



Fifth item on the agenda: The transition from the informal to the formal economy

Reports of the Committee on the Transition from the Informal to the Formal Economy: ¹ Summary of proceedings

1. The Committee on the Transition from the Informal to the Formal Economy, established by the International Labour Conference (Conference) at its first sitting on 1 June 2015, was initially composed of 198 members (89 Government members, 33 Employer members and 76 Worker members). To achieve equality of voting strength, each Government member entitled to vote was allotted 2,508 votes, each Employer member 6,764 votes and each Worker member 2,937 votes. The composition of the Committee was modified six times during the session and the number of votes attributed to each member was adjusted accordingly. ²

¹ The Recommendation and resolution submitted by the Committee for adoption by the Conference are published in *Provisional Record*, No. 10-1.

² The modifications were as follows:

- (a) 2 June: 212 members (102 Government members with 77 votes each, 33 Employer members with 238 votes each and 77 Worker members with 102 votes each);
- (b) 3 June: 224 members (109 Government members with 2,754 votes each, 34 Employer members with 8,829 votes each and 81 Worker members with 3,706 votes each);
- (c) 4 June: 201 members (112 Government members with 81 votes each, eight Employer members with 1,134 votes each and 81 Worker members with 112 votes each);
- (d) 5 June (morning): 207 members (115 Government members with 168 votes each, eight Employer members with 2,415 votes each and 84 Worker members with 230 votes each);
- (e) 5 June (afternoon): 166 members (116 Government members with 42 votes each, eight Employer members with 609 votes each and 42 Worker members with 116 votes each);
- (f) 8 June: 167 members (116 Government members with 86 votes each, eight Employer members with 1,247 votes each and 43 Worker members with 232 votes each).

2. The Committee elected its Officers as follows:

Chairperson: Mr V. Seafeld (Government member, South Africa) at its first sitting

Vice-Chairpersons: Mr A. Frimpong (Employer member, Ghana) and Mr P. Dimitrov (Worker member, Bulgaria) at its first sitting

Reporter: Mr L.V. Sversut (Government member, Brazil) at its fifth sitting

3. At its fifth sitting, the Committee appointed a Drafting Committee³ composed of the following members:

Government member: Mr E. Gbwaboubou (Cameroon), assisted by Ms C. Calderón (United States)

Employer member: Mr A. Meyerstein (United States), assisted by Ms C. Charbonnier (France)

Worker member: Mr S. Craig (United Kingdom), assisted by Mr M. Diallo (International Trade Union Confederation)

4. The Committee had before it Reports V(1), V(2A) and (2B), entitled *The transition from the informal to the formal economy*, prepared by the Office for the fifth item on the agenda of the Conference: “The transition from the informal to the formal economy – *Standard setting, second discussion*”.

5. The Committee held 11 sittings.

Introduction

6. The representative of the Secretary-General, Ms A. Berar Awad, Director of the Employment Policy Department of the International Labour Office (ILO), welcomed the members of the Committee and emphasized the strategic importance of its deliberations for the world of work. She hoped that the Committee’s work would culminate in the adoption of a landmark Recommendation that would not only guide tripartite constituents in facilitating transition from the informal to the formal economy, but most importantly improve the lives of millions of working people worldwide.

³ Pursuant to article 59(1) and article 6 of the Standing Orders of the International Labour Conference, a Committee Drafting Committee is tasked to ensure legal consistency of the texts of proposed Conventions and Recommendations and the concordance between the English and French versions, which become the authentic texts of Conventions and Recommendations. It also verifies that the proposed texts reflect the decisions of the Committee and makes changes of an editorial nature to align the texts with ILO terminology and reference style. In addition, the Committee Drafting Committee undertakes any other task referred to it.

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7. Upon his election, the Chairperson said that the issue before the Committee was of interest to half the global workforce and most micro-, small and medium-sized enterprises (MSMEs) in developing countries. The high level of informality worldwide constituted a challenge for development and hampered efforts to achieve decent work for all. Adopting a Recommendation would constitute a historic landmark not only for the ILO and its constituents, but for the world of work as a whole. It would have a key role to play in the implementation of the post-2015 development agenda to eradicate poverty and reduce inequality. He reviewed the decisions that had led to placing this standard-setting item on the agenda of the Conference, along with the previous work of the Committee. Valuable informal tripartite consultations in April 2015 had taken place in between two rounds of Conference discussions leading up to the present discussion and he thanked the Office for its assistance in that regard and for having prepared the reports before the Committee, which provided an excellent basis for its discussion.
 8. The representative of the Secretary-General underscored the magnitude of the informal economy, which accounted for some 50 per cent of the world's workforce, 91 per cent of SMEs and an even greater proportion of micro-enterprises. Informality occurred in all sectors and affected women disproportionately. Young people, older people, persons with disabilities, migrants had a high share of informal employment. There was a strong correlation between informality, limited opportunities of job creation in the formal economy, poverty, decent work deficits, vulnerability, limited access to the labour market institutions, low productivity, constrained structural transformation, a weak tax base and unfair competition. The transition to the formal economy was therefore essential to shape the future of work and to promote inclusive development and realize decent work for all in the post-2015 development agenda.
 9. A Recommendation would be the first international instrument to focus on the informal economy in its entirety and indicate a clear orientation for moving out of informality. It would encapsulate good practices from countries that had yielded positive results in efforts to facilitate transitions to formality, paving the way for policy innovation. It would not be a legally binding instrument, but would provide practical guidance and policy options. The proposed instrument had been prepared drawing on the Conclusions previously reached by the Committee, the replies by constituents to various rounds of reports and the recent informal briefings and consultations with constituents, which had led to a shared understanding and growing convergence of views on several points. Emphasizing the informal nature of those consultations, she said that the consensus that had emerged would be discussed in the Committee's deliberations through the amendment process.
 10. Giving an overview of the structure of the proposed Recommendation, she remarked that it had universal relevance while accommodating national diversity. The proposed instrument addressed the need for a macro perspective on formalization as well as tailor-made approaches to address the heterogeneity of different segments in the informal economy. Action was required across a variety of policy areas and institutions to ensure coherent and integrated strategies. That was essential to realize the three interrelated objectives of the proposed Recommendation: facilitating transitions to formality; promoting job creation in the formal economy; and preventing further informalization. Lastly, she underscored the central role of tripartism in facilitating the transition to the formal economy, and acknowledged the need for broad-based, inclusive dialogue and consultations with all concerned, including those not yet represented in the formal labour market institutions.

General discussion ⁴

11. The Employer Vice-Chairperson recalled the previous year's challenging discussions, noting that the informal economy was a complex phenomenon with various forms depending on national context and regional dynamics. The Employers' group had proposed the agenda item for the Conference because there was a need to develop a succinct instrument to provide guidance to member States on policies to help the transition from the informal to the formal economy. The work that the Office had done in rearranging the text into a more logical structure was appreciated. It provided a basis for moving forward although certain areas required further changes. While some issues had been bracketed during the previous year's discussion due to a lack of consensus, the constructive informal discussions had helped to reach common ground. He suggested that the preamble be shortened so as not to overshadow the body of the proposed instrument. It should instead set out the context of the discussion on the informal economy, note its prevalence and the importance of taking action to facilitate transitions to formality.
12. The Worker Vice-Chairperson acknowledged the progress made together with the Employers' group and governments towards a convergence of views. Further research had been undertaken and various national and international consultations had taken place, including the informal tripartite consultations in April 2015, which had greatly contributed to a better understanding of, and consensus on, many issues. The proposed instrument was critical in addressing the growing numbers of workers in the informal economy. The diversity of the phenomenon called for a global standard, whose guidance would be of particular importance to developing countries where a significant portion of the overall economy was informal. Workers in the informal economy were subject to many decent work deficits. It was essential that the proposed Recommendation be developed as a basis for ensuring decent work for all, noting that women were disproportionately represented in the informal economy. The participation of the Workers' group during the informal tripartite consultative process since 2014 had helped to generate greater common understanding and consensus.
13. Growing informalization posed a danger to both workers and employers by threatening sustainable businesses and decent work. There was therefore a common interest and joint responsibility to find ways to promote formalization. The purpose of transitioning from the informal to formal economy was threefold: to increase workers' welfare and reduce decent work deficits; to reduce unfair competition between enterprises; and to protect and expand public revenues to build national social protection systems.
14. There were three critical areas to emphasize from the previous year's discussions. First, good governance and policy coherence should promote wage-led growth and job-centred macroeconomic policies to enable the creation of formal jobs in formal enterprises. Given that the vast majority of workers who undertook activities in the informal economy did so as a survival strategy in response to the absence of decent jobs and social protection floors, the proposed Recommendation was an opportunity to look at the package of policies relevant to the structural transformation of the economy, while ensuring coherence of economic, social and environmental policies. The Workers' group held the firm position that the proposed Recommendation should cover agricultural workers, as well as subsistence farmers and domestic workers. In addition, facilitating and providing capacity

⁴ Unless otherwise specified, all statements made by Government members on behalf of regional groups or intergovernmental organizations are reported as having been made on behalf of all Governments members of the group or organization in question who are Members of the ILO and are attending the Conference.

for transition should be integrated into national development plans and activated at different levels of government, particularly at the local level. For instance, public procurement policies should support rather than undermine transition to the formal economy. And although there was a strong body of international instruments, labour standards and national laws, there were many gaps in compliance in all countries and at all levels of economic development. An effective legal framework with good enforcement mechanisms and especially labour inspection was crucial. It was equally critical to ensure that incentives linked to transition did not come at a cost to compliance. The Committee's discussion should be linked with the Conference's concurrent general discussion on small and medium-sized enterprises (SMEs) and decent and productive employment creation, and recurrent discussion on social protection (labour protection). In addressing the practical steps of transition from the informal to the formal economy, it was not agreeable to allow economic actors to avoid complying with labour and social security legislation, nor to allow tax incentives to negatively impact public revenues or enable unfair competition.

