract and that the hirer should ensure occupational safety and health. The law also obliged the hirer to set up a committee for representation by workers. The law was passed after more than ten years of organizing and campaigning on the issues.

HomeNet Thailand also won an important change in social security policy, whereby all workers in the informal economy could join a social security fund to cover sickness, disability and death benefits and old-age pension, with government covering a portion of the contribution fee.



If you would like to read more about this, follow the link: <https://www.wiego.org/resources/winning-legal-rights-thailands-homeworkers>

Domestic workers in South Africa unite to push for the implementation of unemployment insurance and compensation for injuries and death at work



Domestic workers' rights are covered by a special ILO instrument, called Convention 189 on Decent Work for Domestic Workers. Convention 189 (C189) was adopted in 2011, four years before R204 was adopted in 2015. C189 covers all aspects of domestic workers' rights, including collective bargaining and social protections. You can read more about it on the WIEGO website or the IDWF website where you will find the booklet *Ten Years Since Winning C189*.

R204 confirmed the international rights already gained by domestic workers under C189.

This story shows how workers who have an employer but work in other sectors where there is no special Convention like C189, can use R204 to argue for their rights.

In 2022, 40 domestic workers from three domestic worker organizations in South Africa developed a campaign for the implementation of domestic worker rights to unemployment insurance and compensation for injuries and death in the workplace. These were rights that were already in South African law, but employers were not complying. The organizations invited government officials from the Unemployment Insurance Fund and the Worker Compensation Fund to attend a workshop where they presented their demands for a programme of inspection and prosecution of employers who were not registering their employees for these two work-based insurances. The social dialogue resulted in the officials promising to work with the three organizations to promote awareness of the funds, as well as to step up awareness among employers. They also promised to take up the matter of inspection and prosecution with the Inspectorate of the Department of Employment and Labour.

Compliance by the employer with existing laws is the simplest path to formalization for workers who have an employer but are informally employed. This story illustrates the importance of R204's Chapter VI.



You can read this story in the WIEGO MBO Newsletter of May 2022, which you can find by following the link: <https://www.wiego.org/resources/mbo-newsletter-may-2022>

Other stories of struggle for recognition and formalization



Waste pickers stop the City of Johannesburg from undermining their work through privatization of waste recycling. WIEGO MBO Newsletter, February 2018: <https://www.wiego.org/resources/wiego-mbo-newsletter-february-2018>



Street vendors in New York City win a new law that lifts the cap on the number of permits granted to street vendors. WIEGO Organizing Brief No. 11: <https://www.wiego.org/publications/winning-right-sidewalks-street-vendors-new-york>



Street vendors in India win the first National Policy on Urban Street Vendors, which promotes a supportive environment for street vendors to earn their livelihoods. WIEGO Policy Brief No. 2: <https://www.wiego.org/publications/india%E2%80%99s-national-policy-urban-street-vendors>



Street vendors and government officials in South Africa's Gauteng province sign a declaration of intent to establish negotiating forums to implement Public Space Trading Guidelines: <https://www.wiego.org/resources/mbo-newsletter-december-2021>



Street vendors in Dakar, Senegal, resist evictions under the government's "clean city" campaign: <https://www.wiego.org/blog/street-vendors-organize-against-evictions-dakar>



Waste picker organization Bokk Diom in Senegal protests against the sidelining of their work through the government's lack of consultation in deciding to close the Dakar waste dump, called Mbeubeuss: <https://www.wiego.org/blog/bokk-diom-mobilizes-against-partial-closure-mbeubeuss-dumpsite-dakar>



Pakistan home-based workers win a new law, the Sindh Home-Based Workers Act, which recognizes five million home-based workers as employees with the right to unionize and bargain collectively, as well as to social protection and access to dispute-resolution mechanisms: <https://www.wiego.org/blog/journey-towards-recognition-and-rights-home-based-workers-pakistan>



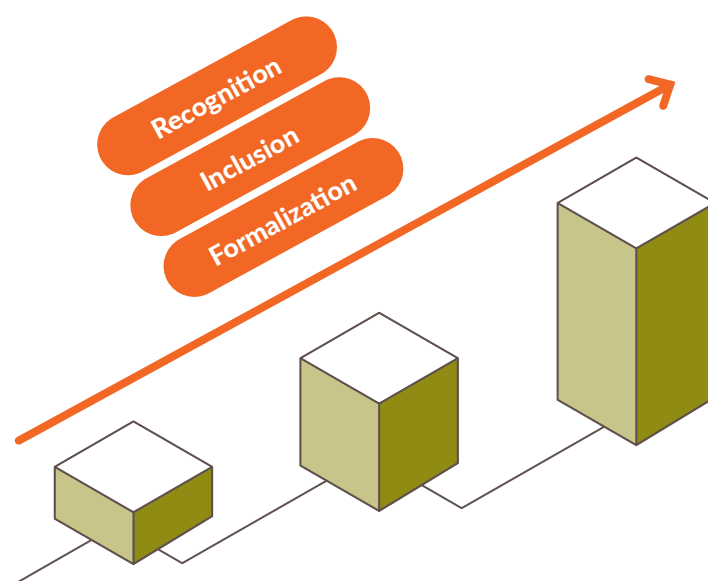
Lessons from the South African experience of implementing R204 for all sectors of informal economy workers, where there has been progress one day and regression the next, and where government officials have been reluctant to try new approaches, but where workers in informal employment have been persistent and determined: <https://www.wiego.org/publications/implementing-ilo-r204-transition-informal-formal-economy-lessons-south-africas>

