

A Just Transition for Workers in Informal Employment

Considerations for the 111th session of the ILC general discussion on a just transition

Introduction

In 2023, the International Labour Conference will hold a General Discussion on “a just transition, including consideration of industrial policies and technology, towards environmentally sustainable economies and societies for all.” For the ILO, a just transition means greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities, and leaving no one behind.¹

The commitment to leave no one behind must include workers in informal employment who make up 61 percent of the global labour force - more than two billion workers.² Across low- and middle-income countries, informal employment consists of more than half of total employment; 89 percent in sub-Saharan Africa, 88 percent in South Asia, 77 percent in Southeast Asia, 68 percent in the MENA region, and 54 percent in Latin America.³

Though more men than women are in informal employment, women workers are more likely to be informally employed than men who work across sub-Saharan Africa, Asia and Latin America. Globally, 64 percent of workers in informal employment are self-employed including 3 percent as employers, 45 percent as own-account workers and 16 percent as contributing family workers.

The ILO 2015 guidelines for a just transition⁴ highlight the need for governments to

“establish targeted programmes in sectors where a significant proportion of enterprises and workers are informal with a view to promote formalization and awareness of social, economic and environmental policies; in this context, the use of the cooperative model, among others, can be an effective tool for formalization.” Para 21h

With this emphasis in mind the General Discussion in 2023 is an opportunity for the ILO to include the majority of the global workforce, those in informal employment, as part of the just transition framework. Many national and global tripartite partners lack data, research, and meaningful engagements with workers in informal employment to define a long-term road map for a just transition.

Yet workers in informal employment are an integral part of global and national supply chains. For example, homeworkers in global value chains, street and market vendors and waste pickers are at risk of serious market disruptions as efforts to reduce transport emissions draw production units and markets closer to home and consumer backlash to pollution puts pressure on industries like fast fashion, packaging, and electronics to reduce production and make materials easier to repair. Similarly, shifts in heavy industry policies such as mining and petro-chemicals towards more environmentally sustainable solutions will have a cascading effect on workers in informal employment. A just transition framework must consider active labour policies and social protection for these workers too by including membership-based organizations of workers in the informal economy in decision-making processes regarding this transition.

In this brief, WIEGO and four global networks of workers in informal employment including HomeNet International, the International Alliance of Waste Pickers, the International Domestic Workers Federation and StreetNet International⁵ propose ways in which a just transition framework can be more inclusive to ensure decent work and social cohesion.

Annex 1 documents ways in which these groups of workers are already impacted by climate change. The intention is to strengthen the ILO’s mandate through the general discussion to engage in data collection, research and programming with workers in informal employment and their representative organizations as part of just transition frameworks.

¹ ILO. [Frequently Asked Questions on just transition](#)

² ILO. 2018. Women and men in the informal economy: A statistical picture. Third edition. Geneva: ILO

³ Ibid.

⁴ ILO. 2015. Guidelines for a just transition towards environmentally sustainable economies and societies for all.

⁵ These four global networks of workers in informal employment represent close to 9 million workers across 92 countries

Inclusive just transition framework for workers in informal employment

A first step towards an inclusive just transition framework for workers in informal employment is recognition of their work and their tremendous current and potential contribution to reducing carbon emissions, as well as to mitigating the impacts of climate change.

- For example, **waste pickers** are climate change mitigation agents as recycling contributes to reducing carbon emissions and reducing pollution.⁶
- Across Africa, Asia and Latin America, legal provisions were made for **street vendors and market traders** to operate during COVID-19 lockdowns to ensure food security in communities.⁷ Their services have a lower carbon footprint and are more redistributive than large supermarkets.
- Many **home-based workers** are involved in shortening supply chains and thereby the emissions by creating goods made from local raw material and sold in local markets. They are also involved in making goods with environment-friendly raw materials, reusing discarded materials, and are also involved in sorting of e-waste.
- **Domestic workers** are the backbone of care systems in many regions, including Africa, Asia, Latin America, and the MENA region.⁸ In the absence of quality and accessible care public services, they are frontline workers who will directly shoulder the care work brought on by more frequent and severe climate disasters and environmental pollution.

However, the informal nature of the occupations and employment keeps these workers and their households vulnerable to climate change-induced disasters and perpetuates a vicious cycle of poverty. An inclusive just transition framework would value the contribution of these workers and support their legal recognition in labour and social protection regulations.