- 15.** Second, particular attention should be given to the employment relationship, contracts and subcontracting in global supply chains as a means to address unfair competition and secure labour and social rights. Informal work in formal establishments deprived workers of formal benefits by failing to recognize the employment relationship. The rapid growth in global supply chains, in which subcontracting ties were numerous and complex, could be a threat to formal work. Informal work should not be incorporated into production processes.
- 16.** Third, the proposed Recommendation had to be grounded in a rights-based approach. Fundamental principles and rights at work concerned all workers and were a key element in the transition to the formal economy. Immediate action was required to respect and ensure those rights. Moreover, the coverage of social security for workers in the informal economy was fundamental to the realization of rights. The extension of social protection and the strengthening of social security was essential, in line with the ILO's Social Protection Floors Recommendation, 2012 (No. 202). The provision of paid maternity leave for women and access to childcare was to be achieved progressively. He drew the Committee's attention to the plight of vulnerable workers in the informal economy and the need to include them specifically in the draft instrument in the interests of a comprehensive and integrated approach. The right of wage and non-wage workers to organize, bargain collectively and exercise freedom of association through social dialogue was an essential part of the transition to the formal economy. Tripartism was the foundation which ensured that the transition process was representative and inclusive. Ensuring income security for workers in the informal economy had to be an objective of the proposed Recommendation, given the positive link demonstrated in many countries between raising the minimum wage and lifting workers out of poverty. He recalled that the concept of a minimum "living" wage had been acknowledged in several ILO instruments and agreed by tripartite constituents and would be properly determined by national wage-setting mechanisms. That was a critical area that would need further elaboration as part of the Committee's discussion, to ensure that workers in the informal economy could earn a minimum wage by which they could live in dignity.
- 17.** The challenge facing the Committee was not only to adopt a practical Recommendation but to ensure its effective implementation at the national level through a follow-up agenda. That could include its promotion through institutions such as the World Bank, United Nations (UN) agencies and other international mechanisms.
- 18.** The Government member of Latvia, speaking on behalf of the European Union (EU) and its Member States (hereinafter referred to as the EU Member States), thanked the Office for its efforts to support the continued work on the proposed Recommendation. The proposed Recommendation acknowledged that the informal economy comprised many

realities and involved many countries, in particular developing countries. Applying measures to enable the transition to the formal economy would improve working conditions, increase social protection and create higher living standards worldwide. Informality was also an issue in the EU, as undeclared work represented 18.3 per cent of EU gross domestic product (GDP). Furthermore, informality posed a threat to the rule of law and was a driver for unfavourable working conditions for workers, unfair competition and major losses of state revenue. The EU had made progress in setting up a platform to enhance cooperation in the prevention and deterrence of undeclared work, which he hoped would be relevant for other countries. He stressed that the Recommendation should be pragmatic, providing countries with practical guidance and taking specific country contexts into account. In that regard, he believed that a clarification of rules applicable to dependent and own-account workers would be useful. Complementarity between the proposed Recommendation and Recommendation No. 202 was also crucial, as the right combination of social protection systems with decent working conditions and enhanced voice for informal workers was at the heart of the measures needed to address the challenges in the informal economy. In defining the instrument, attention had to be paid not to endanger the means of subsistence for millions of workers.

- 19.** The Government member of the Philippines highlighted the importance of the discussion, noting that the proportion of the labour force in the informal economy in some developing countries was as high as 80 per cent. The proposed Recommendation would be important to her country in its efforts to promote decent work and achieve inclusive growth. A number of programmes had been established in the Philippines to facilitate the transition to decent work for informal workers, such as the Tripartite National Convergence Programme which covered 2.5 million vulnerable workers. Supporting Recommendation No. 202, the Philippines was in the process of establishing a national social protection floor which would provide basic social security guarantees for the entire life cycle.
- 20.** The Government member of Canada noted that her country was pleased to be taking part in the second year's discussion on the proposed Recommendation and looked forward to the development of a new instrument which provided practical guidance, with flexible approaches addressing diverse country circumstances. Canada commended the Office's efforts to facilitate a successful conclusion to the discussion, and the informal tripartite consultations. The early posting of Reports V(2A) and (2B) was particularly welcomed. Special appreciation was expressed for the participation of the representative of the Secretary-General in the tripartite discussions held in Canada in April 2015.
- 21.** The Government member of Switzerland praised the ILO for its efforts to extend social rights in the informal economy and facilitate the transition to the formal economy. Her Government had particularly valued the additional consensus achieved through the recent informal discussions. The proposed Recommendation should be a simple, pragmatic reference for governments and social partners, and the Committee should hence focus on the essential points and best practices. She stressed that the informal economy was a complex subject and that coherence between national and international policies was crucial. In that regard, the instrument should encourage cooperation with the ILO and other international organizations.
- 22.** The Government member of the United States thanked the Office for its efforts in convening informal consultations, which had seen closer collaboration among the social partners and had provided a strong basis for moving forward. The intention of the proposed Recommendation was to provide useful guidance to countries in their efforts to tackle informality. It was important that the voices of workers, employers and governments were reflected in the Recommendation to ensure that pervasive informality did not endure and that all workers benefited from the same rights and protections. Furthermore, the emphasis

on reducing barriers to formalization of micro- and small enterprises would benefit employers.

- 23.** The Government member of the Russian Federation noted the scale of the informal economy and its many economic, financial, infrastructural and social challenges. His country was appreciative of the ILO's work on the proposed Recommendation. The Russian Federation had been carrying out considerable work on tackling the informal economy at all levels of government, and the main provisions of the Recommendation had been informing its initiatives. He expressed his Government's full support for the Recommendation, but noted that the text required further wording clarifications.
- 24.** The Government member of Belgium expressed confidence that despite the complexity of the issues and several pending questions from the Committee's discussion in 2014 to be resolved, the present Committee would successfully adopt the proposed Recommendation. Thanking the ILO for its many efforts since the previous Conference, he underlined that the Recommendation should be structured, coherent and ambitious, underlining that an exit from informality was crucial for achieving decent work and fair globalization; that was why his country attached such significance to the Recommendation. Belgium welcomed the extension of social protection coverage in harmony with development rates and stressed the necessity of efficient labour protection systems. He recalled that attention should be paid to vulnerable groups, who were the first victims of decent work deficits. Workers in the informal economy needed legal rights, better working conditions and representation. Constructive social dialogue and mutual respect, supported by governments, were the pathways towards social progress and sustainable economy. Supporting the statement made on behalf of the EU and its Member States, he enumerated a number of key issues that should frame the discussion, including the exchange of good practices among member States.
- 25.** The Government member of India thanked the ILO for its sustained efforts in building consensus on the modalities for facilitating the transition to the formal economy. In India, 83 per cent of the workforce, representing 50 per cent of GDP, worked in the informal economy. India worked hard to extend social protection, maternity protection, decent working conditions and a minimum living wage. The most recent government initiatives, such as Make in India, Skill India and Digital India, were making it easier to do business and providing an atmosphere conducive for formalization. The Unorganised Workers' Social Security Act, 2008, was also helping to facilitate the transition to the formal economy, and those efforts were being aided by a drive to implement a national chip-embedded social security card. The goal was to have a social security platform that brought increased benefits to unorganized workers, and in turn helped ministries to work together and to develop more effective and better monitored and evaluated programmes. In closing, the Government member reiterated his country's support for the proposed Recommendation.
- 26.** Thanking the ILO for its work since June 2014, the Government member of Trinidad and Tobago noted that the tripartite discussions of the previous year had laid a solid platform for finalizing the text of the proposed Recommendation. Her country had continued to develop programmes for implementing a recently adopted micro- and small enterprise policy and other programmes to promote formalization. Those initiatives had underscored the need for a Recommendation which was concise and offered practical guidance to governments and social partners.
- 27.** The Government member of Brazil thanked the ILO for its efforts in preparing the proposed Recommendation. He stated that in recent years his country had implemented several policies which had positively impacted the formalization process and his Government was thus aware of the complexities of the topic. In 2014, the Ministry of

Labour and Employment had launched a national plan to combat informality, which aimed to formalize paid employees in particular. The plan involved tripartite discussions, awareness-raising campaigns, labour inspection and measures to reduce taxes and link formalization to access to public loans. Regarding social dialogue, Brazil had also established a forum where employers and workers could debate the proposed Recommendation, creating tripartite sectoral groups to discuss ways to accelerate formalization, intensified labour inspection and increased geographic coverage. Certain positive outcomes could already be seen, including a new low of 21 per cent regarding the informality rate in 2015. Emphasis was given also to tackling informality in other areas such as the solidarity economy and entrepreneurship. He stressed the need to eradicate informality and ensure decent work for all. The proposed Recommendation would contribute to formalization in Brazil and the rest of the world.