Chapter 7: The way forward

R204 and the struggles for implementation give some lessons:

- Many government officials do not know about R204. They need to be told about it by our organizations and pushed to implement it.
- Even when government officials know about R204, they need to be pushed to implement it.
- The best way of pushing for R204 implementation is by presenting clear demands that reflect the type of formalization that the members of our organizations want.
- A good starting point for implementation is reaching agreement on setting up a negotiation or dialogue platform, especially at local government level. Such a platform should have agreed rules – including which organizations and local government departments will be represented, how often meetings will be held and who will be responsible for recording the meetings' decisions – that are written up in the form of a Memorandum of Understanding, or MOU.
- The best success in winning recognition and inclusion of informal economy workers is when governments include worker representatives right from the beginning stages of planning AND when the workers' organization makes sure to keep its own members fully informed and involved in the process. We call this bottom-up inclusion – Nothing For Us Without Us!

The struggle for recognition, inclusion and formalization is never over. Every time agreement is reached with government on a step forward, it does not mean that tomorrow they will not ignore the agreement, or even reverse it. Also, formalization through agreements on improved working conditions is a step-by-step process, whereby things can always be made even better. One year we might win better social protections, and the next year we might be struggling for improved infrastructure. As the saying goes, The Struggle Continues.



Annexure 1: R204 Study Circle guide

What is a Study Circle?

Discussing new information with other people turns the information into ideas. Ideas lead us to action for change. A good way of structuring discussion about R204 and this book with other people is to set up a Study Circle with a group of workers with similar work experiences. The group could be the executive of your organization, or it could be a group of members who express an interest in discussion.



Study Circles are democratic learning spaces where participants are equal, and participation is voluntary. Joining an R204 Study Circle goes with a commitment to sharing experiences and gaining knowledge of informal employment, which will be used in formalization struggles over improvement in working conditions.

Study Circles can meet in person, or online if participants live far from each other and if the technology and data are available.

If many people are interested, you could set up more than one group. Each group should have between 5 and 12 people.

A Study Circle or a workshop does not replace the decision-making structures of your organization. Because a Study Circle does not have to reach decisions, there is space for different views to be expressed and for the participants to change their minds about how they view the subject being discussed. A Study Circle also gives more time for experiences and ideas to be shared.

The creative thinking and confidence-building in a Study Circle does not stop with the Study Circle, however. The Study Circle can come up with proposals for action that can be taken into the organization's decision-making structures. In this way, Study Circles can improve democratic participation of members in the organization.

We have outlined eight sessions for an R204 Study Circle. Each session focuses on a particular part of the R204 book and starts with time for reading together. Reading time is followed by discussing questions that have been set.

We suggest that each session is two hours long. You will need to decide how often to meet. We recommend weekly, every two weeks, or monthly. What is important is that the meetings are scheduled in advance and are regular, so that the participants remain focused on R204.

You could also adapt the eight Study Circle sessions to put together a two-and-a-half-day workshop.

Setting up a Study Circle on R204

Phase One: Organizing the Study Circle

We suggest the following steps to prepare for a Study Circle on R204.

1. Get agreement in your organization
 - a. to set up an eight-session Study Circle on R204 and how to use it to push for improvements in the working conditions of members.
 - b. on how you will go about including members in the Study Circle. Remember, your Study Circle should not be more than 12 people, so if you have many more people interested, then create more than one Study Circle.
 - c. on who will coordinate the Study Circle. This person will be responsible for keeping participation going, for example, by following up with anyone who drops out and finding out if changes are needed in the way the Study Circle is working.
 - d. on whether the organization will put aside any budget for the Study Circle to cover costs such as copies of documents, refreshments and venue costs, or if the participants will have to cover costs.
2. The coordinator of the Study Circle convenes the first meeting of the participants.
 - a. The coordinator explains that the purpose of the Study Circle is to understand R204 and discuss how it can be used to push for improvements in working conditions.
 - b. Together with the coordinator, the participants decide on how often and over what period they will meet to cover all eight sessions. They also decide on where they will meet, how long each discussion meeting will be, and a basic code of conduct for the Study Circle.

Phase Two: Study Circle dialogue

Use the outlines for each of the eight R204 Study Circle sessions to guide your discussions.

Phase Three: Action based on the Study Circle learning

Using the discussions in session 8, take the action points on using R204 as a tool in your daily struggles back into your organization. In sessions 1 to 7, you may also have come up with immediate ideas for action, which do not need to be delayed until session 8.

In Phase Three, Study Circle participants should from time to time contact each other or meet to discuss progress on the action points on R204 as a tool of struggle.

Study Circle questions for seven sessions and an eighth session on evaluation and the way forward

At the beginning of each session agree on who will facilitate or chair the discussion. Also agree on who will take notes. The notes do not have to be formal minutes, but they will be useful for your concluding discussions on a way forward.

Each Study Circle session will refer to a particular part of this book. If you have time in your discussions, you can also refer to the full text of R204, which is at the end of this book.

You are now ready for Session 1!

Study Circle Session 1: Understanding the International Labour Organization

In your Study Circle, agree on a person to read Chapter 1 of this book aloud. Then discuss the following questions:

1. In your own words, discuss what you understand about
 - a. The International Labour Organization (ILO)
 - b. The International Labour Conference (ILC)
 - c. Conventions adopted by the ILC
 - d. Recommendations adopted by the ILC
2. Do you know if there is an ILO office in your country? If so, where it is located? If you do not know, then as a group go to the ILO website <https://www.ilo.org/regions-and-countries> and search for your country. Then look for contact details to find the address. Make sure to keep the contact details so your organization knows where to go if it decides to ask the ILO for support in using R204 as a tool of struggle.
3. Is there anything else you want to know about the ILO? If so, make a note of the questions and, after the Study Circle meeting, send them to the leadership of your organization, or to your global network, or WIEGO.

