ORGANIZING WORKERS IN THE INFORMAL ECONOMY

ILO ACTRAV Policy Brief
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Trade union strategies to extend membership, services and organizing activities to workers in the informal economy and facilitate transition from the informal to the formal economy

The aim of this policy brief is to assist workers’ organizations in understanding and tackling the injustices and decent work deficits associated with employment in the informal economy. It provides information and proposes strategies that can be used to organize, protect and promote the rights and interests of informal economy workers. It has been produced following the adoption of the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) by the International Labour Conference (ILC) in June 2015.

1. The informal economy in numbers

Approximately 2.5 billion people, or half of the global workforce, are employed in the informal economy. As shown in Figure 1, below, the non-agricultural informal economy accounts for as much as 82 per cent of total employment in South Asia, as compared with 10 per cent in Eastern Europe and Central Asia.

FIGURE 1: INFORMAL EMPLOYMENT AS A PERCENTAGE OF TOTAL NON-AGRICULTURAL EMPLOYMENT BY SEX (BASED ON THE MOST RECENT STATISTICS AVAILABLE, WHICH DIFFER BY REGION)

Note: This figure is reproduced from Vanek et al. (2014). The regional groupings differ from those in the ILO’s official regional classification. The regional estimates of employment in the informal economy combine direct estimates from survey data (40 countries) with indirect estimates for countries that lack direct estimates (80 countries). The estimates for urban China are based on six cities: Fuzhou, Guangzhou, Shanghai, Shenyang, Wuhan, and Xi’an. Since the data for China only cover six cities, they are not comparable to the national data used to prepare the regional estimates, because of their different geographical coverage. The gender gap is the difference between the proportion of women and the proportion of men in informal employment in sectors other than agriculture.

The above averages mask vast intra-regional disparities. For instance, within sub-Saharan Africa the numbers range from 33 per cent in South Africa to 82 per cent in Mali, as shown in Table 1. Part of these differences can be explained by the fact that different operational criteria were used to measure informal employment.

Table 1: Intra-regional disparities

<table>
<thead>
<tr>
<th>Region</th>
<th>Country</th>
<th>Informal employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>Uruguay</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Bolivia</td>
<td>75</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>South Africa</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Mali</td>
<td>82</td>
</tr>
<tr>
<td>Southern and Eastern Asia (excl. China)</td>
<td>Thailand</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>India</td>
<td>83.5</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>Turkey</td>
<td>30.5</td>
</tr>
<tr>
<td></td>
<td>West Bank and Gaza</td>
<td>58.5</td>
</tr>
</tbody>
</table>

Informal employment as a percentage (%) of total non-agricultural employment

Source: Adapted from Vanek et al. (2014)

In three out of the six regions presented in Figure 1, as well as in China, informal employment is a greater source of non-agricultural employment for women than for men. In Sub-Saharan Africa, for example, 74 per cent of women’s employment is informal, in contrast to 61 per cent of men’s employment.

ILO data indicate that informality is not only present in developing countries. It is estimated that the informal economy accounted for 18.4 per cent of GDP in the European Union (EU-27) in 2013, and 8.6 per cent on average in Australia, Canada, Japan, New Zealand and the United States.

It is difficult to determine the extent of unionization among informal economy workers, but we do know that trade unions face a multiplicity of challenges, both internal and external, in organizing workers in the informal economy.

2. Defining informal economy workers

It is important to understand who forms part of the informal economy. Recommendation No. 204 covers both workers and economic units. Economic units include units that employ hired labour, units that are owned by individuals working on their own account, cooperatives, and social and solidarity economy units. In particular, the Recommendation covers:

a) those in the informal economy who own and operate economic units, including: (i) own-account workers; (ii) employers; and (iii) members of cooperatives and of social and solidarity economy units;

b) contributing family workers, irrespective of whether they work in economic units in the formal or informal economy;

c) employees holding informal jobs in or for formal enterprises, or in or for economic units in the informal economy, including but not limited to those in subcontracting and in supply chains, or as paid domestic workers employed by households; and

d) workers in unrecognized or unregulated employment relationships.

According to this definition, workers holding informal jobs in the formal economy form part of the informal economy. The guidelines of the 17th International Conference of Labour Statisticians state that “employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave, etc.) for reasons such as: the jobs or the employees are not declared to the relevant authorities; the jobs are casual or of a limited duration (e.g. through on-call arrangements); the hours of work or wages are below a specified threshold (e.g. below that qualifying for social security contributions); the workers are employed by unincorporated enterprises or by persons in households; the employee’s place of work is outside the premises of the employer’s enterprise (e.g. outworkers without an employment contract); or regulations are not applied, not enforced or not complied with for any reason”. This includes the increasing number of workers in involuntary part-time, contract and subcontract work without effective protection by labour laws and social security, as a result of growing labour market flexibility.