- 28.** The Government member of Indonesia recalled that nearly 65 per cent of the Indonesian workforce was engaged in the informal economy, in particular in agricultural and construction work in rural areas. Their vulnerability to decent work deficits could be reduced by transitioning them from the informal to the formal economy. She stressed that the transition to the formal economy should not be separated from employment policy formulation and strengthening of efforts to promote decent work for all. She supported the proposed Recommendation, underlining that transition from the informal to the formal economy would require gradual processes. She detailed various measures that could be taken, such as access to financial services, education and training, as well as ensuring respect for fundamental principles and rights at work.
- 29.** The Government member of Colombia highlighted the importance of the proposed Recommendation for providing practical and useful measures for countries, including her own. In Colombia, 48.3 per cent of the workforce was engaged in the informal economy, of which 92 per cent was covered by social security. She gave examples of progress being made in Colombia on youth employment and public employment services, and noted that an agreement on labour formalization, the *Acuerdos de Formalización Laboral*, had been adopted, resulting in the creation of 234,000 formal jobs.
- 30.** The Government member of China said that his Government agreed with the principles of the transition from the informal to the formal economy. Development of medium-sized enterprises was of great importance, as was the provision of social security. He expected the Recommendation to provide good guidance and visibility in line with national interests.
- 31.** The Government member of Argentina explained that her country had made substantial efforts in recent years to move workers from the informal to the formal economy. Argentina had seen a drop in the number of workers in the informal economy through the implementation of an integrated and coherent framework of economic, employment and social policies that had the promotion of decent work as a central objective. She encouraged a holistic approach and highlighted three elements of the Recommendation. First, it was important to link the economic and social dimensions of employment policies. Second, appropriate frameworks needed to be established for the transition of vulnerable groups. Her Government had already introduced labour legislation that covered vulnerable groups such as domestic workers. Argentina also had good experience in developing flexible frameworks which could be adapted to changing circumstances. In 2014, incentives had been introduced to encourage companies to increase the number of jobs in the formal economy. Third, she underlined the importance of social protection policies, as it was important to take the needs of unemployed persons into account. Argentina, for example, had taken measures to provide social protection to the children of unemployed workers and informal economy workers.

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32. The Government member of the Bolivarian Republic of Venezuela welcomed the discussion on the proposed Recommendation and expected that social security would be given due consideration in the new instrument.
 33. The Government member of Zimbabwe, speaking on behalf of the Africa group, underlined that the discussion on the transition from the informal to the formal economy was of great importance to African countries. The informal economy accounted for around 80 per cent of African economies. The Africa group therefore supported the development and adoption of a Recommendation which would help improve people's lives and extend social protection coverage to the majority of people. Social dialogue and the role of the social partners could not be overstated in that effort. African governments were keenly following the debate and hoped to identify solutions for the formalization of informal economies. However, he recalled that some African countries wished to find methods of assisting their informal economies in their current state, without necessarily formalizing them.
 34. The Government member of Senegal noted the predominance of the informal economy in her country and the general trend towards informal, precarious work. The informal economy represented over 40 per cent of the country's GDP, while around half of the active population worked in the non-agricultural informal economy. Although the informal economy was an attractive option for young people and women, workers in the informal economy did not benefit from social protection. The formalization of the informal economy was a priority of her Government, as reflected in its national socio-economic plan. Under that plan, the Government had made social protection a central focus and had already taken various measures to formalize informal workers. With the assistance of the ILO, Senegal was implementing a simplified social security scheme for small economic units in the informal economy. The Government was convinced that social protection was the main point of entry to begin the process of formalization. She strongly recommended that the proposed Recommendation be adopted to breathe new life into initiatives to address the informal economy.
 35. The Government member of Namibia underlined the significance and timeliness of the debate on the proposed Recommendation. One of the six strategic objectives set out by Namibia's Minister of Labour, Industrial Relations and Employment Creation was to develop a strategy, in conjunction with other government institutions and the private sector and civil society, to facilitate the transition to the formal economy and extend labour and social protection. Namibia hoped to be guided by the proposed Recommendation and to receive technical support from the ILO. She noted that some governments had reservations regarding the use of the term "minimum *living wage*" in the proposed instrument, because their laws provided only for a minimum wage. The goal of achieving a minimum living wage was embodied in important international human rights instruments, including the Universal Declaration of Human Rights, and the International Covenant on Economic, Social and Cultural Rights and the Declaration of Philadelphia. She also noted that a number of countries, including Namibia, had constitutional provisions that mandated policies to ensure remuneration adequate to maintain a decent standard of living. She emphasized that the Committee should aspire to secure adequate wages to ensure decent living standards for all workers, including workers in the informal economy, and urged member States to retain the term "minimum living wage" in the proposed instrument.
 36. The Government member of Algeria noted the strategic importance for the world of work of the discussion on the transition from the informal to the formal economy. The formalization of informal activities was essential for development and economic growth, and needed to take place within an adequate regulatory framework. The social and economic significance of the subject required the participation of all stakeholders. She gave various examples of measures pursued by her Government to formalize informal

workers, such as reducing taxes, simplifying business registration procedures, adapting social security schemes to economic units in the informal economy and strengthening labour inspection services.

- 37.** The Government member of Zambia explained that, in his country, over 84 per cent of the working population worked in the informal economy, of which 99 per cent worked in agriculture, forestry and fishing. He expressed the support of his Government for the new instrument and noted that there was a need to develop appropriate strategies to achieve the intended goals during the implementation of the proposed Recommendation. Social security coverage of the informal economy remained a priority, and innovative schemes to extend it should be developed. The need for skills development and an appropriate legal framework could not be overemphasized in order to achieve the objectives of the proposed instrument.
- 38.** The Government member of Botswana recognized that the informal economy provided opportunities to entrepreneurs, as well as employment and self-employment opportunities. However, the informal economy was characterized by long working hours, low wages and poor working conditions. The proposed Recommendation should provide guidance on the transition to the formal economy and assist governments in protecting workers currently in the informal economy. She noted that labour inspections could not be carried out in the informal economy. She further highlighted that attention should be paid to vulnerable categories of workers such as women, youth and persons with disabilities. It was important that the proposed instrument be practical and flexible to take into account national diversity, and that the informal economy not be overburdened by regulations.
- 39.** The Government member of Morocco welcomed the proposed Recommendation, which would play an important role in the fight against poverty and precarious work. However, any strategy for the transition from the informal to the formal economy should take account of the contradictory interests of stakeholders in both economies. Morocco's informal economy was large and contributed significantly to the country's GDP. A large proportion of those working in the informal economy were aged under 35 years. A National Employment Strategy developed with ILO support envisaged measures to promote transition to the formal economy. Additionally, a strategy to assist micro- and small enterprises included measures to facilitate their registration and compliance, access to finance and guarantee mechanisms. A new law on the organization of self-employed workers had been passed. Morocco supported the proposed instrument, which should take into account the level of development in countries and should be progressive in its implementation.
- 40.** The Government member of Kenya welcomed the proposed instrument which would serve as a roadmap for the transition from the informal to the formal economy, in a holistic response to the needs of all stakeholders in the informal economy, including through job creation and innovation. While that transition posed a number of challenges, it also presented opportunities. He gave the example of the mobile banking experience in Kenya which extended micro-lending and cash transfers to over 20 million subscribers. Particular efforts would be needed to overcome deficits in decent work, broaden the coverage of labour inspection, promote occupational safety and decent working conditions, and improve representation by trade unions and employers' organizations. As the informal economy was a major supplier of goods and services in many national economies, particularly in Africa, strengthening linkages between the informal and formal economies would be crucial during the transition. A "one-size-fits-all" approach would not be appropriate or effective; flexibility was key to ensuring that the instrument could be effectively implemented in all regions, countries and sectors.

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41. The Government member of Ethiopia stressed that the informal economy was driven by people's need to survive. Although concerted efforts were being made in Ethiopia to incorporate informal labour into the formal economy, particularly through the provision of support to micro- and small enterprises, challenges still remained. Given the complex nature of the informal economy, clear and actionable standards were required to support the transition to the formal economy. Ethiopia supported the proposed instrument, subject to further discussion. When adopted, the Recommendation would serve as a global reference tool for addressing decent work deficits and ensuring inclusive and sustainable development.
 42. The Government member of Swaziland welcomed the proposed Recommendation and thanked the Office for its support in seeking a consensus on a complex matter. Despite the differences in economic status of countries, a common understanding was needed with regard to the transition from the informal to the formal economy. The transition was key to ensuring that all people enjoyed the right to decent work. Swaziland therefore fully supported the finalization of the proposed instrument.
 43. The Government member of the Democratic Republic of the Congo stated that her country was gratified to see that the ILO was preparing an instrument that would contribute to resolving the problem of informality. Her country had a particularly high rate of informality of between 80 and 90 per cent. She was concerned that many countries did not have the means to support the transition from the informal to the formal economy and there had been an insufficient focus on funding. Research carried out by a German non-governmental organization (NGO) among small-scale entrepreneurs in the informal economy in Kinshasa had identified three main needs: credit, training and access to innovative means of production. She underlined that such entrepreneurs generally lacked access to bank credit and faced high interest rates when they did have access. Policies which supported national employment policies and vocational training were vital and her country had established several programmes to promote transition, including a job creation programme (PROCER) and a national youth employment programme (PROYEN).
 44. The Government member of Burkina Faso noted that the informal economy was at the heart of the concerns of member States, and particularly of developing countries. Burkina Faso recognized the need to support the process of transition to the formal economy, and initiatives, aimed in particular at assisting young people and women, had been taken at the national level to create jobs and finance enterprises. Burkina Faso supported the proposed Recommendation as it was a source of hope for many workers, especially those in precarious work.
 45. The Government member of Sudan pointed out that the informal economy comprised numerous groups of workers, noting that particular groups, especially street workers and own-account workers, were not covered by social protection. A survey carried out in Sudan had indicated that only 12 per cent of families enjoyed social protection rights, which meant that 88 per cent could be considered to be in the informal economy. She highlighted that sectors, such as the illegal or black economy, should not be covered by the proposed instrument.
 46. The Government member of Egypt stated that the informal economy was a problem affecting many countries and a comprehensive plan was needed. Social protection, minimum wages, an environment supportive of decent work, occupational safety and health (OSH), maternity protection, basic rights and social dialogue were all parts of a strategy which would pave the way for a smooth transition from the informal to the formal economy. Egypt had adopted various measures to promote the transition and was looking forward to discussing best practices.

