

International Labour Conference, June 2002

Workers in the Informal Economy: Platform of Issues

Introduction

This platform states the concerns of workers in the informal economy as they emerged from discussions held in workshops organized by the Committee for Asian Women, by HomeNet, by workers' education organizations (Workers' Education Association of Zambia and Workers' Education Association of England and Scotland, with the participation of the International Federation of Workers' Education Associations), by the Harvard Trade Union Program and by the International Restructuring Education Network, in Asia, Africa, North America and Europe, in 2001 and 2002. Women in Informal Employment Globalizing and Organizing (WIEGO) and StreetNet participated in these workshops, in some instances as co-sponsor. The platform also reflects research and discussions within WIEGO and takes on board some of the elements of discussions within the Task Force on Unprotected or Informal Work of the International Confederation of Free Trade Unions.

General Considerations

Workers in the informal economy (hereafter referred to as IE) are no different from any other workers except that they perform their work in unregulated and unprotected conditions.

A majority of all workers in the world are in this situation: they work in informal enterprises as well as in informal jobs (jobs that pay no benefits or provide no social protection), thus including *own account workers* (for example home-based workers, street vendors or small farmers) and *paid workers* in informal jobs (for example casual workers without fixed employers, most domestic workers, as well as workers in unregulated and unprotected work in various enterprises ranging from agriculture to manufacturing to services, often with a final employer in the "formal" economy).

The ILO has set decent work for all as the goal for its own work. The four pillars of decent work, according to the ILO, are employment opportunities, workers' rights, social protection and representation. According to the Director-General of the ILO, the working poor in the informal economy experience the greatest deficits in decent work. They are the least likely to benefit from full-time employment and social protection and the most likely to suffer from lack of workers' rights and of organization and representation. The net result is that the majority of workers in the informal economy are caught in a poverty trap: in a "decent living standards deficit". To

reduce poverty we need to reduce the decent work deficits of those who work in the informal economy.

National and local governments need to recognize the existence of workers in the informal economy, particularly women workers, and to acknowledge their economic and social contributions. In so doing, they need to adopt measures and policies that enable these workers to make this contribution under acceptable conditions, that protect their rights as workers including their right to social protection and to representation, and that generate increased decent employment opportunities for them. Such policies range from institutional recognition to measures protecting workers from harassment by police and local authorities, employers and contractors.

What is needed is, in the first place, the recognition that workers in the IE should have the same rights as any other workers covered by ILO standards; secondly, that the implementation of these standards is particularly difficult in the IE, therefore requiring a special effort by governments. *As a first step, governments should remove all legal obstacles to the organisation of workers in the IE into "organisations of their choice without prior authorization".*

Labour legislation is usually framed to apply to "employees" rather than "workers", which assumes a formal employment relationship. The ILO should encourage governments, and governments should accept, that labour legislation should apply to all workers, regardless of the existence of an employment relationship or of the form it may take.

Further, workers in the IE have very little social protection and access to social services, in most cases none at all. In many cases, their work is insecure, with low and irregular income. They need support in education and training, through appropriate programmes that should be carried out with their participation at every stage, from planning to implementation.

The following spells out specifically what needs to be done, principally by governments and employers, to address the challenge of the "decent work and life deficit".

(1) Workers' Rights

Through the ILO, a system of international labour standards and labour conventions developed during the last century. Workers' rights include core labour standards around which there is widespread international agreement and other basic rights. The core rights, encompassed in international conventions, include freedom of association and the right of collective bargaining; elimination of all forms of forced or compulsory labour; elimination of discrimination in respect of employment and occupation; and the effective abolition of child labour.¹

¹ These principles are defined in the following ILO conventions: Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87); Right to Organize and Collective Bargaining Convention, 1948 (No. 98); Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Equal Remuneration Convention, 1951 (No. 138); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182)

Other areas of basic rights include safe and healthy working conditions, reasonable working hours, severance notice and pay, paid sick leave and vacations, and retirement compensation. Some of these are incorporated in existing international standards and conventions and should, in principle, be extended to informal workers. Most ILO standards apply to all workers or, if targeted at workers in the formal economy, have explicit provisions for extension to other categories of workers. One ILO Convention – the 1996 Home Workers' Convention – focuses on a specific category of worker in the informal economy: home workers or industrial outworkers who work from their homes. And two ILO Conventions – one on rural workers, the other on indigenous and tribal people – focuses on groups who are often in the informal economy.

The longstanding commitment of the ILO to protecting the rights of all workers irrespective of where they work was reinforced in 1998 when the International Labour Conference unanimously adopted a Declaration on Fundamental Principles and Rights at Work that applies to all those who work, regardless of their employment relationship. Most recently, the ILO has explicitly incorporated the informal economy in its policy framework called "Decent Work".