Drawing on the ILO 2015 Guidelines, below are key areas for consideration in an inclusive just transition framework for workers in informal employment drawing on ILO Conventions and Recommendations:

Transition from the informal to the formal economy

- ILO Recommendation on the transition from the informal to the formal economy (no. 204) calls for pro-employment macroeconomic policies that support aggregate demand, trade, industrial, tax, sectoral and infrastructure policies that promote employment, specific support to micro, small and medium-sized enterprises, labour market policies and institutions to help low-income households to escape poverty, and labour migration policies that promote decent work and the rights of migrant workers (Art 15).
- The 2022 ILC general discussion on the social and solidarity economy (SSE) calls on members states with the support of the ILO to

“integrate the SSE into national development, recovery, and employment strategies to support pro-employment macroeconomic, tax, industrial, social, environmental and other policies for promoting just digital and environmental transitions and reducing inequalities;” Para 9(d)

- The SSE also contributes to more inclusive societies and the transition from the informal to the formal economy, poverty reduction and building resilience as highlighted in the Promotion of Cooperatives Recommendation, 2002 (No. 193), the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) and the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205)

Social protection

- ILO 2015 guidelines for a just transition highlight the need for sustainable social protection for job losses and displacement. This should be extended to all workers including workers in informal employment who are poorly covered under existing social protection legislation and schemes.⁹ In Africa, only 17 percent of the population benefits from at least one social protection benefit, 44 percent in Asia and 64 percent in Latin America.

⁶ WIEGO. 2021. [Reducing Greenhouse Gas Emissions through Inclusive Recycling: Methodology & Calculator Tool](#) Manchester, UK: WIEGO.

⁷ WIEGO. 2022. [COVID-19 Laws and Informal Workers](#) Manchester, UK: WIEGO.

⁸ Carré, F. and J. Vanek. 2022. [Domestic Workers in the World: A Statistical Profile WIEGO ILO Domestic workers](#) Manchester, UK: WIEGO.

⁹ ILO. 2021. [World Social Protection Report 2020-22](#). Geneva: ILO.

- These workers will need a mix of social assistance and social insurance measures to face climate disasters and job losses or displacement. Governments and workers' organizations in low- and middle-income countries are increasingly interested in developing social insurance measures that can sustainably include self-employed workers in informal employment. This is central to extending, for example, maternity protections, healthcare benefits and pensions. The resolution adopted by the Recurrent Discussion Committee: Social protection (social security) in 2021 mandates the ILO to,

"support Member States in providing access to adequate social protection for workers in all types of employment, including self-employment, and in ensuring the preservation and portability of acquired entitlements, in the light of new developments in the world of work;" Para 17 (g)

- ILO Recommendation on Social Protection Floors (no. 202) considers the inclusion of workers in informal employment through their representative organizations

"in regard to the establishment and review of the levels of these guarantees, tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured." Art 8 (d)

Safe and healthy working conditions

- Workers in informal employment are largely excluded from occupational safety and health protocols because they work in private homes or in public spaces such as city streets or markets.¹⁰ Rising incidents of heat-related stress and floods due to climate change coupled with a lack of basic services is impacting on workers' wellbeing and income security.
- The ILO can support member states to extend safe and healthy working conditions as a fundamental principle adopted in 2022 so they consider the impact of the climate crisis on the wellbeing of workers in informal employment.

Violence and harassment

- More intense competition for access to public spaces, energy and water in a climate crisis may lead to an increase in the incidence of violence and harassment against street vendors and waste pickers. Perpetrators of violence can include public authorities, other workers and customers. For home-based workers and domestic workers, stress due to climate change and increasing care responsibilities can also lead to higher incidences of gender-based violence in homes - either their own home or that of their employer.¹¹
- ILO Convention on Violence and harassment, 2019 (no. 190) recognizes governments have a responsibility to prevent violence and the important role of public authorities in relation to informal economy workers operating in public spaces, such as street vendors, market traders and waste pickers (Art. 8a)

Loss and damage

- The costs to member states in low- and middle-income countries of climate disasters and structural transformation as part of a just transition is impossible to bear alone. The ILO should play a role in the newly established Loss and Damage Fund following the COP 27 negotiations. The ILO is best placed within the UN system to highlight the prevalence of informal employment in these countries' labour markets and understand the implications this has on financing an inclusive just transition.