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47. The representative of the International Cooperative Alliance noted that with 1 billion members, the cooperative movement was the largest member-based system globally. Cooperatives constituted a significant proportion of the economies of many countries and employed some 250 million people worldwide. He recalled that the ILO's Promotion of Cooperatives Recommendation, 2002 (No. 193), made specific reference to the transition to the formal economy. Cooperatives and other social solidarity enterprises could help in the transition from the informal to the formal economy in a number of ways including, among others, representation, training, finance and advisory services. The important role of cooperatives should be referred to in the part of the proposed text on legal and policy frameworks and concrete tax and public procurement policies should be included in the part on employment policies. In closing, he underlined that cooperatives were important to the transition to the formal economy, as was a long-term vision of the world of work, in that they contributed to innovation in many areas, for instance technology, education and health care.
48. The representative of StreetNet International said that her organization represented over 500,000 street vendors, informal market vendors and hawkers in 52 affiliated organizations in Africa, Asia, the Americas and Europe. Many of those workers faced daily harassment from local governments, which interfered with their livelihoods. Her organization had worked hard for the kind of formalization that was most desirable to informal workers. While the proposed Recommendation reflected many of their needs, it only mentioned two levels of government: national and international. As local governments would play an important role in implementation, they required a special mention. In closing, she noted that workers in the informal economy needed to be included in all levels of negotiation.
49. The representative of the International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations noted the highly significant role of rural workers in the informal economy. Many of those workers were being displaced, and governments needed to consider new ways to protect them. Rural workers represented 90 per cent of food security in many countries. He urged that continued tripartite consultations should be the means for ensuring that the proposed Recommendation's policies and standards were properly applied at the country level and a monitoring system should be implemented. Trade unions and other civil society participants could be part of such monitoring to ensure that workers' rights were protected and adequate working conditions were upheld.
50. The representative of Women in Informal Employment: Globalizing and Organizing, also representing HomeNet Philippines, a home-based workers' organization, said that more than 76 per cent of the workforce in her country worked in the informal economy. She stressed that despite ratification of the Domestic Workers Convention, 2011 (No. 189), by the Philippines and the existence of national legislation on domestic workers, improved law enforcement and policy measures were needed in her country for the protection of all informal workers, including the extension of social protection systems.
51. The representative of International Young Christian Workers reiterated the importance of the proposed Recommendation and the impact it could have on millions of workers. He urged the Committee to include specific references to subcontracting, global supply chains, a minimum living wage, fundamental rights at work and the extension of social protection. The proposed instrument should apply to all forms of informal work, including undeclared work, and should promote the organization of informal economy workers as well as their participation in social dialogue mechanisms for the formulation of policies intended to address their needs. He called on governments to collaborate with all social and trade union movements to protect workers' rights and address violations of those rights.

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52. The Employer Vice-Chairperson thanked the Government members, the Workers' group and international NGOs for their remarks and noted their concerns. The potential areas for consensus were clear despite the complexity of the issue and the differences among regions. He felt that the Committee had already made progress and looked forward to the discussion on the amendments to the proposed Recommendation.
53. The Worker Vice-Chairperson acknowledged the growing consensus on challenging issues which had been debated in the Committee in 2014. He reiterated the importance of a national integrated policy framework which would enable the creation of decent work in the formal economy while supporting law enforcement and compliance in the transition to the formal economy. He also noted the growing support of Committee members in respect of addressing the informal economy in global supply chains and tackling unfair competition and profit distribution. The statements made by Government members indicated growing support for the extension of social protection, income security and the concept of a minimum living wage. He called upon Government members to ensure that the scope of the proposed Recommendation covered all workers in the informal economy. The proposed instrument should focus on the realization of labour and social rights, and pay particular attention to freedom of association and the right to collective bargaining, along with the extension of social protection coverage. Finally, he expressed his appreciation and support for the contributions of international NGOs, which reflected the diversity of the informal economy.

Consideration of the proposed Recommendation contained in Report V(2B)

General remarks concerning the preamble and Annex

54. To facilitate the discussion, the Chairperson proposed that the preamble and Annex be considered together, after consideration of the body of the proposed text.
55. The representative of the Secretary-General provided an overview of the history of the discussions concerning the preamble and the Annex, with a view to facilitating the amendments process on those parts of the Recommendation. In 2014, Committee members had discussed the preamble at length. While the Office had noted the length of the preamble, compared with other instruments, in its comments in Report V(1) ("the brown report"), and had restructured it in a more logical manner, it had considered it appropriate not to shorten the preamble before the publication of Report V(1) in 2015. Many of the constituents' replies to the brown report had also noted the excessive length of the preamble, although the various suggestions for cutting specific text had not converged. During the informal consultations, two criteria for shortening the preamble had been proposed. The first was not to repeat in the preamble items that were included in the body of the text and the second was not to include in the preamble the full titles of international instruments already mentioned in the Annex. The representative of the Secretary-General noted that there had also been a proposal to move references to resolutions and conclusions from previous Conferences to the Annex. If changes were made according to those criteria, the preamble would be halved in length. To facilitate the amendments process, Committee members were encouraged to propose block amendments.

Preamble

56. The Chairperson said that two identical amendments to replace the entire preamble had been submitted by the Worker members and the Employer members and would be discussed together.
57. Introducing the amendment, the Worker Vice-Chairperson stated that it had been agreed to by all parties during the informal consultations. The amendment had several objectives, namely: to restructure the preamble; to avoid repeating text that also appeared in the body of the proposed Recommendation; and to shorten the text by confining to the Annex the references to international instruments and to Conference conclusions and resolutions to the Annex. The preamble would read as follows:

The General Conference of the International Labour Organization,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 104th Session on ... June 2015, and

Recognizing that the high incidence of the informal economy in all its aspects is a major challenge for the rights of workers, including the fundamental principles and rights at work, for social protection and decent working conditions, inclusive development and the rule of law, and has a negative impact on the development of sustainable enterprises, public revenues and governments' scope of action, particularly with regard to economic, social and environmental policies, the soundness of institutions and fair competition in national and international markets, and

Acknowledging that most people enter the informal economy not by choice but as a consequence of a lack of opportunities in the formal economy and in the absence of other means of livelihood, and

Recalling that decent work deficits – the denial of rights at work, the absence of sufficient opportunities for quality employment, inadequate social protection and the absence of social dialogue – are most pronounced in the informal economy, and

Acknowledging that informality has multiple causes, including governance and structural issues, and that public policies can speed up the process of transition to the formal economy, in a context of social dialogue, and

Recalling the Declaration of Philadelphia, 1944, the Universal Declaration of Human Rights, 1948, the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998, and the ILO Declaration on Social Justice for a Fair Globalization, 2008, and

Reaffirming the relevance of the eight ILO fundamental Conventions and other relevant international labour standards and United Nations instruments as listed in the Annex, and

Recalling the resolution and Conclusions concerning decent work and the informal economy adopted by the International Labour Conference at its 90th Session (2002), and other relevant resolutions and Conclusions as listed in the Annex, and

Affirming that the transition from the informal to the formal economy is essential to achieve inclusive development and to realize decent work for all,

Recognizing the need for Members to take urgent and appropriate measures to enable the transition of workers and economic units from the informal to the formal economy, and

Recognizing that employers' and workers' organizations play an important and active role in facilitating the transition from the informal to the formal economy, and

Having decided upon the adoption of certain proposals with regard to the transition from the informal to the formal economy, which is the fifth item on the agenda of the session, and

Having determined that these proposals shall take the form of a Recommendation;

adopts this ... day of June of the year two thousand and fifteen the following Recommendation, which may be cited as the Transition from the Informal to the Formal Economy Recommendation, 2015.

- 58.** The Employer Vice-Chairperson supported the amendment.
- 59.** The Government member of the Russian Federation, seconded by the Government member of China, introduced a subamendment to replace “Acknowledging that most people enter the informal economy not by choice but” by “Acknowledging that people enter the informal economy either by choice or” in the third preambular paragraph. It was important that the proposed Recommendation also focus on those who chose to enter the informal economy “by choice”.
- 60.** The Worker Vice-Chairperson was surprised to see the issue resurface, given that it had been debated at length in the Committee in 2014. He drew the Committee’s attention to Reports V(1), V(2A) and (2B), prepared for 2015, which provided considerable evidence that the vast majority of workers were not in the informal economy by choice, but due to a lack of opportunities in the formal economy, the preamble should reflect that. While he acknowledged that some economic units were in the informal economy by choice, he reminded the Committee that the paragraph referred to workers. He opposed the subamendment.
- 61.** The Employer Vice-Chairperson did not support the subamendment.
- 62.** The Government members of Australia and New Zealand, and the Government members of Mexico, speaking on behalf of the group of Latin American and Caribbean countries (GRULAC), and Zimbabwe, speaking on behalf of the Africa group, did not support the subamendment.
- 63.** The subamendment was not adopted.
- 64.** The Worker Vice-Chairperson introduced a subamendment to insert “, and any other future relevant international instruments” after “Annex” and before “, and” in the eighth preambular paragraph. Recognizing, however, that the issue was already covered in Paragraphs 40 and 42 of the proposed text of the Recommendation, he withdrew it. He introduced a second subamendment to replace “and” by “whilst ensuring the preservation and improvement of existing livelihoods during the transition, and” at the end of the tenth preambular paragraph. The reference to preserving and improving livelihoods was not mentioned elsewhere in the body of the text and, since it had received the support of the Employers’ group and 86 governments in Report V(2A), it was important to include it in the preamble.
- 65.** The Employer Vice-Chairperson regretted that the Workers’ group was submitting subamendments to text which had been agreed between the Workers’ and the Employers’ groups.
- 66.** In response, the Worker Vice-Chairperson reasoned that the subamendment did not constitute a departure from earlier agreements and recalled that the same wording had received broad support in Report V(1).
- 67.** The Employer Vice-Chairperson supported the subamendment.
- 68.** The Government member of Argentina requested that the Workers’ group clarify the intention of the subamendment, since the same element had already been included in amended Paragraph 13 of the proposed text of the Recommendation. She also questioned

why the subamendment sought to both “preserve” and “improve” existing livelihoods, as the latter dimension had not been considered previously.