2 F. Schneider, Size and development of the shadow economy of 31 European and 5 other OECD countries from 2003 to 2012: Some new facts.

3 Paragraph 4 of the Recommendation.

Millions of workers employed in garment supply chains in South Asia fall into these categories.

...consideration should be given to employment relationships and the nature of contracts and subcontracting. Informal work in formal establishments deprived workers of formal benefits by failing to recognize the employment relationship. Furthermore, many employers ignored or avoided their responsibilities to workers in global supply chains, reaching from global consumer brands to home-based workers. It was important to talk about a wide range of actors in the informal economy, including members of cooperatives and other forms of solidarity economy enterprises, and wage-dependent workers who operated outside formal employment structures. It was also essential for non-wage workers to be able to bargain with local, state and national authorities, other decision makers and contractors as a foundation for change. The right to organize and bargain collectively and the right to freedom of association were essential elements of the transition to formality.”

Excerpt from a statement by Plamen Dimitrov, Workers’ Vice-Chairperson of the 2014 and 2015 ILO Committee on Transition from the Informal to the Formal Economy

Workers in the informal economy differ widely in terms of income, employment status, sector, type and size of enterprise, location, social protection and employment protection. They can be found in both public and private spaces and in all sectors of the economy. Certain groups are particularly vulnerable to the most serious decent work deficits in the informal economy. These include, but are not limited to, women, young people, migrants, older people, indigenous and tribal peoples, persons living with HIV or affected by HIV or AIDS, persons with disabilities, domestic workers and subsistence farmers.

3. ILO Recommendation No. 204

The ILO has long been the leading agency in addressing the challenges relating to the informal economy. At the International Labour Conference in 2002, delegates adopted a Resolution and set of Conclusions that highlighted the decent work deficits suffered by workers in the informal economy and stressed the need for a transition to the formal economy. Further discussions in 2014 and 2015 resulted in the adoption of Recommendation No. 204, the first international instrument dealing specifically with the informal economy.

Recommendation No. 204 provides guidance to the ILO’s tripartite constituents on how to facilitate the transition. It is based on the principle of ensuring decent work for all, and follows a rights-based approach to formalization. Importantly, the Recommendation acknowledges the crucial role that social partners can play in facilitating the transition. Section VII of the Recommendation, presented in the box below, focuses specifically on the role and responsibilities of governments, employers’ organizations and workers’ organizations in ensuring freedom of association and access to social dialogue for informal economy workers. Paragraph 34 states that workers’ and employers’ organizations should include among their ranks representatives of informal economy workers and economic units. The inclusion of informal economy representatives is crucial for ensuring that there is respect for the right of informal economy workers to freedom of association and to collective bargaining, and helps make sure that national realities are taken into consideration.
Section VII: Freedom of Association, Social Dialogue & Role of Employers’ and Workers’ Organizations

31. Members should ensure that those in the informal economy enjoy freedom of association and the right to collective bargaining, including the right to establish and, subject to the rules of the organization concerned, to join organizations, federations and confederations of their own choosing.

32. Members should create an enabling environment for employers and workers to exercise their right to organize and to bargain collectively and to participate in social dialogue in the transition to the formal economy.

33. Employers’ and workers’ organizations should, where appropriate, extend membership and services to workers and economic units in the informal economy.

34. In designing, implementing and evaluating policies and programmes of relevance to the informal economy, including its formalization, Members should consult with and promote active participation of the most representative employers’ and workers’ organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

35. Members and employers’ and workers’ organizations may seek the assistance of the International Labour Office to strengthen the capacity of the representative employers’ and workers’ organizations and, where they exist, representative organizations of those in the informal economy, to assist workers and economic units in the informal economy, with a view to facilitating the transition to the formal economy.

The Recommendation’s Annex contains a list of other relevant ILO and UN instruments. These include the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and Right to Organise and Collective Bargaining Convention, 1949 (No. 98), which enshrine the fundamental principles of freedom of association and the right to collective bargaining that apply to all member States regardless of whether they have ratified the Conventions in question. These should form the building blocks of any organizing strategy.