Study Circle Session 2: Understanding the economy as a whole

In your Study Circle, agree on three people to read aloud one page each of Chapter 2 of this book. Then discuss the following questions:

1. In reading this chapter, what did you learn that was new to you about what is meant by The Economy, and the history of economic systems?
2. In your own experience, does the economy of your country still have pockets of early economies such as hunter-gathering, self-sufficient peasant farming, feudalism, or mercantilism?
3. Discuss whether your country is a Developing country. If the answer is yes, why do you think this is the case?
4. What do you know about the history of workers organizing into trade unions in your country? If you do not know, agree among yourselves who you should talk to to find out more.

Study Circle Session 3: The informal economy today

In your Study Circle, agree on four people to read aloud one page each of Chapter 3 of this book. Then discuss the following questions:

1. Re-read the ILO definition of the informal economy on page 12 of this book and discuss what you understand the definition to mean.
2. As a group, divide a large piece of paper with a line down the middle. Label the left column Formal economy, and the right column Informal economy. Then, as a group think of as many kinds of jobs as you can and place each job name in the Formal economy or the Informal economy column. If there are some jobs that you cannot agree on, after the session ask someone to help the group to find the right answer.

Formal economy jobs	Informal economy jobs

3. Do you know what percentage of the workforce in your country is informally employed? If not, do an internet search to try to find out. If you are finding it difficult to get the answer through an internet search, then go to the ILO website or the WIEGO website and, using the search button, type: *Women and men in the informal economy: A statistical picture. Third edition*. Download the publication and then find what it says about informal employment in your country. Discuss if you are surprised or not about what you discovered about the percentage of workers in your country who are informally employed.

Study Circle Session 4: How R204 came about and what its Preamble, Objectives and Guiding Principles say (Part 1)

In your Study Circle, agree on one person to read aloud Chapter 4 on how R204 came about.

1. Did you know that, before R204 was agreed at the ILO, workers in the informal economy from across the world developed a Platform of Demands?
2. What lessons can we learn about working with representatives of different sectors across the world to agree on a common set of demands?

Then move on to Chapter 5 on what R204 says.

Start by agreeing on one person to read aloud the first sections of the chapter, including the Preamble, the Objectives and Scope, and the Guiding Principles.

1. Do the Preamble, the Objectives and Scope, and the Guiding Principles make you confident that R204 can be used for the good of workers in the informal economy? Is there anything that bothers you in these sections of R204?

Move on to the next section of Chapter 5, which deals with what R204 says about Legal and Policy Frameworks. Agree on one person to read this section aloud.

1. Discuss what you think are the two most important points in the section on Legal and Policy Frameworks.

Then move to the next section of Chapter 5, on Employment Policies. Agree on one person to read this section aloud.

1. Do you know if your country has an employment policy framework that includes the interests of workers in the informal economy?
2. If not, is your organization ready to push for such a policy?
3. If your organization is ready to push for such a policy, where can this discussion take place, and who will be your allies in the discussion?

Study Circle Session 5: What R204 says about Rights and Social Protection, Social Dialogue and other issues (Part 2)

This session will deal with the R204 chapters on Rights and Social Protection; Incentives, Compliance and Enforcement; and Freedom of Association, Social Dialogue and Role of Employers and Workers Organizations. Go to these three sections in Chapter 5 of this book and agree on three people to take turns in reading the sections aloud. Then discuss the following questions:

1. Do you believe that you and your members have full freedom of association? Are your organizational rights limited in any way? If so, how are they limited?
2. Do you believe that the government and employers in your country recognize your right to bargain collectively? Are there forums where you are properly recognized and where you can put your demands for change on the table?
3. What steps do you think need to be taken to fix the unsafe and unhealthy working conditions of your members, and who should take those steps? Which government department should be responsible for these measures?
4. What social protections should be extended to your members? Which government department should be responsible for these measures?
5. What do you think your government should be doing to simplify registration procedures and lower the costs for own-account informal economy workers? Which government department should be responsible for these measures?
6. What do you think your government should be doing to improve access to credit and savings schemes, as well as to training and skills development? Which government department or departments should be responsible for these measures?

Study Circle Session 6: What R204 says about Data Collection as well as Implementation (Part 3)

This session will deal with the final two chapters of R204 – on Data Collection and Implementation. In your Study Circle, agree on a person to read aloud the two last sections of Chapter 5 of this book. Then discuss the following questions:

1. In session 3 of your Study Circle, you found out what percentage of the workforce in your country is informally employed. Do you think your government is taking the collection of employment statistics seriously, and are they making the numbers publicly available?
2. As far as you are aware, is any government department in your country currently taking overall responsibility for implementing R204?
3. Which are the most representative workers organizations and employers organizations in the country that the government should consult in implementing R204? If your own organization is not already affiliated to the most representative workers organization, how can your organization get its voice heard in pushing for the implementation of R204?

Study Circle Session 7: Using R204 to build worker power and bring about change

This Study Circle session will deal with Chapter 6 of this book, on using R204 to build worker power and bring about change. In your Study Circle, find three people to read aloud Chapter 6 until the section on other stories of struggle, which you can leave out. Then discuss the following questions:

1. Thinking back on the previous sessions, what are the five most important demands of members of your organization that will bring about positive change in their working conditions? Draw a table with three columns like the one below. Record your five most important demands in the left column. In the next two columns, based on your own experience, write down which level of government (for example, local government or national government) and which department in that level of government should attend to each demand.

