



Building movements in the informal economy:

Lessons for advancing labour rights in the circular economy



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Women in Informal Employment:
Globalizing and Organizing



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This briefing from Circle Economy and Women in Informal Employment Globalizing and Organizing (WIEGO) explores lessons from worker-led organising movements in informal economies across different countries and sectors. It is designed as a resource for social partners and other stakeholders working on the labour dimensions of the circular economy.

It aims to better equip these actors with lessons they can use to advocate for workers engaged in circular economy activities in informal economies across value chains; to ensure their voices are heard in national and international policy dialogues shaping the future of the circular economy; and to ensure that labour rights are extended to them.

Introduction

Work in informal and circular economies

The informal economy is made up of all the economic activities, enterprises, jobs and workers that are not covered in law or in practice by formal arrangements.¹ The term 'informal' can misleadingly suggest that such economic activities are marginal and happening outside of a more dominant 'formal' economy. However, informal work is a central and embedded feature of the world of work today: **an estimated two billion people, about 60% of the world's workers, are employed informally**, representing a highly varied workforce.^{2,3} Despite its global presence, the term 'informal' is typically applied from the outside and rarely used by workers themselves to describe their work or employment status. Although informal employment arrangements vary widely, it is often insecure work, characterised by low and unstable incomes and unsafe conditions.⁴

Informal work also makes up over half of all circular economy employment—an estimated 52% of the estimated 121 to 142 million circular jobs globally. Informal circular economy employment is heavily concentrated in Africa, Asia and the Pacific, and the Arab States, where it makes up over 80% of circular economy sectors.⁵ In reality, the true extent

of informal circular activities worldwide is likely much higher, as informal work, by nature, is not well captured by official statistics. In Brazil, for example, there have been significant efforts to recognise its more than 281,000 workers in the informal economy in national statistics.⁶

The growing number of circular economy policy roadmaps, industry and multi-stakeholder initiatives around the world heightens the need to understand the vast and diverse informal workforce currently engaged in the circular economy, to ensure that policies and principles for a just transition are embedded within them.⁷ Currently, circular economy initiatives overwhelmingly focus on formal and industrialised forms of circularity. This risks overlooking and, in some cases, displacing workers and livelihoods embedded in circular activities in the informal economy. This risk is particularly prevalent in lower-income countries where circular activities such as repair, reuse and waste-related work are often necessity-driven and therefore more invisible due to not being labelled as an explicit innovation or industrial strategy.⁸

BOX ONE

Waste pickers in the informal economy

Activities at the intersection of informal and circular economies often involve waste. As a result, most waste work around the world is currently considered informal. Exploitation, social stigma and lack of protection are often more pronounced for waste pickers than for workers in other parts of the informal economy, as they often come from the most disadvantaged groups in their respective societies.⁹ Waste pickers are also highly adaptive, constantly repositioning themselves in relation to the state, markets, and international and national policies to secure their livelihoods.^{10,11}

Waste labour is often undervalued, as waste is typically treated as an 'externality' of formal production systems. Yet within the circular economy, waste is increasingly recognised as a valuable resource. As the regulatory and business environment for the circular economy grows, new stakeholders enter waste value chains, and the competition over materials intensifies. As different actors seek greater access to and control over waste flows, this can pose risks of displacing waste pickers, unless measures are explicitly put in place to protect their livelihoods.

Improving decent work outcomes for workers in the informal economy requires intersectional and rights-based approaches, as well as recognising that vulnerability and agency coexist. **It is important to recognise that for workers in the informal economy, the central question is not whether the systems they contribute to become more circular or more formal, but whether processes they are engaged in will meaningfully and materially improve their lives.**

This is relevant to circular economy workers because formalisation is increasingly implicit or even explicit in circular economy policy interventions—for example, through some forms of waste and recycling regulation and Extended Producer Responsibility (EPR) schemes.

