

Position Paper on Extending Social Protection to Women and Men in the Informal Economy

ILC 109th Session – General Discussion on Social Protection

The COVID-19 pandemic underscores, now more than ever, that **social justice** and **economic recovery** cannot be achieved until every worker has decent working conditions and the contributions they make to society are understood and recognized. Workers in the informal economy are on the frontlines as domestic workers providing care, home-based workers manufacturing personal protective equipment, street vendors and market traders selling food and basic necessities, and waste pickers keeping cities clean.

Women informal economy workers are also taking on more unpaid care work due to school closures. Workers in the Informal economy, including those in informal employment due to a lack of compliance by their employers, are bearing the cost of this pandemic with little or no support. Yet, all the women and men in the informal economy – whether subcontracted, employed in an enterprise or household, or self-employed – contribute by generating demand across the economy and bringing earnings into their households and communities.

Informal economy workers also contribute through taxes, fees and operating licenses required to undertake their economic activity, yet most do not have access to quality public services or benefit from any form of social protection in return. **Austerity measures imposed by the IMF and governments will undermine the potential for economic recovery and shift the costs further onto the working poor.**

The ILO estimates that over half of the world's population – 4 billion people – do not benefit from social protection. **Workers in the informal economy represent 61 per cent of the global labour force and make up the “missing middle” in the extension of social protection.** Their earnings are often too low and irregular to contribute to social insurance schemes designed for workers in the formal economy. As working age adults, they are often not eligible for poverty-targeted safety net programs and cash transfers aimed at children, people living with disabilities and older persons.

During the pandemic, the exclusion of most informal economy workers – including migrant workers – from COVID-19 emergency cash and in-kind transfers is leading to their increased exposure to poverty, violence, hunger, homelessness and death. In response to the gaps in national social protection systems, informal workers and their organizations play a central role in providing relief. Some informal workers' organizations are involved in social dialogue, implementation and last mile delivery of government social protection programmes. Informal workers' organizations are also providing income protections through cooperatives and mutuals. Their role as key social protection actors – not just recipients of social protection – must be recognized.

A new social contract inclusive of workers in the informal economy is based on their legal recognition as workers and the progressive realization of labour and social protections. Legal recognition must also come with enforcement to guarantee employers' obligations to contribute to social protection and respect labour rights. The extension of social protection to informal economy workers should be based on **equal representation, universal social protection, and progressive and sustainable financing.** As representatives of informal economy workers' organizations, we call for the following:

1. Direct representation of informal economy worker organizations in social dialogue and collective bargaining spaces where social protection policies are designed, implemented and monitored including tripartite negotiations and national economic and social councils.

- Recommendation No. 202 on Social Protection Floors (art. 19) affirms, “Members should monitor progress in implementing social protection floors and achieving other objectives of national social security extension strategies through appropriate nationally defined mechanisms, including tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.”
- Extending social insurance to workers in the informal economy will more likely succeed if governments establish greater trust by ensuring good governance, transparency and inclusion of these workers in social dialogue spaces. Mandatory contributions from informal economy workers require mandatory representation in national social insurance negotiations and administrative boards.

2. Universal social protection including the extension of contributory and non-contributory schemes and access to quality public services is essential for workers in the informal economy as per Recommendation no. 204 on the Transition from the Informal to the Formal Economy (art. 19-21).

Social insurance:

- Adjust contribution criteria to be more flexible to reflect informal economy workers’ contributory capacity and lower administrative barriers to access – i.e. easing registration for all workers.
- Include gender-sensitive elements such as care credits and parental leave benefits to support all workers and the redistribution of unpaid care work in the home.
- Ensure equality of treatment of migrant workers in national social protection schemes and the portability of social insurance between countries of origin and destination and within countries.

Social assistance:

- Anchor social assistance programs in national legislation and extend their coverage by removing or relaxing eligibility criteria and lowering administrative barriers to access.
- Include migrants in social assistance schemes based on residency and place of work.