Demand	Level of government to take the demand to	Department to attend to the demand

2. How do you think your organization can take up these five demands? Think about a campaign to publicize the demands, as well as who your allies could be in winning the demands. If you need time to think about these questions, you can come back to this at the start of the next session.
3. Does anything stand out for you in the four stories of success that you read in Chapter 6 of this book?

Study Circle Session 8: The Way Forward and evaluating the usefulness of the Study Circle

The final session of the Study Circle will discuss Chapter 7 of this book. Start by nominating one person to read Chapter 7 aloud to the group.

As a group, discuss the following questions:

1. What do you think about the lessons on implementation listed in Chapter 7? Based on your own struggles for change in your conditions of work, have you experienced some of these lessons?
2. How have the previous sessions of the Study Circle increased your knowledge and understanding of R204 and how can this new knowledge be used to support the struggle for a better livelihood?
3. Are you now more confident in arguing for improvements in the working conditions of informal economy workers?
4. Are you clearer about where the demands of informal economy workers can be taken to and who your organization's allies could be in this?
5. Was there anything that was confusing – either in the book or in the Study Circle sessions – that still needs to be addressed by your group?
6. What improvements could be made in the way the Study Circle was run?
7. Reflect on your individual experience of leading and participating in the Study Circle sessions.
 - a. When I was leading a session, did I ensure that everyone felt free to express their ideas and to respond to others' ideas? Did I keep the discussion lively and focused on the topic of R204?
 - b. As a participant, did I contribute to the discussions, and what have I learned about democratic participation in discussions?
8. Would you like to continue the Study Circle, and if so, what topics should it discuss?

Annexure 2: Full text of R204 – Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)

Recommendation concerning the transition from the informal to the formal economy
Adoption: Geneva, 104th ILC session (12 Jun 2015) - Status: Up-to-date instrument.

Preamble

The General Conference of the International Labour Organization,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 104th Session on 1 June 2015, and

Recognizing that the high incidence of the informal economy in all its aspects is a major challenge for the rights of workers, including the fundamental principles and rights at work, and for social protection, decent working conditions, inclusive development and the rule of law, and has a negative impact on the development of sustainable enterprises, public revenues and governments' scope of action, particularly with regard to economic, social and environmental policies, the soundness of institutions and fair competition in national and international markets, and

Acknowledging that most people enter the informal economy not by choice but as a consequence of a lack of opportunities in the formal economy and in the absence of other means of livelihood, and

Recalling that decent work deficits – the denial of rights at work, the absence of sufficient opportunities for quality employment, inadequate social protection and the absence of social dialogue – are most pronounced in the informal economy, and

Acknowledging that informality has multiple causes, including governance and structural issues, and that public policies can speed up the process of transition to the formal economy, in a context of social dialogue, and

Recalling the Declaration of Philadelphia, 1944, the Universal Declaration of Human Rights, 1948, the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998, and the ILO Declaration on Social Justice for a Fair Globalization, 2008, and

Reaffirming the relevance of the eight ILO fundamental Conventions and other relevant international labour standards and United Nations instruments as listed in the Annex, and

Recalling the resolution and Conclusions concerning decent work and the informal economy adopted by the International Labour Conference at its 90th Session (2002), and other relevant resolutions and Conclusions as listed in the Annex, and

Affirming that the transition from the informal to the formal economy is essential to achieve inclusive development and to realize decent work for all, and

Recognizing the need for Members to take urgent and appropriate measures to enable the transition of workers and economic units from the informal to the formal economy, while ensuring the preservation and improvement of existing livelihoods during the transition, and

Recognizing that employers' and workers' organizations play an important and active role in facilitating the transition from the informal to the formal economy, and

Having decided upon the adoption of certain proposals with regard to the transition from the informal to the formal economy, which is the fifth item on the agenda of the session, and

Having determined that these proposals shall take the form of a Recommendation;

adopts this twelfth day of June of the year two thousand and fifteen the following Recommendation, which may be cited as the Transition from the Informal to the Formal Economy Recommendation, 2015.

I. Objectives and scope

1. This Recommendation provides guidance to Members to:
 - a. facilitate the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship;
 - b. promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies; and
 - c. prevent the informalization of formal economy jobs.
2. For the purposes of this Recommendation, the term "informal economy":
 - a. refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements; and
 - b. does not cover illicit activities, in particular the provision of services or the production, sale, possession or use of goods forbidden by law, including the illicit production and trafficking of drugs, the illicit manufacturing of and trafficking in firearms, trafficking in persons, and money laundering, as defined in the relevant international treaties.
3. For the purposes of this Recommendation, "economic units" in the informal economy include:
 - a. units that employ hired labour;
 - b. units that are owned by individuals working on their own account, either alone or with the help of contributing family workers; and
 - c. cooperatives and social and solidarity economy units.
4. This Recommendation applies to all workers and economic units – including enterprises, entrepreneurs and households – in the informal economy, in particular:
 - a. those in the informal economy who own and operate economic units, including:
 - i. own-account workers;
 - ii. employers; and
 - iii. members of cooperatives and of social and solidarity economy units;
 - b. contributing family workers, irrespective of whether they work in economic units in the formal or informal economy;
 - c. employees holding informal jobs in or for formal enterprises, or in or for economic units in the informal economy, including but not limited to those in subcontracting and in supply chains, or as paid domestic workers employed by households; and
 - d. workers in unrecognized or unregulated employment relationships.
5. Informal work may be found across all sectors of the economy, in both public and private spaces.
6. In giving effect to the provisions of Paragraphs 2 to 5 above, and given the diversity of the informal economy across member States, the competent authority should identify the nature and extent of the informal economy as described in this Recommendation, and its relationship to the formal economy. In so doing, the competent authority should make use of tripartite mechanisms with the full participation of the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