International standards and legal frameworks as leverage points for circular economy workers

Many existing standards and frameworks establish a normative basis for including workers in the informal economy in dialogues, policies, and other decision-making processes related to the circular economy. They recognise their right to organise to secure better working conditions, establishing the principle that advancing circularity without guaranteeing recognition, rights, and the wellbeing of workers in the informal economy is inconsistent with global commitments on labour and human rights. These instruments also situate the collective organising efforts of workers in the informal economy within a broader vision of a ‘twin transition’: towards more circular economic systems, while supporting a rights-based approach to formalising informal work (see Box two).¹²

Decent work provides the central normative framework through which labour rights are articulated and pursued at the global level, including for workers in the informal economy. In its 2002 resolution, the International Labour Organization (ILO) identified four pillars of decent work in its Decent Work Agenda: the opportunity to work, rights at work, social protection, and voice or effective representation. Central to the rights at work pillar are the ILO’s **Fundamental Principles and Rights at Work**, which all 187 ILO Member States are committed to respecting, promoting, and realising in law and practice. Particularly important in the context are the rights to collective bargaining and freedom of association. Without an enabling environment to exercise these rights, attempts to organise and formalise workers in the circular economy are likely to be undermined.

The ILO also affirms that informality is a major challenge for the realisation of Decent Work outcomes.¹³ **ILO Recommendation 204** on transitioning from the informal to formal economy recognises workers in the informal economy as economic actors and rights holders, calling on states to pursue formalisation while explicitly acknowledging the complexity, variability, and nuance of informal work. Critically, it affirms that transitions to formal work must not undermine existing livelihoods but must be directly focused on improving conditions, and calls on states to create an ‘enabling environment’ for realising the right to freedom of association and collective bargaining for all workers. These principles were reaffirmed at the 2025 International Labour Conference, where a resolution was formed concerning the general

BOX TWO

Formalisation as a gradual participatory process

Formalisation efforts must work to counter pre-existing dynamics of marginalisation, particularly given that labour rights abuses experienced by workers in informal economies often intertwine with other forms of social marginalisation. Formalisation should therefore be seen not as an end in itself but as a process that, when implemented effectively and with a view to social justice, can enable better rights at work. WIEGO articulates this as ‘a gradual

participatory process with specific and tangible goals: to increase workers’ incomes, improve their working conditions, reduce risks and enhance their wellbeing’.¹⁶

Approaching formalisation as a gradual, participatory process will help ensure it does not undermine people’s livelihoods, criminalise their economic survival strategies, or shift new costs and obligations from new requirements onto those already in precarious conditions.

discussion on addressing informality and promoting the transition to formality for decent work.¹⁴ Other ILO instruments reinforcing this normative framework include the *Home Work Convention, 1996 (No.177)* and the ILO's recent *Policy Guidelines for the Promotion of Decent Work in Recycling*, which outlines priority issues for governments, employers and workers for integrating international labour standards into recycling practices, programmes and social dialogue.¹⁵

Decent work is reinforced by international human rights law, which affirms that labour rights apply to all workers regardless of employment status. Human rights treaties such as the *International Covenant on Economic, Social and Cultural Rights (ICESCR)* do not distinguish between workers based on formality. Greater adherence to such standards in policymaking can aid recognition processes and reduce the risk of displacing or criminalising workers in informal economies.

International standards on responsible business conduct also provide a foundation for better inclusion of workers employed informally in the circular economy. The *UN Guiding Principles on Business and Human Rights (UNGPs)* and the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct* make it clear that businesses have a responsibility to uphold human rights across their business activities, including in instances of informalisation, such as through extended subcontracting chains. As businesses adopt more circular models and strategies, such as sourcing secondary materials for circular production, they will have a greater responsibility towards the workers who currently handle these materials within the supply chain. Likewise, legislative developments like the *EU Corporate Sustainability Due Diligence Directive (CSDDD)* have sought to translate voluntary business and human rights normative standards into binding legal obligations. Beyond the CSDDD, momentum is growing globally to strengthen human rights due diligence through national legislation, court rulings, investor expectations, sector-specific standards, and voluntary initiatives, raising expectations that companies take concrete action to prevent and address human rights harms rather than treating due diligence as a procedural, 'tick-box' exercise.