Member-based organizations of workers in informal employment are engaging with national governments to seek meaningful inclusion in just transition processes (see Table 2). These efforts can be enhanced and augmented through a clearer mandate from the ILO to support social partners in integrating the risks faced by workers in informal employment as they grapple with climate-induced disasters and advocate for a voice of member-based organizations of workers in informal employment in tripartite social dialogue structures and other planning processes where a just transition is defined and debated.

¹⁰ Lund and Marriot. 2011. [Occupational Health and Safety and the Poorest](#). Manchester, UK: WIEGO; Lund F, Alfors L, Santana V. Towards an Inclusive Occupational Health and Safety For Informal Workers. NEW SOLUTIONS: A Journal of Environmental and Occupational Health Policy. 2016;26(2):190-207. doi:[10.1177/1048291116652177](#)

¹¹ WIEGO. 2020. [Briefing Note on Violence at Work](#). Manchester, UK: WIEGO.

Table 1: Sector-specific protections for an inclusive just transition

Sector	Inclusive just transition proposals
Domestic workers	<p>Inclusion of domestic workers in labour codes so they can benefit from labour and social protections as per the Domestic Workers Convention, 2011 (No. 189).</p> <p>The ILO can increase their efforts to promote the adopted conventions intended to protect migrant workers, such as Migration for Employment Convention, 1949 (Revised) (No. 97), the Migrant Workers Supplementary Provisions) Convention, 1975 (No. 143) and Domestic workers Convention, 2011 (No. 189) and accompanying Recommendations.</p>
Home-based workers	<p>Extension of labour and social protection to homeworkers in national and global supply chains as per the Homeworkers Convention, 1996 (No. 177)</p> <p>Active labour policies for home-based workers in industries that are shifting modes and/or location of production</p> <p>Access to social protection to self-employed home-based workers that protects them against loss of income and productive assets</p> <p>Inclusion in urban planning processes and decisions that affect the design and introduction of climate resilient infrastructure in neighbourhoods, collective workspaces, and housing to accommodate safe work from home.</p> <p>Supporting policies for cooperatives and SSEs owned by home-based workers</p>
Street vendors and market traders	<p>Inclusion in urban planning processes and decisions to improve access for use of public space and regulated access to public natural resources for subsistence livelihoods (R 204 11.o) and introduce climate resilient infrastructure in public spaces used by vendors</p> <p>Recognition and representation as essential workers in food production and distribution chains and their low-carbon status</p> <p>Access to social protection that protects them against loss of income and productive assets</p>
Waste pickers	<p>Integration and opportunity for advancement within solid waste management systems with recognition of their contribution to reducing carbon emissions</p> <p>Extended Producer Responsibility should require waste picker integration in both planning and implementation, be based on fair remuneration for workers, support the organizing of informal economy workers, and be funded – but not implemented – by producers.¹²</p> <p>Inclusion in urban planning processes and decisions to improve access and introduce climate resilient infrastructure in public spaces used by waste pickers as well as monitoring and alert systems to warn workers of extreme weather conditions in case of dump landslides and floods at sorting centres.</p> <p>In line with the submission made by the International Alliance of Waste Pickers, a commitment by member states to negotiate a UN global plastics treaty that recognizes waste pickers involvement in the collection of plastics recyclables and ensures that they benefit from a just transition “in ending plastic pollution in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no-one behind”¹³</p>

¹² Cass Talbott, T, P Chandran, C Allen, L Narayan, and O Boampong. 2022. [Extended Producer Responsibility \(EPR\) and Waste Pickers](#). WIEGO Technical Brief No. 15. Manchester, UK: WIEGO.