II. Guiding principles

7. In designing coherent and integrated strategies to facilitate the transition to the formal economy, Members should take into account the following:
 - a. the diversity of characteristics, circumstances and needs of workers and economic units in the informal economy, and the necessity to address such diversity with tailored approaches;
 - b. the specific national circumstances, legislation, policies, practices and priorities for the transition to the formal economy;
 - c. the fact that different and multiple strategies can be applied to facilitate the transition to the formal economy;
 - d. the need for coherence and coordination across a broad range of policy areas in facilitating the transition to the formal economy;
 - e. the effective promotion and protection of the human rights of all those operating in the informal economy;
 - f. the fulfilment of decent work for all through respect for the fundamental principles and rights at work, in law and practice;
 - g. the up-to-date international labour standards that provide guidance in specific policy areas (see Annex);
 - h. the promotion of gender equality and non-discrimination;
 - i. the need to pay special attention to those who are especially vulnerable to the most serious decent work deficits in the informal economy, including but not limited to women, young people, migrants, older people, indigenous and tribal peoples, persons living with HIV or affected by HIV or AIDS, persons with disabilities, domestic workers and subsistence farmers;
 - j. the preservation and expansion, during the transition to the formal economy, of the entrepreneurial potential, creativity, dynamism, skills and innovative capacities of workers and economic units in the informal economy;
 - k. the need for a balanced approach combining incentives with compliance measures; and
 - l. the need to prevent and sanction deliberate avoidance of, or exit from, the formal economy for the purpose of evading taxation and the application of social and labour laws and regulations.

III. Legal and policy frameworks

8. Members should undertake a proper assessment and diagnostics of factors, characteristics, causes and circumstances of informality in the national context to inform the design and implementation of laws and regulations, policies and other measures aiming to facilitate the transition to the formal economy.
9. Members should adopt, review and enforce national laws and regulations or other measures to ensure appropriate coverage and protection of all categories of workers and economic units.
10. Members should ensure that an integrated policy framework to facilitate the transition to the formal economy is included in national development strategies or plans as well as in poverty reduction strategies and budgets, taking into account, where appropriate, the role of different levels of government.
11. This integrated policy framework should address:
 - a. the promotion of strategies for sustainable development, poverty eradication and inclusive growth, and the generation of decent jobs in the formal economy;
 - b. the establishment of an appropriate legislative and regulatory framework;
 - c. the promotion of a conducive business and investment environment;
 - d. respect for and promotion and realization of the fundamental principles and rights at work;
 - e. the organization and representation of employers and workers to promote social dialogue;
 - f. the promotion of equality and the elimination of all forms of discrimination and violence, including gender-based violence, at the workplace;
 - g. the promotion of entrepreneurship, micro, small and medium-sized enterprises, and other forms of business models and economic units, such as cooperatives and other social and solidarity economy units;

- h. access to education, lifelong learning and skills development;
 - i. access to financial services, including through a regulatory framework promoting an inclusive financial sector;
 - j. access to business services;
 - k. access to markets;
 - l. access to infrastructure and technology;
 - m. the promotion of sectoral policies;
 - n. the establishment of social protection floors, where they do not exist, and the extension of social security coverage;
 - o. the promotion of local development strategies, both rural and urban, including regulated access for use of public space and regulated access to public natural resources for subsistence livelihoods;
 - p. effective occupational safety and health policies;
 - q. efficient and effective labour inspections;
 - r. income security, including appropriately designed minimum wage policies;
 - s. effective access to justice; and
 - t. international cooperation mechanisms.
12. When formulating and implementing an integrated policy framework, Members should ensure coordination across different levels of government and cooperation between the relevant bodies and authorities, such as tax authorities, social security institutions, labour inspectorates, customs authorities, migration bodies and employment services, among others, depending on national circumstances.
13. Members should recognize the importance of safeguarding the opportunities of workers and economic units for income security in the transition to the formal economy by providing the means for such workers or economic units to obtain recognition of their existing property as well as by providing the means to formalize property rights and access to land.

IV. Employment policies

14. In pursuing the objective of quality job creation in the formal economy, Members should formulate and implement a national employment policy in line with the Employment Policy Convention, 1964 (No. 122), and make full, decent, productive and freely chosen employment a central goal in their national development and growth strategy or plan.
15. Members should promote the implementation of a comprehensive employment policy framework, based on tripartite consultations, that may include the following elements:
- a. pro-employment macroeconomic policies that support aggregate demand, productive investment and structural transformation, promote sustainable enterprises, support business confidence, and address inequalities;
 - b. trade, industrial, tax, sectoral and infrastructure policies that promote employment, enhance productivity and facilitate structural transformation processes;
 - c. enterprise policies that promote sustainable enterprises and, in particular, the conditions for a conducive environment, taking into account the resolution and Conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007), including support to micro, small and medium-sized enterprises and entrepreneurship, and well-designed, transparent and well-communicated regulations to facilitate formalization and fair competition;
 - d. labour market policies and institutions to help low-income households to escape poverty and access freely chosen employment, such as appropriately designed wage policies including minimum wages, social protection schemes including cash transfers, public employment programmes and guarantees, and enhanced outreach and delivery of employment services to those in the informal economy;
 - e. labour migration policies that take into account labour market needs and promote decent work and the rights of migrant workers;
 - f. education and skills development policies that support lifelong learning, respond to the evolving needs of the labour market and to new technologies, and recognize prior learning such as through informal apprenticeship systems, thereby broadening options for formal employment;

- g. comprehensive activation measures to facilitate the school-to-work transition of young people, in particular those who are disadvantaged, such as youth guarantee schemes to provide access to training and continuing productive employment;
- h. measures to promote the transition from unemployment or inactivity to work, in particular for long-term unemployed persons, women and other disadvantaged groups; and
- i. relevant, accessible and up-to-date labour market information systems.