69. The Worker Vice-Chairperson acknowledged the points raised by the Government member of Argentina, but explained that the text of amended Paragraph 13 only covered income security and did not address the importance of gradual improvement of livelihoods throughout the transition to the formal economy.
70. Although the Government member of Argentina was not fully convinced that it was necessary to include “improvement”, as livelihoods would surely improve once workers joined the formal economy, she agreed that livelihoods should be preserved, and did not oppose the subamendment.
71. The subamendment to the eighth preambular paragraph was adopted.
72. The amendment to replace the entire text of the preamble was adopted as subamended. As a consequence, two amendments that had been discussed as subamendments fell.
73. The Government member of Brazil, speaking on behalf of GRULAC, withdrew an amendment to move the sixteenth preambular paragraph to after the fourteenth preambular paragraph.
74. The preamble was adopted as amended.

Part I. Objectives and scope

Paragraph 1

Chapeau

75. The chapeau was adopted without amendment.

Clause (a)

76. Clause (a) was adopted without amendment.

Clause (b)

77. The Employer Vice-Chairperson introduced an amendment to insert “economic units and” before “and sustainability of”, which he proposed to subamend to read “enterprises and”. The change was needed because the text should refer to the formal economy rather than the informal economy and highlight the role of enterprises.
78. The Worker Vice-Chairperson supported the subamendment, noting that the clause referred to job creation, sustainability and the formal economy, and therefore “enterprises” was the correct term in the context.
79. The Government member of Latvia, speaking on behalf of the EU and its Member States, supported the subamendment.
80. The Government member of Saudi Arabia stated his preference for the term “economic units”, as it was broader in scope. His view was shared by the Government of India.

81. The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.

82. The Chairperson reminded the Committee that the clause referred to the formal economy. He observed that there seemed to be no objection to the subamendment.

83. With no objection, the subamendment was adopted.

84. Clause (b) was adopted as amended.

Clause (c)

85. Clause (c) was adopted without amendment.

86. Paragraph 1 was adopted as amended.

Paragraph 2

Chapeau

87. The chapeau was adopted without amendment.

Clause (a)

88. Clause (a) was adopted without amendment.

Clause (b)

89. The Government member of Algeria, seconded by the Government member of Saudi Arabia, introduced an amendment to replace “or” between “sale” and “possession” by a comma, and to insert “or use” between “possession” and “of goods”, to add clarity to the clause.

90. The Worker Vice-Chairperson supported the amendment as it made the text clearer.

91. The Employer Vice-Chairperson supported the amendment.

92. The Government member of Brazil expressed support for the original text. He noted that the use of goods forbidden by law could already be covered by the term “possession”. He voiced concern that the words “use of” had a different meaning in other UN discussions. That said, in a spirit of consensus, he had no objection to the amendment.

93. The amendment was adopted.

94. Clause (b) was adopted as amended.

95. Paragraph 2 was adopted as amended.

Paragraph 3

Chapeau

96. The chapeau was adopted without amendment.

Clauses (a)–(c)

97. Clauses (a)–(c) were adopted without amendment.

98. Paragraph 3 was adopted without amendment.

Paragraph 4

Chapeau

99. The chapeau was adopted without amendment.

Clause (a)

100. Clause (a) was adopted without amendment.

Clause (b)

101. The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to simplify the text by deleting “, irrespective of whether they work in economic units in the formal or informal economy”. The chapeau of Paragraph 4 already stipulated that the Recommendation applied to all workers and economic units, including enterprises, entrepreneurs and households, in the informal economy.

102. The Employer Vice-Chairperson recalled that the clause had been extensively discussed by the Conference in 2014. He did not support the amendment as there had been an agreement not to reopen the discussion on the clause.

103. The Worker Vice-Chairperson acknowledged the agreement reached during the informal tripartite consultations, namely that the discussion on Part I regarding the objectives and scope of the proposed Recommendation would focus on the bracketed text. He reminded the Committee that, following the exhaustive discussion during the Conference in 2014, a carefully balanced formulation had been agreed upon. Moreover, the proposed amendment did not improve the clause as it excluded contributing family workers in economic units in the formal economy from the scope of the proposed Recommendation.

104. The amendment was not adopted.

105. The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to replace “irrespective of whether they work in economic units in the formal or informal economy” by “irrespective of the type of enterprise”. It was not necessary to apply the proposed Recommendation to contributing family members in the formal economy.

106. The Worker Vice-Chairperson did not support the proposed amendment for the same reasons he had not supported the previous amendment.

107. The Employer Vice-Chairperson, referring to the discussion of the previous amendment, did not support the proposed amendment.

108. The amendment was not adopted.

109. Clause (b) was adopted without amendment.

Clause (c)

110. The Worker members and the Employer members had submitted identical amendments to replace “[, including in subcontracting and supply chains,]” by “including, but not limited to subcontracting and in supply chains,”.
111. The Worker Vice-Chairperson emphasized the importance of the issue of global supply chains, which would be discussed during the Conference in 2016. Over 60 per cent of global trade depended on subcontracting and supply chains. It was necessary to ensure that the exploitation of informal workers was not underlying that trade. There had already been considerable discussion on the issue in the Committee in 2014 and substantial common ground had emerged. The subsequent informal consultations had resulted in progress toward a consensus on the text of the proposed amendment.
112. The Employer Vice-Chairperson recalled that the issue of global supply chains had generated intense debate during the Committee’s deliberations in 2014. Since then, constructive discussions had taken place among the tripartite constituents and within the Employers’ group. As a general discussion on global supply chains had been tabled for the Conference in 2016, he had no objection to the amendment.
113. The Government member of India supported the proposed amendment, as did the Government members of Latvia, speaking on behalf of the EU and its Member States, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group. The Government member of the United States also supported the proposed amendment but suggested that the Committee Drafting Committee should consider whether or not to delete “in” before “supply chains” for grammatical reasons.
114. The amendments were jointly adopted and referred to the Committee Drafting Committee.
115. Clause (c) was adopted as amended.

Clause (d)

116. Clause (d) was adopted without amendment.
117. Paragraph 4 was adopted as amended.

Paragraph 5

118. Paragraph 5 was adopted without amendment.

Paragraph 6

119. The Worker Vice-Chairperson introduced an amendment to delete “, according to national practice,”. The intention was to remove unnecessary repetition of the phrase in the text. Moreover, some national practices did not provide for adequate representation of the informal economy in tripartite mechanisms. The amendment was proposed in the spirit of preserving tripartism, which was fundamental to the ILO.
120. The Employer Vice-Chairperson supported the amendment, since the proposed Recommendation would, by its very nature, be implemented in national contexts.
121. The Government member of Mexico, speaking on behalf of GRULAC, was concerned that the proposed amendment ran counter to the broad discussion that had taken place on the

issue, which had recognized the importance of national practices and the need to preserve the phrase in the proposed instrument. He did not support the amendment.

- 122.** The Government member of Saudi Arabia said that the reference to national practice should be maintained, therefore he did not support the amendment. Employers and workers lived in the same country as their government and needed to recognize their unique national practice. If the social partners were not in alignment with their national contexts, it would be difficult for them to achieve their goals.
- 123.** The Government member of Canada proposed a subamendment, seconded by the Government member of the United States, to replace “according to national practice” by “where they exist”.
- 124.** Neither the Worker Vice-Chairperson nor the Employer Vice-Chairperson supported the proposed subamendment.
- 125.** The Government member of Brazil expressed surprise that an issue that had been discussed at length during tripartite consultations since the Committee's previous deliberations was being reopened for further discussion. He considered that the original text was a balanced compromise and that the phrase “according to national practice” was important to reassure governments.
- 126.** The Government member of Zimbabwe, speaking on behalf of the Africa group, together with the Government members of Indonesia, Kuwait and Qatar, agreed that the discussion of the Paragraph should not be reopened and that it should not be amended.
- 127.** Due to the lack of support, the proposed subamendment was not adopted.
- 128.** The Worker Vice-Chairperson said that while he continued to believe that national practices in some countries did not allow for the genuine representation of informal economy workers, he acknowledged the concerns of several governments and did not wish to stand in the way of a consensus.
- 129.** The amendment was withdrawn.
- 130.** Paragraph 6 was adopted without amendment.

Part II. Guiding principles

Paragraph 7

Chapeau

- 131.** The chapeau was adopted without amendment.

Clause (a)

- 132.** Clause (a) was adopted without amendment.

Clause (b)

- 133.** The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to replace “contexts” by “circumstances, legislation, policies, practices”. The intention was to make the text more precise.