The **International Court of Justice's July 2025 opinion on states' obligations to protect populations from climate-related harms** also has implications for the rights of workers in the circular economy.¹⁷ It makes clear that states must both **protect** people from foreseeable climate harms and **prevent** such harms by investing in mitigation, adaptive capacity and resilience. Where circular economy business models, policies or other interventions exclude or disadvantage marginalised workers, this may indicate both a breach of human rights obligations and a structural contradiction in climate policy: circularity, as a preventative climate strategy, cannot claim legitimacy if it fails to safeguard affected populations and workers.



Learning from worker-led movements: Pathways to recognition and rights

This section provides examples of how workers in informal economies in different contexts organise, negotiate and build power, which can be used by social partners and civil society working to secure the rights of workers employed informally in the circular economy.

Recyclers in Colombia gain legal recognition as public service providers

In Colombia, recycling has been formally recognised as a part of the municipal solid waste management system and framed as a public service of *aprovechamiento* (resource recovery). National policy sets a target to divert 30% of municipal waste from landfills, with at least 25% to be carried out by recyclers' organisations.¹⁸ This national legal recognition resulted from over three decades of organising from multiple groups, including the *Asociacion de Recicladores de Bogota* (ARB) and the National Association of Recyclers (ANR).¹⁹

The context:

- Waste pickers, known as *recicladores* (recyclers), self-organised into cooperatives, unions, and associations.
- There are over 74,000 recyclers across Colombia, although census data remains incomplete. In Bogotá alone, more than 24,000 recyclers are registered. 59.7% of recyclers (from here on 'waste pickers') are aged between 31 and 60.²⁰
- Waste pickers face multiple forms of social disadvantage: literacy rates are low, homelessness is present, and access to social protection is widely lacking, with 83% in the subsidised health system and only a small fraction with pension coverage (3%) or occupational risk insurance (1%).²¹
- Waste pickers have long faced competition from private waste companies, harassment, exclusion from decision-making, and unstable access to materials.²²

Workers' demands and processes:

1

The pathway to legal recognition involved over three decades of mobilisation to demand protection for waste pickers' livelihoods and fair remuneration. Central to this struggle was the ARB and the ANR, which brought together local cooperatives, unions and associations to coordinate action at the municipal and national levels.^{23,24}

2

Extensive use was made of Colombia's tutela mechanism: a rapid constitutional injunction that allows individuals and groups to claim protection of their fundamental rights.

3

Through repeated court actions, waste pickers challenged exclusionary waste contracts and discriminatory practices that posed systematic threats to their livelihoods. These rulings triggered reforms formally recognising them as public service providers. Inclusive recycling is now institutionalised and included in city waste management plans (PGIRS).²⁵

Outcomes and success factors:

- **Sustained legal advocacy** led to landmark Constitutional Court rulings recognising waste pickers as subjects of special constitutional protection due to historical marginalisation. The court affirmed their right to work, to a 'vital minimum' necessary for a dignified life, and called for affirmative action to address vulnerability.^{26,27}
- A **Constitutional Court order** for the production of specific statistical information about waste pickers addressed their long-standing lack of visibility in national and municipal systems. This enabled the city of Bogotá to identify 13,984 waste pickers in the first comprehensive waste picker city census in 2012.²⁸
- Today, **approximately 86% of recycling service providers nationwide are waste picker organisations**, remunerated through municipal sanitation tariffs based on volumes collected.²⁹ The adoption of Decree 1381/2024 granted waste picker organisations a 15-year exclusive right to recover recyclables within the public service, shielding them from displacement.³⁰
- **Success factors** included long-term worker-led organising across strategic alliances to sustain pressure, including national coordination of waste picker organisations, and alliances with organisations, including **WIEGO, the ILO, the International Alliance of Waste Pickers (IAWP)** and **other actors** that funded research, documented recyclers' environmental and economic contributions, and amplified advocacy efforts.