V. Rights and social protection

16. Members should take measures to achieve decent work and to respect, promote and realize the fundamental principles and rights at work for those in the informal economy, namely:
- a. freedom of association and the effective recognition of the right to collective bargaining;
 - b. the elimination of all forms of forced or compulsory labour;
 - c. the effective abolition of child labour; and
 - d. the elimination of discrimination in respect of employment and occupation.
17. Members should:
- a. take immediate measures to address the unsafe and unhealthy working conditions that often characterize work in the informal economy; and
 - b. promote and extend occupational safety and health protection to employers and workers in the informal economy.
18. Through the transition to the formal economy, Members should progressively extend, in law and practice, to all workers in the informal economy, social security, maternity protection, decent working conditions and a minimum wage that takes into account the needs of workers and considers relevant factors, including but not limited to the cost of living and the general level of wages in their country.
19. In building and maintaining national social protection floors within their social security system and facilitating the transition to the formal economy, Members should pay particular attention to the needs and circumstances of those in the informal economy and their families.
20. Through the transition to the formal economy, Members should progressively extend the coverage of social insurance to those in the informal economy and, if necessary, adapt administrative procedures, benefits and contributions, taking into account their contributory capacity.
21. Members should encourage the provision of and access to affordable quality childcare and other care services in order to promote gender equality in entrepreneurship and employment opportunities and to enable the transition to the formal economy.

VI. Incentives, compliance and enforcement

22. Members should take appropriate measures, including through a combination of preventive measures, law enforcement and effective sanctions, to address tax evasion and avoidance of social contributions, labour laws and regulations. Any incentives should be linked to facilitating the effective and timely transition from the informal to the formal economy.
23. Members should reduce, where appropriate, the barriers to the transition to the formal economy and take measures to promote anti-corruption efforts and good governance.
24. Members should provide incentives for, and promote the advantages of, effective transition to the formal economy, including improved access to business services, finance, infrastructure, markets, technology, education and skills programmes, and property rights.
25. With respect to the formalization of micro and small economic units, Members should:

- a. undertake business entry reforms by reducing registration costs and the length of the procedure, and by improving access to services, for example, through information and communication technologies;
 - b. reduce compliance costs by introducing simplified tax and contributions assessment and payment regimes;
 - c. promote access to public procurement, consistent with national legislation, including labour legislation, through measures such as adapting procurement procedures and volumes, providing training and advice on participating in public tenders, and reserving quotas for these economic units;
 - d. improve access to inclusive financial services, such as credit and equity, payment and insurance services, savings, and guarantee schemes, tailored to the size and needs of these economic units;
 - e. improve access to entrepreneurship training, skills development and tailored business development services; and
 - f. improve access to social security coverage.
26. Members should put in place appropriate mechanisms or review existing mechanisms with a view to ensuring compliance with national laws and regulations, including but not limited to ensuring recognition and enforcement of employment relationships, so as to facilitate the transition to the formal economy.
 27. Members should have an adequate and appropriate system of inspection, extend coverage of labour inspection to all workplaces in the informal economy in order to protect workers, and provide guidance for enforcement bodies, including on how to address working conditions in the informal economy.
 28. Members should take measures to ensure the effective provision of information, assistance in complying with the relevant laws and regulations, and capacity building for relevant actors.
 29. Members should put in place efficient and accessible complaint and appeal procedures.
 30. Members should provide for preventive and appropriate corrective measures to facilitate the transition to the formal economy, and ensure that the administrative, civil or penal sanctions provided for by national laws for non-compliance are adequate and strictly enforced.

VII. Freedom of association, social dialogue and role of employers' and workers' organizations

31. Members should ensure that those in the informal economy enjoy freedom of association and the right to collective bargaining, including the right to establish and, subject to the rules of the organization concerned, to join organizations, federations and confederations of their own choosing.
32. Members should create an enabling environment for employers and workers to exercise their right to organize and to bargain collectively and to participate in social dialogue in the transition to the formal economy.
33. Employers' and workers' organizations should, where appropriate, extend membership and services to workers and economic units in the informal economy.
34. In designing, implementing and evaluating policies and programmes of relevance to the informal economy, including its formalization, Members should consult with and promote active participation of the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.
35. Members and employers' and workers' organizations may seek the assistance of the International Labour Office to strengthen the capacity of the representative employers' and workers' organizations and, where they exist, representative organizations of those in the informal economy, to assist workers and economic units in the informal economy, with a view to facilitating the transition to the formal economy.

VIII. Data collection and monitoring

36. Members should, in consultation with employers' and workers' organizations, on a regular basis:
- a. where possible and as appropriate, collect, analyse and disseminate statistics disaggregated by sex, age, workplace, and other specific socio-economic characteristics on the size and composition of the informal economy, including the number of informal economic units, the number of workers employed and their sectors; and
 - b. monitor and evaluate the progress towards formalization.
37. In developing or revising the concepts, definitions and methodology used in the production of data, statistics and indicators on the informal economy, Members should take into consideration relevant guidance provided by the International Labour Organization, in particular and as appropriate, the guidelines concerning a statistical definition of informal employment adopted by the 17th International Conference of Labour Statisticians in 2003 and their subsequent updates.

