

**Decent Work in the Informal Economy: A Discussion Paper on Item VI of the 90th
Session of the International Labour Conference, 2002.**

Leah F. Vosko

Executive Summary

At the level of the International Labour Organization (ILO), research into the size, scope and organization of the informal economy began in 1972 when the concept ‘informal sector’ was first introduced into ILO discourse. In 1991, after nearly two decades of research into issues surrounding the concept and based on extensive discussions in ILO forums, the ‘informal sector’ became a central target of research and action. Consequently, between 1991 and 2002, officials at the International Labour Office worked diligently to increase the ILO’s knowledge-base about the informal economy at the same time as member states, workers and employers engaged in standard-setting activities related to precarious employment, adopting new international labour conventions and recommendations on Homework and Private Employment Agencies and discussing the range of potential instruments necessary to address changing employment relationships.

This paper describes the discussion of the six points outlined in the ILO Report entitled *Decent Work and the Informal Economy (2002)* at the ILC in Geneva in June 2002. The analysis in the paper is based on field observation conducted in three groups – the tripartite Committee on the Informal Economy, the Workers’ Group and a loose coalition of groups representing and/or supporting informal-economy workers (both representatives of membership-based organizations of informal-economy workers and groups in the process of becoming membership-based). What is notable about the ILC discussion is the effectiveness of the extensive lobbying on the part of the loose coalition of groups representing and/or supporting informal-economy workers. Specifically, the coalition, whose composition was quite diverse, played a key role in shaping the debates inside the Workers’ Group and, ultimately, the positions advanced by the Workers’ Vice-Chairperson – it was able to intervene (albeit indirectly) in the tripartite structure of the ILO.

The primary aim of the discussion paper is to document the process of negotiation and debate at the ILC in 2002. The paper pays particular attention to where the Workers’ Group, the Employers’ Group and Member States, or governments, stood in relation to the coalition on the issues discussed and debated yet it also documents discussions inside the coalition itself. In so doing, it highlights overarching themes as well as key points of struggle in the discussion. The paper proceeds in three parts.

Part I describes the initial general discussion of ‘decent work in the informal economy’ as it took place in the three groups observed, focusing on the nature of the debate over the concepts ‘informal sector’ versus ‘informal economy’.

Part II describes the discussion of the six points that structured the exchange between workers, employers and governments on the floor of the ILC as well as, where possible, within these groups and in the coalition. These six points are summarized as follows:

- The adequacy of the ‘informal economy’ concept

- Positive and negative aspects of the ‘informal economy’
- Causes and reasons for engaging in informal activities and barriers to entry into ‘formal’ economic and social protection systems
- Means to address the informal economy and ways to remove barriers to entering the formal economy
- Roles of government, employers’ and workers’ organizations
- Priorities for ILO action.

Part III synthesizes key themes, issues and struggles framing debates within and across the three groups observed at the ILC as they manifest themselves in the debate over the content and wording of the conclusions of the Committee on the Informal Economy. Five contentious issues/debates, which crystallized inside the Drafting Group of the Committee on the informal economy, ultimately reached the floor of the ILC:

- The issue of whether to include of a clear statement that core labour standards and fundamental labour rights apply to workers in both the formal and informal economies reflecting a larger dispute over to whom (i.e., which workers) the ILO Declaration on Fundamental Principles and Rights at Work and Its Follow-up applies
- The issue of whether to make reference to ‘own account workers’ (the choice term of the coalition and ultimately the Workers’ Group) or ‘economic units’ or entrepreneurs (employers’ choice term) in the Conclusions
- The debate over the inclusion of references to ‘democratic membership-based organizations’ in segments of the Conclusions calling on the ILO to assist the social partners to reduce ‘decent work deficits’ in the informal economy through its technical assistance activities
- The debate over how to direct the ILO to gather and organize statistics on the informal economy
- And, finally, the heated debate over whether the Conclusions should refer to directly to the WTO and Bretton Woods institutions in calling for improved forms of regulation.

The conclusion of the paper draws out four issues/themes poised to frame future forums and debates within both the ILO and the international labour movement:

1. Who are Informal Economy Workers? The Debate of the Own Account Category
2. Organizing Informal Economy Workers Lacking Full Access to the Right to Organize and Bargain Collectively: Transforming the Trade Union Movement?
3. Building Conceptual Linkages Between Processes of Informalization and the Informal Economy
4. Avoiding False Dichotomies in Standard-Setting and Technical Assistance