Remaining challenges:

Despite gains, the process of inclusion is not yet complete and not yet in full compliance with the Constitutional Court rulings.³¹ Tariff-based remuneration often fails to cover the real costs of operating waste picker organisations and to account for market price volatility in recyclables, creating ongoing income insecurity. Notably, the administrative burdens associated with formalisation pose barriers for smaller organisations.^{32,33}

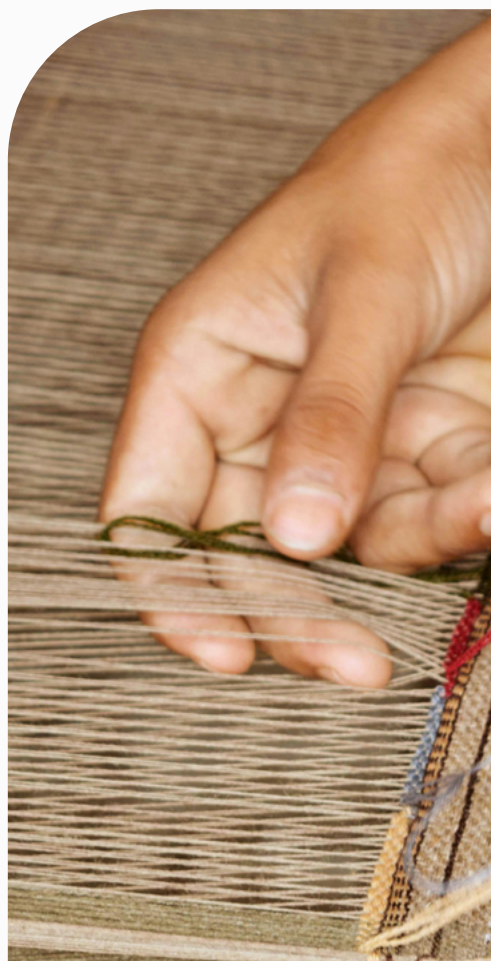


Home-based workers in Sindh, Pakistan, gain legal recognition through rights-based organising

In Pakistan, home-based work was formally recognised as employment under provincial labour law through the *Sindh Home-Based Workers Act (2018)*. The Act establishes legal identity, employer responsibility, and access to labour and social protections for home-based workers. This legislative recognition emerged from more than a decade of sustained organising efforts by home-based women workers and labour activists.³⁴

The context:

- Home-based work is widespread in textile-related production, including garments, carpets, bangles, and footwear, and is typically mediated through layers of subcontractors that shield lead firms from accountability.
- The *Pakistan Bureau of Statistics Labour Force Survey (2017-2018)* estimated that there were 2.47 million non-agricultural home-based workers in the country, with other estimates suggesting there may be closer to 20 million.
- The vast majority of home-based workers are women paid on a piece-rate basis, working long hours for extremely low incomes, with no legal identity as workers, which excludes them from state labour protections. A 2007 study in the Sindh province found that women worked an average of seven hours a day to earn around PKR 247.50 a month—well below the provincial minimum wage of PKR 25,000.00.



Workers' demands and processes:

1

Following early research in 2001 that revealed the absence of legal recognition or organisational support for home-based workers and government claims that they couldn't address a group they couldn't see, activists affiliated with the National Trade Union Federation (NTUF) and the People's Labour Bureau began systematically organising and mapping workers.

2

This organising started with direct engagement with workers in their homes. Activists and union organisers facilitated the formation of cooperatives and study circles, creating spaces for discussion and trust-building. These forums addressed wages and working conditions, but also broader concerns and women's priorities, like electricity access, transport, housing insecurity and gender-based violence.

3

Over time, home-based workers were able to collectively negotiate with contractors, access training, and engage directly with institutions. Drawing on constitutional guarantees of freedom of association (Article 17—the constitutional right to form a union or association), workers formally unionised. In 2009, multiple regional unions were established, followed by the national registration of the Home-Based Women Workers Federation (HBWWF). Membership grew steadily to over 4,000, and additional unions were registered in subsequent years.

4

This layered process of organisation and sustained advocacy culminated in the adoption of the *Sindh Home-Based Workers Act* in 2018.