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- 134.** The Employer Vice-Chairperson recognized that the intention was to clarify the meaning of the word “contexts” and therefore supported the amendment.
- 135.** The Worker Vice-Chairperson noted that the term “national contexts” was, in fact, broader in scope, but that the proposed amendment provided more clarity and focus to the contexts in which the Recommendation would be implemented. He therefore supported the amendment.
- 136.** The Government members of Indonesia, Saudi Arabia and the United States, and the Government members of Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment on the basis that it added clarity and precision to the text.
- 137.** The amendment was adopted.
- 138.** Clause (b) was adopted as amended.

Clauses (c)–(h)

- 139.** Clauses (c)–(h) were adopted without amendment.

Clause (i)

- 140.** The Chairperson noted that two identical amendments had been submitted on the clause by the Worker members and Employer members and would therefore be discussed together.
- 141.** The Worker Vice-Chairperson introduced the amendment to replace the entire clause with “the need to pay special attention to those who are especially vulnerable to the most serious decent work deficits in the informal economy including, but not limited to, women, young people, migrants, older people, indigenous and tribal peoples, persons affected by HIV or AIDS, persons with disabilities, domestic workers and subsistence farmers;”. He clarified that the proposed amendment did not represent a radical change to the text nor a departure from previous discussions on the clause. Rather, the intention was to remove the brackets and include domestic workers and subsistence farmers among those vulnerable workers in need of special attention. Recognizing the concerns of governments regarding the inclusion of subsistence farmers, the Worker Vice-Chairperson reminded the Committee that subsistence farmers, including workers in fishing and forestry, as own-account workers, were indeed among the most vulnerable groups in the informal economy, particularly in developing economies. Such workers, representing 85 per cent of farmers globally, suffered from important decent work deficits and had been pushed further into poverty by globalization. They were uniquely vulnerable to natural disasters and climate change. Finally, he noted the high incidence of child labour among subsistence farmers, which was estimated at 29 million girls and boys globally. Given those circumstances, he hoped that the Committee would agree on the importance of including such workers.
- 142.** The Employer Vice-Chairperson recalled the lengthy debates on the clause in the Committee in 2014 and in the follow-up informal consultations. The compromise put forward by the Employers’ group and Workers’ group, which included both domestic workers and subsistence farmers, was satisfactory and he expressed support for the amendment.
- 143.** The Government member of the Philippines, speaking also on behalf of the Government members of Japan, Myanmar, Nepal and Thailand, supported the amendment, underlining the vulnerability of domestic workers and subsistence farmers and their subsequent need for special attention.

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- 144.** The Government member of Latvia, speaking on behalf of the EU and its Member States, proposed two subamendments. The first was to replace “tribal peoples” by “local communities”, on the basis that the wording of the proposed text might conflict with the Constitutions of some member States that only recognized one people. The proposed subamendment was also appropriate in light of language used in other UN Conventions, such as the Convention on Biological Diversity, 1992. He proposed a further subamendment to delete “subsistence farmers” on the basis that those workers did not provide goods and services to third parties.
- 145.** The Employer Vice-Chairperson called on the secretariat to provide guidance on the wording to be used as it should be consistent with existing Conventions.
- 146.** The representative of the Secretary-General explained that the term “indigenous and tribal peoples” was taken from the Indigenous and Tribal Peoples Convention, 1989 (No. 169).
- 147.** Consequently, the Employer Vice-Chairperson did not support the subamendment as it was not aligned with the wording of the Convention.
- 148.** The Worker Vice-Chairperson thanked the secretariat for the explanation and reiterated that the wording of the proposed Recommendation was based on, and consistent with, international labour standards and that therefore the wording in the clause should be maintained. He also expressed surprise that the subamendment proposed the deletion of the reference to subsistence farmers, in view of the plight of that category of workers that he had previously highlighted. He opposed the subamendment.
- 149.** The Government member of Zimbabwe, speaking on behalf of the Africa group, recalled that the issue of subsistence farmers had been discussed at length in the Committee in 2014 and that that category of workers should be supported in the transition to the formal economy. He opposed the subamendment.
- 150.** The Government member of India supported the statement made by the previous speaker on behalf of the Africa group and did not support the subamendment.
- 151.** The subamendment was not adopted.
- 152.** The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment, as did the Government members of India, Nepal, Saudi Arabia, and Mexico, on behalf of GRULAC.
- 153.** The amendments were adopted.
- 154.** Consequently, two amendments submitted by the EU Member States seeking to replace “indigenous and tribal peoples” by “indigenous communities” and “, [domestic workers and subsistence farmers]” by “[and domestic workers]” fell.
- 155.** Clause (i) was adopted as amended.

Clause (j)

- 156.** Clause (j) was adopted without amendment.

Clause (k)

- 157.** The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to the Spanish version of the proposed text to replace “medidas destinadas a

promover el cumplimiento” by “medidas de cumplimiento de la legislación”. The proposal sought to clarify what was going to be implemented, a matter that was already clear in the English and French versions, and would not in any way alter the meaning of the text.

158. The Employer Vice-Chairperson commented that, if it was solely question of linguistics, the matter should be referred to the Committee Drafting Committee.
159. The Worker Vice-Chairperson supported the amendment in so far as it clarified the Spanish version of the text.
160. As there were no objections from the Government members, the amendment was adopted.
161. Clause (k) was adopted as amended.

Clause (l)

162. The Government member of Trinidad and Tobago, speaking also on behalf of the Government members of Argentina, Brazil, Chile, Jamaica, Mexico and the Bolivarian Republic of Venezuela proposed an amendment to replace “deliberate evasion from” by “deliberately leaving”. The proposed amendment did not apply to the French and Spanish versions of the proposed text. She explained that her group found the current wording too strong, and that the English version had a different meaning to the French and Spanish versions. Alternatively, other wording that more closely reflected the French and Spanish versions could be used, for example replacement of “deliberate evasion” by “circumvention”.
163. The Employer Vice-Chairperson requested clarification as to the wording that was being proposed.
164. The Government member of Brazil, speaking on behalf of GRULAC, explained that “evasion from the formal economy”, the wording in the proposed text, was not a defined concept and was easily confused with tax evasion, which was a clearly defined concept. That confusion was not however present in the French or Spanish versions. The amendment sought to align the English text with the French and Spanish versions of the text, which were clearer in meaning. His group would be open to other suggestions, but opposed using the term “deliberate evasion”.
165. The Employer Vice-Chairperson proposed referring the question to the Committee Drafting Committee with a request that their changes not deviate from the intent of the clause.
166. The Chairperson believed that the issue in fact went beyond linguistics and related to substantial differences in meaning and understanding of evasion; therefore, it would require discussion in the Committee.
167. The Employer Vice-Chairperson recalled that in 2014 the Committee had addressed the issue of tax evasion at length. He noted that the proposed text of the clause now differed from the text that had been discussed in 2014. His understanding was that the clause sought to address evasion from the formal economy. If that was correct, he believed that the proposed amendment was merely a linguistic issue. If, however, the phrase was meant to address tax evasion, the amendment would indeed represent a difference in meaning, which he could not support.
168. The Worker Vice-Chairperson reminded the Committee that the clause was closely linked to Paragraph 22, and that it was the EU Member States that had originally requested

changes to the clause. He recalled that the intention was to cover tax, social security and labour regulation evasion, and pointed out that the text as proposed no longer reflected that. He requested clarification from the secretariat or from the EU Member States as to the prior conclusions reached on the clause, noting that the Committee was at risk of reopening a difficult discussion. He suggested that the phrase “deliberately circumvent” might be better.

- 169.** The representative of the Secretary-General confirmed that the proposed text did indeed differ from the text adopted by the Committee in 2014. She also confirmed that the issue of tax evasion had been raised originally by the EU Member States and that their amendment had then been subamended. She explained that the Office had first proposed a new formulation in Report V(1), 2015. Subsequently, based on the replies received from the constituents, the Office had proposed yet another formulation in Report V(2B), 2015, which reflected areas of consensus while remaining in alignment with Paragraph 22. Finally, given that the amendment under discussion was both linguistic and substantive in nature, she suggested that the Committee refer the question to the Committee Drafting Committee, which would be tasked with drafting a proposal that could be brought back to the full Committee for approval.
- 170.** The Employer Vice-Chairperson thanked the secretariat for the clarification and agreed that the clause was attempting to resolve two issues: those economic units that were evading taxes, and those that were also evading social and labour protection. He agreed with the representative of the Secretary-General’s proposal to refer the amendment to the Committee Drafting Committee which would prepare a proposal for full Committee approval.
- 171.** The Government member of India, having listened to the Employers’ group and Workers’ group, suggested keeping the original text.
- 172.** The Government member of Zimbabwe, speaking on behalf of the Africa group, agreed with the Workers’ group’s recollection of the debate. He recalled that the intention behind the clause was to cover both those companies that chose not to be in the formal economy to avoid taxes, and those companies that chose to move out of the formal economy for the same reason. He requested that the Committee Drafting Committee ensure that both categories be included, as per the original intention of the clause.
- 173.** The Government member of Latvia, speaking on behalf of the EU and its Member States, and the Government member of Saudi Arabia expressed support for the original text and did not support the amendment.
- 174.** The Chairperson concluded that there appeared to be a misalignment of the English, French and Spanish versions, as well as some need to clarify the intended meaning of the clause. He proposed referring the clause to the Committee Drafting Committee to address the issue of alignment, after which the full Committee could address the meaning of the clause.
- 175.** The Government member of Brazil, speaking on behalf of GRULAC, proposed a subamendment to transpose “evasion” and “avoidance”, so that the clause would read “the need to prevent and sanction deliberate avoidance of the formal economy for the purpose of evading taxation and the application of social and labour laws and regulations”. He believed that the new wording would address the concerns raised by the Government member of Zimbabwe. However, if the subamendment did not enjoy the support of the social partners, he would agree to defer to the Committee Drafting Committee as proposed.