4. Reasons for trade unions to organize informal economy workers

Workers in the informal economy are vulnerable to acute decent work deficits, and empirical research has shown that they are at higher risk of experiencing poverty than workers in the formal economy. While some activities do offer reasonable livelihoods and incomes, most people engaged in the informal economy:

■ Are exposed to inadequate and unsafe working conditions.
■ Have high illiteracy levels, low skill levels and inadequate opportunities for training.
■ Have less certain, less regular and lower incomes.
■ Endure longer working hours, do not have the right to collective bargaining or representation, and often hold an ambiguous or disguised employment status or experience time-related under-employment.

■ Are physically and financially more vulnerable than formal economy workers because work in the informal economy is either excluded from or effectively beyond the reach of social security schemes and safety and health, maternity and other labour protection legislation5.

Trade unions have been concerned about these vulnerabilities and the significant and growing size of the informal economy, including the informalization of formal economy jobs, for quite some time. There is global consensus that inclusive development is not possible unless rights and opportunities are extended to workers in the informal economy. Historically, and currently more than ever, the organization of trade unions is essential for providing a voice and protection to informal economy workers, and for building inclusive and peaceful societies.

Organizing workers in the informal economy also allows workers’ organizations to expand their membership, “capture lost members”, and add to their numerical strength. Ultimately, increasing union density by tapping into the vast pool of informal economy workers contributes to the collective voice of the workers’ movement both nationally and globally6.

5. The challenges of organizing in the informal economy

The trade union movement has made significant efforts to organize informal economy workers into both new and existing unions, around the world. It has often had to devise innovative strategies for doing so, given a multiplicity of political and practical challenges. These include:

- The difficulty of engaging in traditional social dialogue and collective bargaining where employment relationships are unclear and where there is no identifiable employer, as in cases where workers are hired by employment agencies or subcontracted. Often the same workers will perform work under different employment relationships, at times working for what might be considered an employer and at other times performing work on an own-account basis.\(^7\)

- The fact that labour laws in many countries do not cover informal economy workers and sometimes exclude entire sectors, such as domestic and agricultural work.

- The cost and difficulty of organizing workers who are scattered and hard to locate. Many informal economy workers perform work on an own-account basis, producing goods and services in their own homes, selling or collecting recyclable waste on the streets, or working as domestic workers in other people’s homes.

- Uncertainty about whether own-account workers fall under unions’ purview. Moreover, workers are not all drawn to solidarity and collective action; they may not consider themselves workers, or they may be engaged in competitive forms of work that do not inspire collaboration.

- Limited administrative and/or financial capacity.

- The diverse nature of the informal economy, which can make it difficult to devise comprehensive and coherent organizing strategies.

As these challenges suggest, organizing informal economy workers is not an easy task. However, workers’ organizations around the world have developed a wide range of innovative and successful organizing strategies for the informal economy, some of which are outlined in the next section.

6. Strategies for organizing workers in the informal economy

Given the diversity of the informal economy and the additional challenges outlined above, there can be no one-size-fits-all approach to organizing informal economy workers. This section presents cases and approaches that illustrate the range of strategies employed by workers’ organizations. Such strategies might include organizing workers from a range of sectors; focusing on specific sectors; targeting vulnerable groups, such as migrants; concentrating on particular issues, such as social security; harnessing the power of cooperatives; or promoting collective bargaining. These strategies are not mutually exclusive and may serve as an entry point for interventions in other sectors or issue areas. The use of ILO supervisory

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\(^8\) Paving the way for formalization of the informal economy: Experiences and perspectives from ITUC-Africa and trade unions across Africa. Copenhagen. LO/FTF Council, 2015.
mechanisms is also highlighted as an important means of pushing for change.

Some organizations, such as the Sierra Leone Labour Congress (SLLC), have chosen to bring workers from a variety of sectors under their broad umbrella. The SLLC has registered ten trade unions for workers in the informal economy, with a declared number of 279,856 members from various sectors, such as trading, transport, agriculture, fishing, services and entertainment. Recognizing the income instability that characterizes the informal sector, the SLLC assists these unions by charging them a minimal service fee rather than the membership fee it charges to unions in the formal sector. The Congress has intervened to protect the interests of informal economy workers on a number of occasions and has agreed, in principle, with the National Social Security and Insurance Trust (NASSIT) that social security and insurance coverage are to be extended to informal economy workers. Through their unions, workers can now also access low interest loans and benefit from training programmes provided by the SLLC.\(^9\)