Outcomes and success factors:

- The ***Sindh Home-Based Workers Act*** formally recognises home-based workers as employees and contractors as employers. It **establishes institutional mechanisms to support implementation**, including a council for home-based workers and dispute resolution committees. **The Act affirms rights to minimum wages, social, medical and maternity benefits** and mandates the establishment of health counters in each district and mobile health service.
- **The Act set up a fund for home-based workers** to finance welfare projects, with the body governing it including home-based workers, union members and government departments.
- **Success factors** included **gender as an organising axis, women's leadership**, and the **strategic use of constitutional rights** and tactical engagement with local political environments. Notably, **organisers took advantage of Pakistan's devolved governance structure** and **Sindh's relatively favourable political climate**, including the presence of progressive members of government and working-class representatives in political parties.
- Crucially, **legal recognition followed the consolidation of worker power**, built through activist engagement and organising processes that emerged from workers' own agendas.

Remaining challenges:

Despite the significance of this landmark act, the implementation of the *Sindh Home-Based Workers Act* remains slow. Enforcement is weak, and employer liability across fragmented supply chains remains unclear. Many workers have yet to access the promised benefits, and institutional bodies established under the Act are under-resourced.



Street vendors in Zimbabwe secure routes to collective bargaining

In 2002, 22 informal traders' associations came together to form the Zimbabwe Chamber of Informal Economy Associations (ZCIEA), an affiliate of StreetNet International. Although street vendors in Zimbabwe lack formal recognition under labour law, they nonetheless pursued negotiations with local authorities and secured Memoranda of Understanding (MOU). Between 2020 and 2021, 19 MOUs were signed. These agreements may be considered nascent forms of collective bargaining, allowing the ZCIEA to present issues affecting vendors with local councils and to participate in council meetings.³⁵

The context:

- Informal trade is a dominant source of employment in Zimbabwe, particularly in urban areas. Vendors sell food, clothing and household goods in municipal markets and public spaces, playing a central role in urban food access and livelihoods.
- Vendors have faced persistent harassment by municipal councils and police, including demands for bribes, confiscation of goods and forced removals. Even in formally designated public markets, trader organisations affiliated with ZCIEA report high and unpredictable trading fees, opaque pricing and licensing processes, and limited opportunities for consultation.
- Inadequate infrastructure and basic services remain a chronic concern, with many markets lacking access to water, toilets, waste management, secure storage and adequate shelter from the elements.



Credit © Georgia Montague-Nelson, Global Labour Institute

Workers' demands and processes:

1

ZCIEA worked on capacity-building for leaders across different regions to enter negotiations with authorities more effectively, partnering with international stakeholders—Solidarity Centre and StreetNet International—to support this skills development.

2

In 2017, ZCIEA launched its official position on the transition of the informal economy, highlighting the need to formalise it, to implement legal reform, incorporate self-employed workers into the country's Decent Work Programme, and establish a social dialogue framework for the informal economy. The strategy is explicitly centred on *ILO Recommendation 204*.

3

There was a priority focus on improving adversarial relations between vendors and local authorities. Between 2018 and 2020, in a context of hostile relationships, ZCIEA affiliates approached local officials seeking respect, recognition and inclusion of their organisations in policy discussions, budgeting, and other decision-making that impacts members.

Outcomes and success factors:

- The **ZCIEA now has more than 205,000 members** spanning street vendors, construction workers, waste pickers, and others. Its creation was partly **enabled by the national Zimbabwe Congress of Trade Unions** in the wake of formal job losses caused by the **IMF Structural Adjustment Programmes**.
- Several factors combined to **incentivise local authorities to sign MOUs with the ZCIEA**:
 - » **First**, the ZCIEA had a clear strategy anchored in *ILO Recommendation 204*, providing a coherent framework for engagement.
 - » **Second**, the organisational maturity and leadership capacity of ZCIEA were widely recognised by policymakers: the association was seen as representative and credible, with a constitution and clear demands, and was supported by strong coordination between local affiliates and national leadership.
 - » **Third**, the willingness of certain local authorities to recognise informal workers as legitimate economic actors created political space for the agreements to emerge.
 - » **Fourth**, ZCIEA's institutional standing at the national level strengthened its local bargaining power, reinforcing political legitimacy and reducing perceived risk.
 - » **Finally**, ZCIEA's visibility and practical engagement in community affairs, including participating in local committees and crisis response during the COVID-19 pandemic, helped build trust.