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176. The Worker Vice-Chairperson cautioned that the Committee needed to be careful in proposing new wording, because it was changing the meaning of the clause. He supported tasking the Committee Drafting Committee with identifying appropriate wording and linguistic alignment and proposed that the Committee return to the discussion on the clause after Paragraph 22 had been discussed, as that Paragraph was closely linked to clause (l).
177. The Employer Vice-Chairperson agreed that, given the complexity of the provision and the linguistic differences, the matter should be referred to the Committee Drafting Committee and brought back before the Committee for approval.
178. The Committee Drafting Committee was tasked with finding an appropriate solution, which would be submitted to the Committee for approval.
179. When the discussion of the amendment resumed, the Reporter, on behalf of the Committee Drafting Committee, explained that in addition to aligning the English, French and Spanish versions, the Committee Drafting Committee had sought to revise “evasion from the formal economy” to capture two aspects highlighted by the Government member of Zimbabwe, speaking on behalf of the Africa group. The first was that economic units exited the formal economy to avoid taxes and labour regulations. The second was that economic units deliberately chose not to enter the formal economy for the same reason. To resolve the issue, the Committee Drafting Committee proposed to replace “evasion from” with “avoidance of, or exit from.” The text would read “the need to prevent and sanction deliberate avoidance of, or exit from, the formal economy for the purpose of avoiding taxation and the application of social and labour laws and regulations”. He added that the Committee Drafting Committee members had also had differing views on the second half of the clause; however, as it was a substantial issue, they were referring the matter back to the full Committee for discussion.
180. The Employer Vice-Chairperson proposed a subamendment to replace “avoiding” with “evading”. Tax “evasion” was a crime, whereas tax “avoidance” was not. As the clause called for sanctioning measures, he noted that “evading” was appropriate.
181. The Worker Vice-Chairperson requested further clarification from the Committee Drafting Committee as to the distinction between “avoidance” and “evasion”.
182. The Reporter recalled that the clause had been referred to the Committee Drafting Committee due to an amendment that sought to replace “evasion” with a word that better aligned with the French and Spanish wordings (*contournement* and *abandono deliberado*). He noted that the term “evasion from the formal economy”, unlike “tax evasion”, was not a defined concept. The proposal of “avoidance of, or exit from” attempted to capture the concept highlighted by the Government member of Zimbabwe, speaking on behalf of the Africa group, to describe situations where economic units exited the formal economy to avoid taxes and labour regulations, or avoided entering the formal economy for the same reasons.
183. The Worker Vice-Chairperson supported the Employer members’ subamendment. He agreed that tax “evasion”, rather than “avoidance”, was illegal and liable to sanction, and was the appropriate term for the clause.
184. The Government members of Australia, Canada, India, Indonesia and the Islamic Republic of Iran, and the Government members of Latvia, speaking on behalf of the EU and its Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.

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185. The Government member of the United States also supported the subamendment since it was consistent with wording in Paragraph 22, which had already been adopted.
 186. The subamendment was adopted.
 187. Clause (l) was adopted as amended.
 188. Paragraph 7 was adopted as amended.

Part III. Legal and policy frameworks

Paragraph 8

189. The Government member of Canada, speaking also on behalf of the Government members of Australia, Japan, Republic of Korea, New Zealand, Norway, Switzerland and the United States, proposed an amendment to move Paragraph 9 to before Paragraph 8, as proper assessment and diagnostics of factors, characteristics and circumstances of informality should be conducted before the adoption, review and enforcement of national laws and regulations or other measures to ensure appropriate coverage and protection of all categories of workers and economic units.
190. The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government members of Kuwait, the Philippines, and the Government members of Latvia, speaking on behalf of the EU and its Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
191. The amendment was adopted.
192. Paragraph 8 was adopted as amended and the renumbering of Paragraphs was referred to the Committee Drafting Committee.

Paragraph 9

193. The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to insert “, causes” after “characteristics”, as an understanding of the causes of informality in the national context was fundamental for the design of appropriate measures.
194. The Employer Vice-Chairperson and the Worker Vice-Chairperson supported the amendment.
195. The Government member of New Zealand, and the Government member of Zimbabwe, speaking on behalf of the Africa group, also supported the amendment.
196. The amendment was adopted.
197. Paragraph 9 was adopted as amended.

Paragraph 10

198. The Government member of Latvia, speaking on behalf of the EU and its Member States, withdrew an amendment to insert “gradual” before “transition”.

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199. The Government member of Brazil, speaking on behalf of GRULAC, introduced an amendment to replace the second “or” by “as well as in” to reflect that the transition to the formal economy should be included both in national development strategies and in plans or poverty reduction strategies. The group felt that the amendment would make the text more straightforward.
 200. Both the Worker and Employer Vice-Chairpersons supported the amendment, as did the Government member of India.
 201. The Government member of the United States did not support the amendment because it called for inclusion of an integrated policy framework to facilitate the transition to the formal economy both in national development strategies and poverty reduction strategies. Many developed countries, including the United States, did not have national development strategies.
 202. The Government member of Latvia, speaking on behalf of the EU and its Member States, did not support the amendment.
 203. The Government member of Zimbabwe, speaking on behalf of the Africa group, saw no harm in referring to the transition to the formal economy in both documents, and supported the amendment.
 204. The Government member of Saudi Arabia understood the position of the Government member of the United States and the EU Member States. He suggested that the Committee Drafting Committee be requested to propose a solution, possibly by adding the words “where it exists” or “where applicable”.
 205. The Chairperson indicated that this was a substantive matter that could not be referred to the Committee Drafting Committee.
 206. The Government member of Saudi Arabia supported the amendment.
 207. The amendment was adopted.
 208. The Government member of Latvia, speaking on behalf of the EU and its Member States, proposed an amendment to insert “and budgets” after “reduction strategies” to ensure better implementation of the integrated policy framework.
 209. The Employer Vice-Chairperson and the Worker Vice-Chairperson supported the amendment, as did the Government member of Zimbabwe, speaking on behalf of the Africa group.
 210. The Government member of Saudi Arabia said that his Government was committed to achieving a positive outcome of the discussion on the proposed Recommendation, and he supported the amendment.
 211. The Government member of India, seconded by the Government member of the Philippines, proposed a subamendment to move “and budgets” after “plans”.
 212. The Worker Vice-Chairperson and the Employer Vice-Chairperson preferred to retain the original text of the amendment.
 213. The subamendment was not adopted.
 214. The amendment was adopted.

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- 215.** The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to replace “taking into account, where appropriate,” by “where appropriate, taking into account”, to add clarity and flexibility to the text. Moreover, not every member State pursued an integrated policy framework to address the transition to the formal economy.
- 216.** The Worker Vice-Chairperson did not support the proposed amendment, which was not merely a grammatical change but altered the meaning of the Paragraph. The amendment could be confusing and interpreted to introduce flexibility into the entire first part of the Paragraph.
- 217.** The Employer Vice-Chairperson did not support the amendment.
- 218.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the proposed amendment.
- 219.** The Government member of Australia proposed a subamendment, seconded by the Government member of Canada, to move “where appropriate” before “national development strategies”. That would address the concern of the EU and its Member States regarding the different policy instruments adopted by some countries.
- 220.** Neither the Worker Vice-Chairperson nor the Employer Vice-Chairperson supported the subamendment.
- 221.** The Government member of Latvia, speaking on behalf of the EU and its Member States, supported the subamendment, as did the Government member of the United States, who added that not all countries developed such strategies and the subamendment’s wording gave some flexibility.
- 222.** Neither the subamendment nor the amendment was adopted.
- 223.** Paragraph 10 was adopted as amended.

Paragraph 11

Chapeau

- 224.** The chapeau was adopted without amendment.

Clause (a)

- 225.** The Worker Vice-Chairperson introduced an amendment to replace “an inclusive growth strategy” by “strategies for sustainable development, poverty eradication and inclusive growth”. The intention of the amendment was to improve the text by broadening its scope of action within an integrated policy framework. He noted the important linkages between the proposed Recommendation and the development of the post-2015 sustainable development goals. In addition, while agreement had been reached in the informal consultations to shorten the preamble, there had been consensus between the Workers’, Employers’ and Government groups to retain references to comprehensive strategies in the preamble as well as in Part III on legal and policy frameworks.
- 226.** The Employer Vice-Chairperson considered that the proposed amendment improved the understanding of the clause and supported the amendment.

227. The Government member of Latvia, speaking on behalf of the EU and its Member States, and the Government member of the Philippines supported the amendment.

228. The amendment was adopted.

229. Clause (a) was adopted as amended.

Clauses (b)–(e)

230. Clauses (b)–(e) were adopted without amendment.

Clause (f)

231. The Worker Vice-Chairperson introduced an amendment to add “and gender-based violence” after “discrimination”. The addition was important because gender-based violence in the informal economy was growing and workers had no legal protection, particularly agricultural workers, street vendors and domestic workers. Such violence had a significant human, social and economic impact, in addition to negatively affecting productivity. It was estimated that gender-based violence contributed to a 3.7 per cent loss in global GDP. It threatened workers’ health, income, participation and dignity, hindered economic development and resulted in the loss of millions of workdays. The measures for eliminating gender-based violence were known and, as such, a specific mention of this form of violence should be included in the proposed Recommendation.

232. The Employer Vice-Chairperson acknowledged the importance and sensitivity of this topic. The structure of Part III, however, focused on discrimination in all its forms and already encompassed gender-based violence. It was preferable to retain the original text; otherwise it would be necessary to introduce a long list of the various forms of discrimination. He did not support the amendment.