Another organization that brings together workers from a variety of sectors is the Congress of South African Trade Unions (COSATU). Its affiliates organize informal economy workers who are linked to the affiliate’s sector, and have them join their ranks. Such workers include organized home-based workers, caregivers, taxi drivers, cleaners, security guards, plantation workers, farm workers and construction workers. COSATU also assists the domestic workers’ union with organizing and resources, even though this union is not yet one of its affiliates. In 2013, COSATU set up a Vulnerable Workers Task Team, and all its affiliates that organize vulnerable workers attend this Team’s events. In addition, COSATU’s National Organizing Department and Provincial Offices are assisting street vendors to organize themselves into associations, and helping them with their negotiations with municipalities about trading space.\(^10\)

Other organizations have focused on specific occupational sectors. The Fiji Trade Union Congress (FTUC) empowered small-scale farmers, primarily in the sugar cane industry, by establishing the National Farmers Union (NFU) in 1978. This union is now an affiliate of the FTUC.\(^11\) Organizing small-scale farmers has enabled the NFU to negotiate the price of cane with sugar mill management (which is mostly government-owned), and to represent its members in disputes and provide other related services. The NFU now represents members in the sugar industry tripartite body in Fiji.

In Senegal, the transport workers’ unions, affiliates of the National Confederation of Senegalese Workers (CNTS) and CNTS Forces of Change (CNTS FC) are actively involved in the design and implementation of a social health insurance scheme that will cover all transport workers and their families (some 400,000 people). As a consequence of this, the National Commission on Social Dialogue has become involved in the development of a strategy for addressing the extension of social security to informal economy workers.\(^12\)

In South Korea, workers in non-standard forms of employment in the construction industry have been organizing since 1988 and are now part of the Korean Construction Workers Union (KCWU), which organizes construction workers of different kinds, including precarious and independent workers. The union has 24,000 members of which 80 per cent are construction machine operators. A collective bargaining agreement is in place with contractors and subcontractors. It requires contractors to abide by labour laws and ensure respect for the unionization rights of all workers. The collective bargaining agreement allows union activities at construction sites (including education and training activities), the election of site representatives and the establishment of Occupational Safety and Health (OSH) committees. Workers have access to a national employment insurance programme and pension plan, clean washing facilities, bathrooms and cafeterias.\(^13\)

In Peru, the Federation of Dockers and Manual Transport Workers [Estibadores y Transportistas Manuales] (FETTRAMAP), an affiliate of the Peruvian Trade Union Confederation (CUT), has concluded collective agreements with the Association of Corn Wholesalers, whose members require the services of day labourers both in markets and other sites. The agreements have been concluded with the support of the Ministry of Labour and Promotion of Employment. The Federation has also concluded agreements with the authorities of the Lima Wholesale Market regarding working conditions.\(^14\)

Another example of an organization that focuses on a specific occupational sector is Argentina’s Domestic Workers

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\(^9\) Ibid.
\(^10\) Ibid.
\(^11\) Note that the NFU is registered as an association, as it is not formally recognized as a trade union under Fiji’s Trade Unions Act.

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14 ITUC and CSA-TUCA: Experiencias sindicales de formalizacion mediante organizacion sindical y dialogo social en America Latina y el Caribe, 2016.
Union (UPACP), an affiliate of the General Confederation of Labour (CGTRA). Following the country’s ratification of the Domestic Workers Convention, 2011 (No. 189), and the adoption of new national legislation on domestic work, the first collective agreement for domestic workers was concluded in 2015 as part of the legislation’s objectives. In this framework, the government convened a tripartite National Commission on Domestic Work, consisting of UPACP and employers’ representatives, which has reached agreements on wages and occupational categories. Through a permanent review mechanism, the Commission will also examine issues related to health and safety.\(^{15}\)

In Lebanon, domestic workers, whether national or migrant, are excluded from Lebanese labour law and are therefore highly vulnerable to rights violations. Between May 2012 and January 2014, the ILO, the ITUC and a number of human rights NGOs assisted the National Federation of Employees’ and Workers’ Unions in Lebanon (FENASOL) to develop the capacity of a group of migrant domestic workers in Lebanon by raising their awareness of trade union rights, labour law and international labour standards; by improving their leadership skills to enable them to reach out to and recruit more domestic workers; and by creating synergies with the global domestic workers’ movement. As a result, a Founding Committee for a Domestic Workers’ Union was established within the structure of FENASOL. At the Founding Congress for the Union, held in January 2015, the Union’s leadership was elected.\(^{16}\) The Domestic Workers’ Union is an excellent example of workers of various nationalities coming together in a restrictive legislative context.