Remaining challenges:

- The obligations of local authorities remain non-binding, and the MOUs lack definitive dispute resolution mechanisms.
- While collective relations between local authorities and the ZCIEA have been established, a critical basis for more secure legal rights protections, the absence of clear enforceability limits their ability to deliver on durable improvements in vendors' working conditions.



Credit © Georgia Montague-Nelson, Global Labour Institute

Shipbreaking workers in Alang, India, form a union in the world's largest ship recycling yard

In Alang, in the state of Gujarat, India, workers at the world's largest ship recycling yard came together to form the Alang Sosiya Ship Recycling and General Workers' Association (ASSRGWA). The formation and growth of the ASSRGWA is now enabling shipbreaking workers to build collective power in an industry widely considered one of the most dangerous in the world.

The context:

- Ship recycling, also known as shipbreaking, involves dismantling end-of-life ships to recover steel and other materials. While the industry plays an important role in global recycling supply chains, working conditions are extremely hazardous, with high risks of fatal accidents, toxic exposure and occupational disease.
- Alang, in Gujarat, hosts the world's largest concentration of ship recycling yards: ships are beached at high tide and dismantled manually, a labour-intensive process carried out largely by migrant workers in precarious conditions, lacking representation or protection.
- Between January 2009 and October 2012, a local workers' union reported that at least 54 workers died in work-related accidents at the Alang shipbreaking yards.³⁶ Fatalities were also recorded in later years, including at least 14 in 2018 and two in 2019.³⁷



Workers' demands and processes:

1

Efforts to organise workers in Alang began in the early 2000s with collaboration between local labour activists and international trade union organisations. In 2003, the Dutch Federation of Trade Unions (FNV) and IndustriALL Global Union launched a project to address working conditions and the absence of organised representation.³⁸

2

Initial organising relied on building relationships between IndustriALL Global Union and FNV and the workers, including overcoming initial fears workers had of retaliation and loss of employment if they were to collaborate with trade unions.³⁹

3

Given the hazardous nature of shipbreaking work, occupational safety and health (OSH) was a central focus area for union efforts. From 2011, ASSRGWA supported the introduction of OSH programmes, which later developed into a train-the-trainer model aimed at spreading safety knowledge across the yards through peer education.⁴⁰

Outcomes and success factors:

- Over the course of more than a year, **workers formally established the ASSRGWA on 11 November 2005**, which has since grown to represent 18,000 workers.⁴¹
- The **ASSRGWA has engaged in extensive advocacy beyond Alang** at the national and international levels, including regional cooperation with unions in Pakistan and Bangladesh, supported by the **trade union confederations FNV and IndustriALL Global Union**. The central focus has been campaigning for the ratification and implementation of the

Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. ASSRGWA engaged with government authorities to support India's ratification of the Convention in 2019, and India passed the Recycling of Ships Act in the same year.⁴²

Remaining challenges:

Shipbreaking continues to involve highly hazardous and precarious work. The effective implementation of the Hong Kong Convention will require sustained monitoring, investment and collaboration between governments, employers and workers' organisations. The sector is also affected by wider shifts in global shipping and conflict: the volume of ships arriving in Alang fluctuates unpredictably and has steadily decreased since the early 2010s. Against this backdrop of economic uncertainty, there may be additional resistance to OSH commitments given the additional compliance costs.⁴³



BOX THREE

Sectoral snapshot: Circularity and informality in the global textile value chain

Upstream circularity in Bangladesh's jhut sector

Bangladesh's 'jhut' (post-industrial textile waste) sector exemplifies an expansive and diverse informal economy. Bangladesh's textile and garment industry generates an estimated 330,000–500,000 tonnes of jhut annually.^{44,45} After jhut leaves formal factories in the country's major production hubs, it flows into a dense web of sorting, aggregating, mechanical recycling and production facilities. It is estimated that 18,400 to 22,000 informal jhut facilities employ 195,000 to 214,000 workers across 12 districts in Bangladesh.⁴⁶ Almost all of these workers are employed informally, even if their employers' units are formally registered. Decent work deficits are widespread. Workers average eight to ten-hour shifts, at least six days a week, earning BDT 6,000 per month—less than half the legal minimum.