We therefore seek the support by the ILO and its Members for a campaign for further ratifications and the implementation of the following conventions:

- Home Work Convention, 1996 (No. 177)
- Indigenous and Tribal Peoples Convention, 1989 (No. 169)
- Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)
- Rural Workers' Organisations Convention, 1975 (No. 141)

and the implementation of the provisions of the following recommendations:

- Migrant Workers' Recommendation, 1975 (No. 151)
- Tenants and Sharecroppers Recommendation, 1968 (No. 132)
- Promotion of Collective Bargaining Recommendation, 1981 (No. 163)

For example: when Convention No. 98 was adopted, it was assumed that it would apply to paid employees. However, workers do engage in collective bargaining also outside of an employer/employee relation, for example market workers with local authorities, or home-based workers with intermediaries. Their right to do so must now be asserted and appropriate institutional structures created.

(2) Social Protection

The ILO and its Members are invited to uphold the rights of workers in the IE, particularly women workers, to adequate social security, including maternity benefits, health insurance and old age pensions.

National and local governments are invited to adopt the following measures and policies:

- Extend and strengthen existing social security schemes, including maternity benefits, and provide such schemes where they do not as yet exist;
- Provide childcare services that would enable women and men involved in the informal economy to engage in productive work.

The provisions of the *Maternity Protection Convention, 2000 (No. 183)*, already apply to "all employed women, including those in atypical forms of dependent work". Its principles should apply to all women in informal work, consistently with its definition of "woman" as "any female person without discrimination whatsoever".

It should also be recalled that the *Workers With Family Responsibilities Convention, 1981 (No. 156)* applies to "all branches of economic activity and all categories or workers".

Most informal work is not covered by any legal protection regarding occupational safety and health. The provisions of the *Occupational Safety and Health Convention, 1981 (No. 155)* should apply to workers in informal employment and not only to "employed persons".

The ILO is invited to conduct a survey of work hazards and of unhealthy and unsafe conditions of work in the informal economy.

National governments are invited to strengthen their labour inspection services with particular regard to occupational safety and health problems in the informal economy.

Sexual harassment is a hazard women workers frequently encounter, also in informal work, particularly in domestic employment. Street vendors, when commuting home, face the usual threat of violence and sexual harassment common to low-income women living in marginal settlements around the world. Governments are invited to enact and enforce legislation against sexual harassment, as well as domestic violence and other forms of violence against women and children.

Workers in informal employment are particularly vulnerable to natural and man-made disasters (earthquakes, floods, wars, civil violence, etc.) as they have little institutional protection and no personal reserves to fall back on. They require insurance schemes providing adequate protection and, through their organisations, should participate in the management of such schemes. Governments are invited to support, through legislation or policy, micro-insurance schemes developed by informal workers' organisations.

(3) Education

Workers in informal employment, in particular women workers, have educational needs at various levels: trade union and co-operative management training, vocational training, training in occupational safety and health issues, marketing, etc.

Educational services meeting these needs can be delivered by a number of institutions: workers' education associations, trade unions, public authorities at all levels, academic institutions and others. The following addresses the potential contribution of the ILO and of the governments of Member States.

The ILO should promote and develop educational programmes for workers in the informal economy, particularly women workers. These can be carried out through its own structures and by supporting programmes delivered by workers' education institutions, in particular in the following fields:

- organisation and management of workers' organisations (in particular trade unions and co-operatives);
- occupational safety and health;
- vocational training,
- global economics (production chains and marketing);

The principles of the *Paid Educational Leave Convention, 1974 (No. 140)* should apply to workers in informal employment. A fund with contributions from governments and employers should be set up to enable the implementation of these provisions as they apply to the informal economy.

(4) Economic Support

The ILO is invited to uphold the right of workers, in particular women, in informal work to adequate income and secure work. National governments are invited to enact and implement laws on fair wages and incomes.

National and local governments should provide mechanisms by which workers in the informal economy can be provided access to and control over productive assets and resources, such as land, credit, capital, marketing and technological assistance.

(5) Voice and Representation

Workers in informal employment should be represented through their organisations in all institutions where decisions are made that affect their conditions of life and work. It is important to understand that what is required here is not a representation by proxy but direct representation through their own representative organisations.

At international level, such workers' organisations should be represented at the ILO by their inclusion in the Workers' Group. Where employers in the IE form their own associations, they should be included in the Employers' Group.

At national level, tri-partite bodies should be established which deal with the problems of the IE where workers and employers in the IE are represented in a workers' group through workers' organisations and in an employers' group through business associations. Where tripartite structures already exist, they should include the IE in their existing organisation and activities.

Local governments should establish structures where discussion and negotiation with the local authorities can be conducted on such issues as regulation of street trade and provision of facilities to street and market vendors, public work for home based workers and other informal workers, the elimination or harassment of street and market vendors in urban areas, etc.

(6) Statistics

The ILO should assist all governments to produce proper statistics on the IE in their countries.