The above example also suggests how certain occupational sectors, in this case domestic work, require particular attention because they attract categories of workers who are in vulnerable situations (in this case women migrants). The fruit picking industry in Australia offers another example of this. The National Union of Workers (NUW), an affiliate of the Australian Council of Trade Unions (ACTU), is assisting Pacific Island (PI) workers who come to Australia on temporary work visas, mainly to work as fruit pickers. These workers are often subjected to abuse and exploitation by employers, in part because they work in remote places, namely on farms that are far from urban centres. Seasonal workers in Australia endure a number of difficulties; they are paid less than their stated wages, they do not receive superannuation, they have to sign employment contracts that are not compliant with Australian law, and they lack knowledge of workers’ rights. The NUW began organizing these workers in 2015, and has signed agreements with unions in their countries of origin regarding the protection of migrant workers and the provision of information to workers before their departure and upon arrival; these countries include Samoa and Vanuatu.

Rather than focus on specific categories of workers, some organizations have chosen to focus on particular issues, such as occupational safety and health. OSH training and awareness raising tend to be well received by both workers and employers because safety and health hazards impact both incomes and productivity, and consequently, OSH can be used as a starting point for organizing.\(^{17}\) In India, the Hind Mazdoor Sabha (HMS) union has successfully organized workers in the ship-breaking industry, which is one of the most hazardous and least protected industries. The industry is tightly controlled by business organizations, and most workers are migrants without identity papers, making the task of organizing particularly challenging. Through the Mumbai Port Trust, Dock and General Employees’ Union, HMS began by providing drinking water and first aid training to workers, and negotiated with St. John Ambulance and the Red Cross for there to be an ambulance on site at all times. Workers were provided with union membership cards, which also serve as identity documents. As a result of this intervention, ship-breaking workers are better organized and represented and appear to trust their union more.\(^{18}\)

Another issue on which organizations have focused has been social security, with unions in the Philippines, Thailand and Brazil lobbying for informal economy workers to have access to social security. In the Philippines and Thailand, unions have made use of the tripartite nature of the national social security system to advance the interests of workers, while in Brazil, the Central Única dos Trabalhadores (CUT) has lobbied the municipal administration of São Paulo and the federal government for the development of legislation sensitive to the needs of families and micro-enterprises, including legislation regarding mechanisms for fair taxation and social security protection.\(^{19}\)

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15 Benítez de Gomez, L. and Brassesco, C.L.: La acción sindical frente a la informalidad en el trabajo del hogar en Argentina, 2016, not published.


18 Ibid.

19 Ibid.
Unions are not the only kind of organization through which informal economy workers have organized. For example, Cooperative Home Care Associates (CHCA), a worker-owned home care (elderly care) agency in New York City, is the largest worker cooperative in the United States, employing 2,200 inner city homecare workers in the South Bronx and generating an annual income of over US$ 40m. Originally established in 1985 with the support of the New York Community Service Society, CHCA is now owned by 1,700 low-income women from immigrant, African American and Latin American backgrounds. Trainee members undertake and gain certificates in a four-week training programme on clinical and interpersonal skills. They are then placed in permanent, unsubsidised jobs within the cooperative and continue to receive vocational training. By improving home care jobs, CHCA has transformed the challenges faced by these women into sustainable opportunities for economic independence.20

In India, the Self-Employed Women’s Association (SEWA) is both a registered national trade union and a grassroots organization that works to provide employment through the creation of cooperatives owned and run by its two million women members. SEWA has helped establish health care, home care, midwifery and child care cooperatives, among other facilities. Through these cooperatives, according to SEWA, “workers obtain continuous work and income in a non-exploitative manner with better bargaining position, and are transformed into worker-owners”.21

Where appropriate, workers’ organizations can use the ILO’s supervisory mechanisms when pushing for a transition to formality. There are several ways of doing so. One of the important mechanisms for unions is the Committee on Freedom of Association (CFA). In 2012, the International Trade Union Confederation (ITUC) and Building and Wood Workers’ International (BWI) filed a complaint with the CFA concerning the violation of trade union rights in Qatar. Approximately 1.2 million migrant workers are employed in Qatar, a large number of them in the construction of facilities for the 2022 FIFA World Cup. These workers are denied the right to form unions and bargain collectively, and suffer poor and unsafe working conditions which frequently result in fatal accidents. In examining the case, the CFA urged the Government of Qatar to eliminate any restrictions placed on the freedom of association of migrant workers. Subsequently, other ILO supervisory mechanisms, namely representations and the complaint procedures, were used against Qatar in relation to the situation of migrant workers. In particular, in 2014, workers’ delegates to the ILC filed a complaint under Article 26 of the ILO Constitution alleging violation by Qatar of the Forced Labour Convention, 1930 (No. 29) and the Labour Inspection Convention, 1947 (No. 81). As no progress was made, in November 2015 the ILO Governing Body decided to send a High-Level Tripartite Delegation to Qatar, to assess the situation. The delegation visited the country in March 2016. During its 329th Session in March 2017, the Governing Body will consider appointing a commission of inquiry, should the Government’s follow-up to the findings of the tripartite delegation be considered unsatisfactory.