Downstream circularity in Ghana's Kantamanto market

Markets like Kantamanto in Accra facilitate the reuse of textile products discarded as waste by higher-income countries through their vast secondhand market.⁴⁷ While used clothing importers, exporters, and sorting firms often operate within formal frameworks, the international trade of secondhand clothing largely relies on the informal labour of street vendors and other actors in export destinations who are locked into debt and dependency dynamics.⁴⁸

Workers in 'upstream' and 'downstream' stages of the global textiles value chain are the main drivers of circularity in the global industry. Yet, they are largely invisible in national and international dialogues shaping circular economy policies that impact them.



Four lessons for social partners and circular economy practitioners

The case studies and sectoral snapshots above demonstrate that securing recognition and rights for workers in informal economies involves long-term processes of challenge, negotiation and coalition-building. Successful outcomes for workers organising in informal contexts take different forms: union formation, agreements with employers and, sometimes, legislative reform to gain legal recognition. Below are four lessons for social partners and other stakeholders working to secure the recognition and rights of workers engaging in circular activities in the informal economy.

1. Recognition for workers in informal economies is achieved through sustained bottom-up organising and the building of solidarity alliances.

As demonstrated in Colombia and Sindh, legal recognition of workers in informal economies is not the result of a single policy intervention or moment of reform, but emerges from long-term organising and the gradual consolidation of worker power. Strategic multi-stakeholder alliances were also crucial to driving change across the cases above. Partnerships between unions, research institutions, NGOs, and international networks generate evidence, strengthen legal arguments and political legitimacy, and contribute to effective awareness raising.⁴⁹

Successful worker movements in informal contexts, as in formal ones, are shaped by workers' specific needs and priorities, which may not be directly labour-related. In Sindh, early organising efforts included issues such as electricity access and safety, for example. There is therefore no single blueprint for securing recognition of informal economy workers and their inclusion in social dialogue.⁵⁰

Rather, organising often requires flexible, adaptive strategies that enable multiple goals to be pursued simultaneously. Workers' 'toolkits' for change should be similarly diverse.⁵¹

As circular activities, such as waste work, repair and reuse, will often be part of established traditions in many countries, actors working to improve the recognition of workers engaged in these activities should build on existing alliances, knowledge and worker organisations, where available.

In the case of global value chains, such as textiles, making connections between alliances and workers at different stages of the value chain, such as jhut workers in Bangladesh and second-hand clothing vendors in Ghana, can reveal common leverage points for strengthening advocacy and intervention.

2. Inclusion must be deliberate to overcome default exclusion.

The case studies in this briefing show that exclusion is not incidental; it is often actively (re)produced through existing regulatory systems and governance frameworks. In Bangladesh and Pakistan, subcontracting and piece-rate practices consistently undermine labour protections; in Zimbabwe, street vendors faced hostility from councils; and in Colombia, waste pickers often encountered adversarial private waste companies that sought to maintain control over collection routes and contracts.

For a circular economy to support a just transition, decision-making processes should include social dialogue and acknowledge exclusions and their drivers, to ensure that achieving scale and industrialising the circular economy is not prioritised over labour rights.

Proactive engagement of workers' organisations, where they exist, and their meaningful inclusion in the policy process is crucial. Circular economy actors should also explicitly draw on prevailing normative frameworks on human rights and work, such as the ILO *Fundamental Principles and Rights at Work*, when advocating for the social dimensions of policies and interventions.