¹³ International Alliance of Waste Pickers [submission](#) to the member states participating in the first intergovernmental negotiations committee meeting in Punta del Este, Uruguay, November 2022

From across the global networks, there are also positive examples of inclusive just transition policies benefiting workers in informal employment. Waste pickers in Brazil, Colombia, India and Argentina successfully organized for inclusive policies and legal frameworks that give them varying degrees of recognition and priority for work in waste management. In South Africa, municipalities are required under the nation’s waste management law to develop waste picker integration plans.¹⁴ In India Mahila Housing SEWA Trust, that supports home- based women workers unionized through the Self Employed Women’s Association, is collaborating with local civil society, academic institutions, and policy think tanks to conduct research-based evaluations of their various innovations to render homes in low-income areas more heat resilient and energy efficient. These housing innovations then inform the design of public housing programmes in India and can support millions of home-based workers whose homes are their workplace to maintain some income security and protects them and their households against heat-related stress.¹⁵

Annex 1: Impacts of climate change on workers in informal employment

Extreme weather conditions, rising pollution and lack of access to energy and water will impact workers with low and unstable incomes most severely because for many their homes are their workplaces. Though not all workers in informal employment are poor, informal employment is characterized by low earnings and inadequate labour and social protections. Women in informal employment are segregated into the most vulnerable forms of informal employment as contributing family workers, dependent contractors and own account workers with lower earnings and a higher risk of poverty. Extreme weather conditions, such as erratic rainfall, flood informal settlements where many workers in informal employment reside and increase the prevalence of water and mosquito-borne diseases. Limited access to energy and water for daily household use increases the time and effort women spend on unpaid care work curtailing their time for paid work. Increased health risks and costs brought on by heat stress, dehydration, diarrhea and the spread of communicable diseases following climate disasters adds an additional care burden on women and girls.

In addition, women and men in informal employment are already facing the adverse effects of higher energy and commodity prices. This not only reduces their households’ incomes but can also limit their access to paid work. The cost of traveling can increase with hikes in fuel prices and workers may find it more difficult to go to work or collect the goods they need for their sales and production.

The table below identifies a few climate change effects felt across four sectors with a high proportion of women workers in informal employment facing vulnerable working conditions. Climate change is posing important risks to workers income security and occupational health and safety.

Table 1: Sector-specific impacts of climate change on workers in informal employment

Sector	Inclusive just transition proposals
Domestic workers	<p>Higher and more intense workloads due to energy and water shortages in employers’ households and greater care needs among employees due to ill-health brought on by extreme weather conditions and pollution.</p> <p>Involuntary migration from impoverished rural areas to cities in search of employment increases the prevalence of harmful working conditions, child labour and forced labour for low-entry barrier sectors such as domestic work.</p>
Home-based workers	<p>Energy and water shortages at home limit productivity, curtail incomes and increase unpaid care responsibility.</p> <p>Extreme weather conditions and pollution make it difficult to work from home - i.e., heat-related stress, respiratory infections, and care for ill family members.</p> <p>Risk of industries shifting out of the countries with low productivity and poor infrastructure leading to unemployment.</p> <p>With increased tax on imports of raw material and exports of finished goods also leading to reduced income, especially for self-employed home-based workers</p>

¹⁴ Cass Talbott, T. 2022. [Can the circular economy deliver a just transition?](#) Ethical Trading Initiative, 21 October 2022

¹⁵ Mahila Housing SEWA Trust and WIEGO. 2022. [Making home-based work environments safer, healthier and productive. Experiences and insights from MHT’s work.](#) Delhi: MHT

Sector	Inclusive just transition proposals
Street vendors and market traders	<p>Extreme weather conditions and pollution make it difficult to work in public spaces and with those selling perishable goods particularly vulnerable.</p> <p>Lack of access to water and energy in public vending spaces limit production and sales.</p> <p>Greater competition for public vending spaces with access to energy, water and shelter leading to higher rates of violence and harassment at work.</p>
Waste pickers	<p>Extreme weather conditions and pollution make it difficult to work in open spaces, and are negatively impacting on the neighbourhoods and homes of many waste pickers (which often double up as workspaces)</p> <p>Extreme weather conditions such as floods provoke landslides in open dumps often with casualties, destroys workers' equipment, and affects production in recycling sorting centres.</p> <p>Governments' concerns about the carbon intensity of open dumping and landfilling is leading to the closure of dumpsites and landfills, in many instances without consulting the waste pickers who work in these sites. Waste pickers are being displaced without any alternative livelihood.</p> <p>Governments' concerns about the carbon intensity of the waste management chain in general is leading in many instances to recycling and dumpsite closure policies and practices that exclude waste pickers. Many governments are omitting the work of waste pickers from the norms of Extended Producer Responsibility policies.</p>