Regardless of the organizing strategy pursued, there are certain steps that can form the basis of efforts to facilitate the transition to the formal economy. These are listed below.

7. Recommendations for workers’ organizations

The following basic steps could be taken when organizing and providing services to informal economy workers:

1. Conducting a situational analysis

- Conducting research and data collection on the characteristics, circumstances and needs of informal economy workers and economic units. This might include desk research, surveys, consultations, interviews, or site visits, and should involve a range of stakeholders.
- Mapping existing organizations of informal economy workers in order to assess their objectives, strengths, weaknesses, potential for collaboration, etc.
- Identifying workers who are in a particularly vulnerable situation and, with the help of existing research, defining target groups, sectors, and policy areas. This might also involve determining how long the formalization process can be expected to take.

20 ILO: Cooperating out of isolation: Domestic workers’ cooperatives, Cooperatives and the world of work No. 2. (Geneva, ILO COOP, 2014).
21 Ibid.
2. Understanding the legal context

✔ Developing a thorough understanding of the provisions of Recommendation No. 204 and other relevant instruments as listed in its Annex, in particular the ILO’s fundamental Conventions regarding freedom of association, collective bargaining and the right to organize (Nos. 87 and 98).

✔ Consulting the Resolution concerning efforts to facilitate the transition from the informal to the formal economy. Adopted in parallel to Recommendation No. 204, this Resolution contains suggestions for the implementation of the Recommendation and for follow-up action, including the use of the ILO’s supervisory mechanisms and regular discussions at ILO Regional Meetings.

✔ Workers’ organizations may wish to review legislation, regulations and policies at the regional, national and local levels in order to flag any protection gaps, including issues with implementation. This could include consideration of legislation and policy across all three pillars of sustainable development (economic, social and environmental).

3. Carrying out an internal review and preparing a plan of action

✔ Conducting an internal review of the organization’s constitution, structure and programmes in order to find appropriate ways of bringing informal economy workers under its wing.

✔ Preparing a plan of action for the organization’s participation in facilitating the transition to formality. In this case, sufficient financial and human resources should be allocated for carrying out the plan. Suggested action points are listed below.

4. Implementing the plan of action

✔ Initiating a campaign at the national level, possibly in collaboration with the media, in order to promote Recommendation No. 204 and raise awareness of problems with its implementation.

✔ Governments should be encouraged to enact or revise legislation and policies in line with the Recommendation. They should also be encouraged to ratify core labour standards and other relevant instruments, as listed in the Recommendation’s Annex.

✔ Social partners, including informal economy representatives, should be included in all efforts to revise or enact legislation and policies. They should also play an active role in monitoring the implementation of these laws and policies.

✔ Workers’ organizations may wish to initiate and engage in national-level, tripartite discussions so as to raise issues regarding the informal economy that are outlined in their Decent Work Country Programme (DWCP) and in the UN Development Assistance Frameworks (UNDAFs). They may also wish to participate in efforts to implement the Sustainable Development Goals (SDGs), and in particular Goal 8 (to “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”), which includes Target 8.3 on formalization.

✔ Based on the groundwork laid out above, organizations may wish to select appropriate and innovative strategies for reaching out to informal economy workers. The education and training of workers may be used as an entry point and then become a core part of organizing activities. See Section 6 above for some ideas on possible organizing strategies.

✔ Following the initial organizing activities, it might be useful to set up structures and processes that enable informal economy workers to engage in collective bargaining.

5. Establishing partnerships

✔ Workers’ organizations may find it useful to foster ties with associations of workers in the informal economy and with other stakeholders at the national, regional and international levels.

✔ Workers’ organizations can seek support and advice from the ILO, by contacting the Bureau for Workers’ Activities (ACTRAV).
8. Further Resources

- Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

- Resolution concerning efforts to facilitate the transition from the informal to the formal economy.