IX. Implementation

38. Members should give effect to the provisions of this Recommendation, in consultation with the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy, by one or a combination of the following means, as appropriate:
- a. national laws and regulations;
 - b. collective agreements;
 - c. policies and programmes;
 - d. effective coordination among government bodies and other stakeholders;
 - e. institutional capacity building and resource mobilization; and
 - f. other measures consistent with national law and practice.
39. Members should review on a regular basis, as appropriate, the effectiveness of policies and measures to facilitate the transition to the formal economy, in consultation with the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.
40. In establishing, developing, implementing and periodically reviewing the measures taken to facilitate the transition to the formal economy, Members should take into account the guidance provided by the instruments of the International Labour Organization and the United Nations relevant to the informal economy listed in the Annex.
41. Nothing in this Recommendation should be construed as reducing the protections afforded to those in the informal economy by other instruments of the International Labour Organization.
42. The Annex may be revised by the Governing Body of the International Labour Office. Any revised Annex so established, once approved by the Governing Body, shall replace the preceding annex and shall be communicated to the Members of the International Labour Organization.

Instruments of the International Labour Organization and the United Nations relevant to facilitating the transition from the informal to the formal economy

INSTRUMENTS OF THE INTERNATIONAL LABOUR ORGANIZATION

Fundamental Conventions

- Forced Labour Convention, 1930 (No. 29), and Protocol of 2014 to the Forced Labour Convention, 1930
- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Equal Remuneration Convention, 1951 (No. 100)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)

Governance Conventions

- Labour Inspection Convention, 1947 (No. 81)
- Employment Policy Convention, 1964 (No. 122)
- Labour Inspection (Agriculture) Convention, 1969 (No. 129)
- Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)

Other instruments

Freedom of association, collective bargaining and industrial relations

- Rural Workers' Organisations Convention, 1975 (No. 141)
- Collective Bargaining Convention, 1981 (No. 154)

Equality of opportunity and treatment

- Workers with Family Responsibilities Convention, 1981 (No. 156)

Employment policy and promotion

- Employment Policy Recommendation, 1964 (No. 122)
- Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)
- Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169)
- Private Employment Agencies Convention, 1997 (No. 181)
- Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)
- Promotion of Cooperatives Recommendation, 2002 (No. 193)
- Employment Relationship Recommendation, 2006 (No. 198)

Vocational guidance and training

- Human Resources Development Convention, 1975 (No. 142)
- Human Resources Development Recommendation, 2004 (No. 195)

Wages

- Labour Clauses (Public Contracts) Convention (No. 94) and Recommendation (No. 84), 1949
- Minimum Wage Fixing Convention (No. 131) and Recommendation (No. 135), 1970

Occupational safety and health

- Occupational Safety and Health Convention, 1981 (No. 155)
- Safety and Health in Agriculture Convention (No. 184) and Recommendation (No. 192), 2001
- Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)

Social security

- Social Security (Minimum Standards) Convention, 1952 (No. 102)
- Social Protection Floors Recommendation, 2012 (No. 202)

Maternity protection

- Maternity Protection Convention, 2000 (No. 183)

Migrant workers

- Migration for Employment Convention (Revised), 1949 (No. 97)
- Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)

HIV and AIDS

- HIV and AIDS Recommendation, 2010 (No. 200)

Indigenous and tribal peoples

- Indigenous and Tribal Peoples Convention, 1989 (No. 169)

Specific categories of workers

- Home Work Convention, 1996 (No. 177)
- Domestic Workers Convention (No. 189) and Recommendation (No. 201), 2011

Resolutions of the International Labour Conference

- Resolution and Conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007)
- Resolution and Conclusions concerning the youth employment crisis adopted by the International Labour Conference at its 101st Session (2012)
- Resolution and Conclusions concerning the second recurrent discussion on employment adopted by the International Labour Conference at its 103rd Session (2014)

UNITED NATIONS INSTRUMENTS

- Universal Declaration of Human Rights, 1948
- International Covenant on Economic, Social and Cultural Rights, 1966
- International Covenant on Civil and Political Rights, 1966
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990

Glossary of terms used in this booklet

Commodity: A product that is related to mining, energy (e.g. crude oil, natural gas and petroleum products) or unprocessed agriculture (e.g. coffee beans, sugar, beef and cotton).

Commodity dependence: A situation where 60% or more of the value of a country's exports comes from commodities.

Freedom of Association: In the context of R204 freedom of association means the right of workers in the informal economy to join or form organizations of their choice.

GDP: The gross domestic product of a country is the total money value of goods and services produced in that country in a year.

Membership-based organization: The term membership-based organization is used in R204 to describe all kinds of organizations that workers join as members. These include trade unions, workers cooperatives, and associations. The term is also used by WIEGO and the four global networks of organizations of informal economy workers, often in the shortened form MBO.

ILC (International Labour Conference): The International Labour Conference, or ILC for short, meets every year in Geneva for two weeks. National representatives of the ILO's three parties come together to discuss items on an agenda that has been set by the ILO's Governing Body.

ILO Convention: A Convention that comes out of the ILC has the highest status, as it is a guideline for what should be put into national laws. National governments are expected first to formally approve, or ratify, Conventions passed by the ILC, and then to make sure that their national laws are in line with the Convention. In this way, Conventions are legally binding instruments.