Social services:

- Extend universal healthcare coverage through the expansion of quality public healthcare services including free COVID-19 testing, treatment and vaccination to protect informal economy workers – and the wider public – during the pandemic, and to curb the spread of the virus.
- Access to personal protective equipment for all workers in the informal economy – whether informally employed or self-employed – is a public health priority requiring coordination between the state, employers and informal economy workers’ organizations.
- Social insurance and assistance measures will be most effective in tackling poverty and reducing inequalities if complemented with quality child care and elder care services to redistribute women workers’ unpaid care work and protect their incomes (R 204 para. 21).

3. Progressive and sustainable financing of social protection based on the principles of social solidarity are key components of a new social contract with workers in the informal economy.

Social insurance:

- Informal economy workers should be integrated into national schemes with formal workers. Mandatory social insurance schemes must include partially or fully subsidized contribution rates for those workers in the informal economy – particularly women and migrants – who are segregated into low paying and insecure employment.
- More powerful economic actors who benefit from informal workers' labour should contribute to their social protection, whether they are informally employed or self-employed.
 - Domestic workers should receive co-contributions from their employers (C 189 art. 14).
 - Corporate actors can implement social benefits for the inclusion of waste pickers and other actors in the informal recycling sector in any [extended producer responsibility](#) system which covers labour and social protection.
 - [Home-based workers in global and domestic supply chains](#) must be treated as other wage earners (C 177) which includes contributions from brands and employers. Brands can contribute to a common pool of funds to support homeworkers and other informal economy workers in their value chains.
 - Governments can connect transaction taxes to social insurance funds for street vendors.

Social assistance:

- Clamping down on tax avoidance and evasion alongside more progressive tax systems where high-income earners pay proportionally more income and corporate taxes than the working poor can guarantee greater income redistribution through tax-financed social assistance programs.
- The G20 and international financial institutions should promote and invest in the [Global Fund for Social Protection](#) to support the establishment of national social protection floors and ensure financing gaps for the SDG targets (1.3 and 3.8) on social protection and health care.
- The G20 and international financial institutions must cancel unsustainable and illegitimate debts and reform the global debt architecture so that low- and middle-income countries can invest in universal social protection.

Social services:

Investment in more quality public health care, child care and elder care services is necessary for inclusive societies and will protect informal economy workers' incomes if economies are to recover. New decent work opportunities in the public sector can also offer pathways to formalization for workers in the informal economy.

Concluding statement

As the pandemic persists and considering the present and future challenges brought on by climate change, informal economy workers' organizations need universal social protection. This can be realized through diverse strategies such as the extension of social insurance, expanding eligibility for social assistance, establishing regulatory frameworks and public financing mechanisms for worker-led social health insurance, and investing in quality public care services.

These components can all be part of a national social protection system based on solidarity in financing and mutual support. Investments in social protection by governments, economic actors, donors and international financial institutions must significantly increase for the majority of the world's labour force if they are to survive this pandemic and recover their earnings and livelihoods.

Additional resources on social protection by informal workers' networks and WIEGO:

StreetNet International

- [StreetNet International: Organizing for Social Protection](#)

International Domestic Workers Federation

- [Against Incidental Survival: Social Protection for Domestic Workers is not Luxury, it is a Must](#)
- [No Recovery is Possible without us: Health and Safety at Work for Domestic Workers](#)
- [IDWF and WIEGO: Improving Social Protection Access for Domestic Workers in South Asia](#)

HomeNet International

- [Home-based Workers Unite on International Workers' Day](#)
- [WIEGO, AFWA, HNSA and HNSEA Demand a COVID-19 Supply-Chain Relief Contribution from Brands for All Garment Workers](#)
- [HNSEA and WIEGO: Towards Universal Health Coverage for Home-Based Workers in Southeast Asia](#)

Global Alliance of Waste Pickers

- [WIEGO Cuidar Project Examines Health Risks Faced by Waste Pickers](#)
- [The Occupational Health of Waste Pickers in Pune: KKPKP and SWaCH Members Push for Health Rights](#)

WIEGO

- [Extending Social Protection to Informal Workers](#)
- [Informal Workers and the Social Protection Response to COVID-19: Who got relief? How? And did it make a difference?](#)