3. Use data to create visibility for informal economy workers.

Data collection efforts, like the mapping process led by workers and their collaborators in Pakistan, or the census data conducted in Bogotá, can help increase awareness of who workers are, their contribution and skills, their working conditions, and their priorities and challenges, in contexts where official statistics are absent.⁵² Data can support both coherent mobilisation and evidence-based policy by revealing trends in workers' challenges and their localities, and strengthening political will and worker voice.

Similar mapping exercises have recently been conducted to increase workers' visibility in the circular economy. In 2025, the Or Foundation conducted the first census in the Kantamanto market, Accra. Initially collected to support the channelling of relief funds after a devastating fire, the census has improved authorities' recognition of workers. In Bangladesh, mapping studies have also been conducted to improve understanding of the vast network of SME clusters and enterprises operating in the jhut sector.^{53,54}

This demonstrates the importance of circular economy data that can be used as a tool in labour-focused negotiations. Evolving corporate due diligence legislation and the recognition of climate change as a human rights issue provide important precedents for supporting workers in the circular economy. This can be demonstrated by showing how their work delivers environmental benefits. Workers, social partners, and local NGOs require capacity and support to gather such evidence and use it within meaningful social dialogue.

4. Push for state action by leveraging national legal frameworks as well as international standards.

The state plays a critical role in advancing rights-based formalisation in the circular economy. It enables action through existing laws and legal frameworks that workers can leverage. In Colombia, recyclers used the tutela mechanism, and in Sindh, home-based workers invoked constitutional guarantees of freedom of association to bolster unionisation efforts. In both cases, rights were not newly articulated but activated by leveraging existing constitutional tools in their favour. When there are legislative gaps, workers can leverage international frameworks to hold states accountable for their commitments. In Zimbabwe, where the national framework lacked protections, *ILO Recommendation 204* was used to anchor workers' demands and engage in social dialogue.⁵⁵ The emergence of political will may not always be driven by sustained union pressure alone, but can reflect broader political or economic incentives, such as when governments seek legitimacy or respond to reputational pressures.⁵⁶

There are also limits to the state's role. While many governments formally endorse the goal of transitioning workers out of informality, this commitment is often uneven in practice. Policy frameworks promoting formalisation frequently coexist with labour flexibilisation policies, as well as the weak enforcement of existing labour laws and a tacit acceptance of widespread non-compliance.⁵⁷ The cases above demonstrate that outcomes for workers in the informal economy do not come from government initiatives alone, but from the strength of workers organising themselves with the support of key allies.

Circular economy practitioners should therefore push for state action by leveraging existing national and international frameworks, as well as establish effective multistakeholder collaboration between labour rights organisations, worker cooperatives, researchers, government agencies and private sector actors to facilitate direct engagement between policymakers and workers driving circularity in the informal economy.

A call to action

To achieve a just transition, circular economy policies must move beyond material flows to centre the social realities of the people who power them. This requires a fundamental shift from treating workers in the informal economy as a marginal segment of the workforce and a 'problem to be fixed' to recognising them as essential economic actors and rights holders.

To operationalise a twin transition towards greater circularity and decent work, we call on social partners and other stakeholders to:

- **Institutionalise meaningful representation:** Move beyond one-off consultations to build long-term, structural alliances with member-based worker-led organisations. Ensure their voices are a permanent fixture in the national and international dialogues shaping circular economy policy.
- **Prioritise rights-based formalisation:** Adopt worker-driven strategies that focus on improving worker wellbeing and incomes, rather than solely on legal compliance.

- **Embed robust labour safeguards:** Leverage international standards, such as ILO Recommendation 204, to bridge gaps, including where state protections are weak. Circular economy policy must proactively safeguard the right to organise and bargain collectively across value chains.
- **Co-produce evidence for visibility:** Commit to research agendas that co-produce data and develop policy advocacy with informal workers. Use this evidence to make environmental and economic contributions visible in negotiations, providing a factual basis for fair remuneration and value redistribution.

Circle Economy and WIEGO invite organisations ready to translate these lessons into action across countries and value chains to collaborate.



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