ILO (International Labour Organization): The ILO is a tripartite institution, with three parties that govern it and make decisions about workers' rights. The three parties are national representatives of governments, organized workers (represented by trade unions) and organized businesses. But only national governments sign up to the ILO and become member states of the organization. In 2024, 187 ILO member states are part of the UN system, out of a possible 193 states.

ILO Members: Although the ILO governance structures are tripartite, only national governments sign up to the ILO and become member states of the organization. In 2024, 187 ILO member states were part of the UN system, out of a possible 193 states.

ILO Recommendation: A Recommendation that comes out of the ILC can be used as an official reminder to governments about the commitments they made at the ILC. Unlike Conventions, Recommendations are non-binding in that governments are not obliged to put them into law. However, a Recommendation is more detailed and longer than a Convention. In some situations where organized workers are talking to their government, this makes a Recommendation more useful than a Convention. A Recommendation also guides the ILO staff on how to give support to the parties on its topic.

ILO Standard: Conventions and Recommendations of the ILO are referred to as ILO Standards.

Informal economy: The informal economy is defined by the ILO as "*all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements*". Recommendation 204 adds to the definition of the informal economy by making it clear that for the purposes of the process of formalization the informal economy does not include illegal activities such as the illicit production and sale of drugs or firearms, the trafficking of people, and money laundering.

Informal sector: The informal economy is defined by informal economic units only and does not include workers who are informally employed in formal economic units or firms. It is "enterprise based" only. This means, for example, that unregistered domestic workers are not part of the informal sector, but they are part of the informal economy. E-hailing drivers are also not part of the informal sector but, in most countries, they are part of the informal economy.

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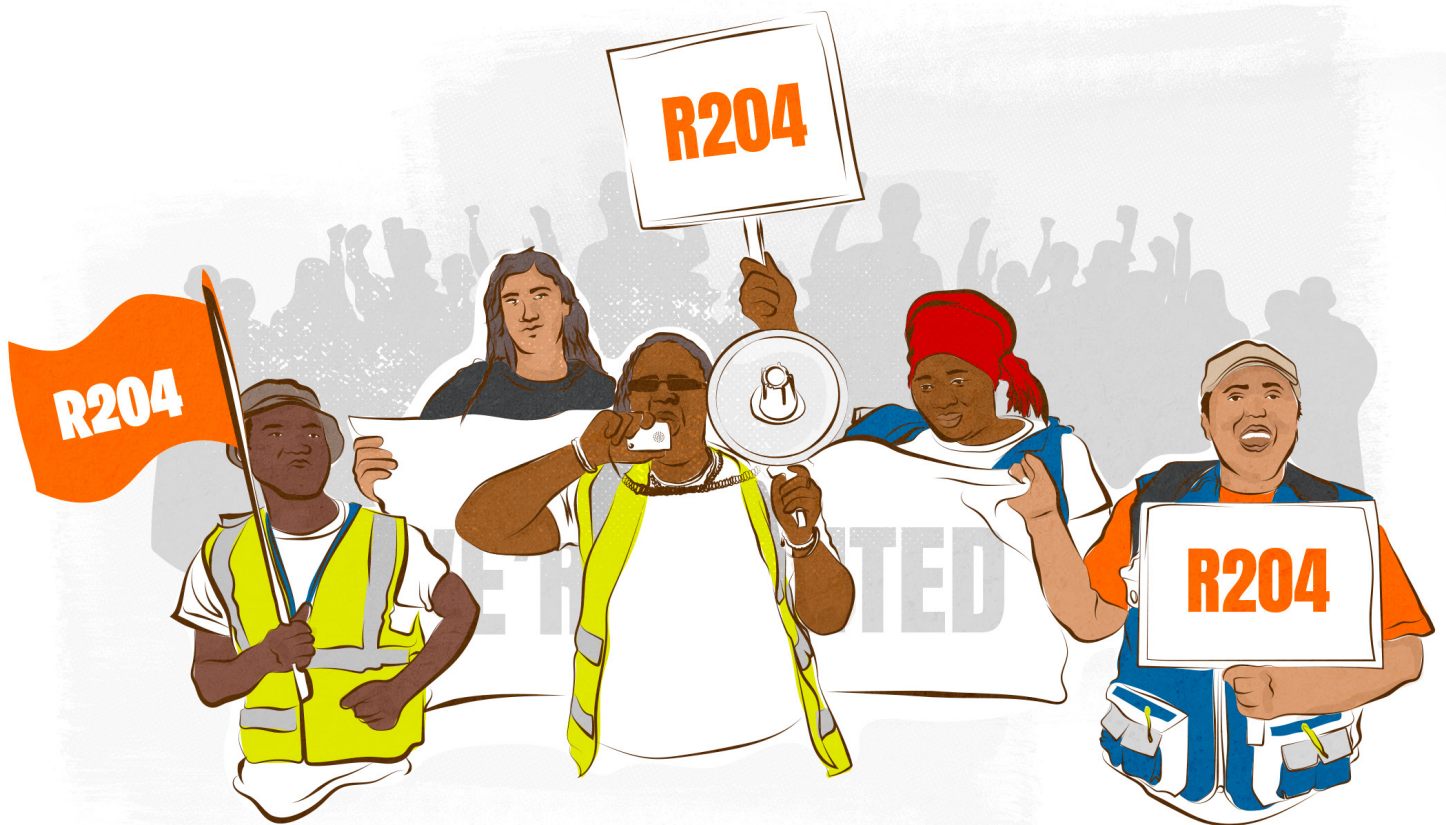
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Women in Informal Employment:
Globalizing and Organizing

About WIEGO

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. Visit www.wiego.org.



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