233. The Government members of Canada, India, the Islamic Republic of Iran, Japan, Nepal, the Philippines, Latvia, speaking on behalf of the EU and its Member States, and Mexico, speaking on behalf of GRULAC, supported the amendment.

234. The Government member of Zimbabwe, speaking on behalf of the Africa group, concurred with the Employer Vice-Chairperson, preferring the original text to the proposed amendment, as did the Government members of Indonesia and Norway.

235. The Government member of the United States supported the amendment. She noted that discrimination did not necessarily encompass violence, and that society needed to take steps towards eliminating gender-based violence.

236. The Employer Vice-Chairperson introduced a subamendment to add “all forms of” before “discrimination” and replace “and gender-based violence” by “and violence at the workplace”. That would encompass the issue of violence at the workplace, which also included gender-based violence.

237. The Worker Vice-Chairperson recalled that given the disproportionate representation of women in the informal economy, the issue of gender-based violence deserved special attention in the proposed instrument and should also be addressed in integrated national policy frameworks. He added that the ILO Governing Body was considering gender-based violence at work as a future agenda item of the Conference and that there was clear majority support for the amendment in the Committee. On that basis, he opposed the subamendment.

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- 238.** The Government member of Switzerland acknowledged that gender-based violence was an important issue, but did not support the subamendment or the amendment.
- 239.** The Government members of India, Latvia, speaking on behalf of the EU and its Member States, Trinidad and Tobago, also speaking on behalf of Jamaica, and Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.
- 240.** The Worker Vice-Chairperson regretted the reluctance of the Employers’ group to endorse the emerging consensus in the Committee on the matter and proposed a further subamendment to insert “including gender-based violence” after “violence,”.
- 241.** The Employer Vice-Chairperson did not support the further subamendment, noting that there had not been any previous agreement on the clause.
- 242.** The Government member of India did not support the further subamendment as he considered that the term “all forms of discrimination” included gender based-violence.
- 243.** The Government member of Switzerland did not support the further subamendment and emphasized that the text of the proposed Recommendation should focus on substantive issues and not the enumeration of lists.
- 244.** The Government member of the United States supported the further subamendment and echoed the Workers’ view that gender-based violence merited a specific reference given the predominance of women in the informal economy.
- 245.** The Government member of Canada supported the Worker members’ further subamendment as it was in line with her Government’s position on addressing the gender dimensions of informal work.
- 246.** The Government members of Australia, New Zealand, the Philippines, and the Government member of Latvia, speaking on behalf of the EU and its Member States, also supported the Worker members’ further subamendment.
- 247.** The further subamendment proposed by the Worker members was adopted.
- 248.** The amendment was adopted as subamended.
- 249.** Clause (f) was adopted as amended.

Clauses (g)–(n)

- 250.** Clauses (g)–(n) were adopted without amendment.

Clause (o)

- 251.** The Chairperson noted that two identical amendments had been submitted on the clause by the Worker members and Employer members and would therefore be discussed together.
- 252.** The Worker Vice-Chairperson introduced the amendment to replace “regulated access to public space [and natural resources]” by “regulated access for use of public space and regulated access to public natural resources”. He recalled that most of the text of the proposed clause had enjoyed tripartite agreement in the Committee in 2014, but that some text had been bracketed. It was that bracketed text the amendment sought to address by clarifying two points. First, it was the “use” of public space that should be regulated, and not merely its access. Second, there should be regulated access to natural resources that

were publicly, and not privately, owned. The new wording further recognized the use of public space as a usual workplace, and the use of public resources as a usual source of livelihood for many workers in the informal economy.

- 253.** The Employer Vice-Chairperson agreed with the comments of the Worker Vice-Chairperson. He emphasized the clear distinction between private and public resources; concepts that had different definitions depending on the country. The changes further clarified ambiguities in the French and Spanish versions of the text.
- 254.** The Government members of Latvia, speaking on behalf of the EU and its Member States, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 255.** The Government member of India proposed a subamendment to improve the syntax of the clause by inserting “those relating to” before “regulated access”. As it was not seconded, the subamendment fell.
- 256.** The amendments were adopted.
- 257.** Clause (o) was adopted as amended.

Clauses (p)–(t)

- 258.** Clauses (p)–(t) were adopted without amendment.
- 259.** Paragraph 11 was adopted as amended.

Paragraph 12

- 260.** Paragraph 12 was adopted without amendment.

Paragraph 13

- 261.** The Employer Vice-Chairperson introduced an amendment to replace the Paragraph by “Members should recognize the importance of safeguarding the opportunities of workers and economic units for income security in the transition to the formal economy by providing the means for such workers or economic units to acquire recognition of their existing property as well as by providing the means to formalize access to land and/or property rights.” Small businesses and entrepreneurs often lacked capital but many had property that could be a valuable asset. The issue of land and property rights was essential for the transition to the formal economy and for the success of the proposed Recommendation.
- 262.** The Worker Vice-Chairperson supported the amendment. He recalled that property and land rights had been an important issue during the informal consultations and noted that property and land rights were crucial for economic units and workers in the informal economy.
- 263.** The Government members of Latvia, speaking on behalf of the EU and its Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 264.** The amendment was adopted.

265. As a consequence, an amendment submitted by the Africa group fell. It had sought to insert “legally required” after “importance of”.

266. Paragraph 13 was adopted as amended.

Part IV. Employment policies

Paragraph 14

267. Paragraph 14 was adopted without amendment.

Paragraph 15

Chapeau

268. The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to insert “, where appropriate” after “tripartite consultations”. Noting that tripartite discussions were indispensable, he said that the addition was needed because governments had direct responsibility for implementing a broad range of projects and policies, for which tripartite consultations were not always appropriate.

269. The Employer Vice-Chairperson questioned the intention of the amendment and asked for further clarification. The principle of tripartite consultations had been discussed throughout the Committee’s deliberations and the proposed Recommendation stressed the importance of tripartism in the transition process. Instead, the proposed amendment appeared to dilute the role of consultations with the social partners.

270. The Government member of Argentina, speaking on behalf of GRULAC, noted that while tripartite dialogue was widely used in Latin America, there were instances, as in the preparation of broader or urgent policy measures, where governments could not engage in tripartite consultations. The amendment sought to allow for a distinction between policy areas where tripartite consultations might or might not be appropriate.

271. The Employer Vice-Chairperson did not support the amendment. The existing wording already provided a degree of flexibility and the amendment did not add any value.

272. The Worker Vice-Chairperson noted that the Committee had previously requested the Office to revise Part IV of the proposed Recommendation, on the basis of the Conclusions concerning the second recurrent discussion on employment adopted by the Conference in 2014. It was preferable to maintain the text that was mostly drawn from those tripartite Conclusions. During the informal consultations, it had also been agreed to forgo amending Part IV. More clarification was needed from GRULAC on their proposed amendment, since “where appropriate” appeared to apply only to tripartite consultations and not to policies.

273. The Government member of Brazil, speaking on behalf of GRULAC, added that the intention of the amendment was not to undermine tripartite social dialogue, but to develop an instrument that governments could implement. While he acknowledged that the proposed Paragraph was based on wording drawn from the Conclusions concerning the second recurrent discussion on employment, he pointed out that it was not identical. Paragraph 15 referred to the “implementation” of employment policies, whereas the recurrent discussion Conclusions referred only to the promotion of comprehensive employment policies. In light of the focus on implementation, the inclusion of “where

appropriate” would provide flexibility for governments in the implementation of certain policies which were the exclusive domain of the government. While every effort would be made, many governments would be unable to implement a number of the policies through tripartite social dialogue. Doing so would slow down the development of public policy.

- 274.** The Worker Vice-Chairperson replied that the amendment was still unclear, and expressed concern that if “where appropriate” was inserted, it might exclude the social partners from employment policy development and implementation. Tripartite consultations should take place throughout the entire process and for all relevant policies on the transition to the formal economy. If that principle was called into question by the amendment, he would not support it. He suggested that the Committee Drafting Committee might be able to help if the matter was purely grammatical.
- 275.** The Chairperson commented that the proposed amendment appeared to alter the text substantively.
- 276.** The Government member of Saudi Arabia suggested moving “where appropriate” to the beginning of the Paragraph.
- 277.** The Government member of Canada drew the Committee’s attention to the fact that the proposed text already allowed some flexibility through “promote” and “may include”. She did not support the amendment.
- 278.** The Worker Vice-Chairperson and the Government members of New Zealand and Switzerland also did not support the amendment.
- 279.** The Government member of Brazil, speaking on behalf of GRULAC, proposed a subamendment to insert “where appropriate” after “include”.
- 280.** The Employer Vice-Chairperson said that the proposed subamendment was less clear, as it would allow governments to be selective about the appropriateness of tripartite consultations. The Office had done a good job in drafting the proposed Paragraph and his group did not support the subamendment.
- 281.** The Worker Vice-Chairperson reiterated his group’s full commitment to tripartite social dialogue, especially when dealing with employment policies. He cited Article 3 of the Employment Policy Convention, 1964 (No. 122), which read “In the application of this Convention, representatives of the persons affected by the measures to be taken, and in particular representatives of employers and workers, shall be consulted concerning employment policies, with a view to taking fully into account their experience and views and securing their full co-operation in formulating and enlisting support for such policies.” He pointed out that within the ILO there was an understanding that employment policy included the elements listed in the Paragraph, and there was no point in limiting tripartite consultations to some areas of employment policy. He reasoned that the proposed Recommendation should be in line with Convention No. 122, and supported the text as originally proposed.
- 282.** Commenting that the discussion was leading to a less precise text, the Government member of Zimbabwe, speaking on behalf of the Africa group did not support the subamendment.
- 283.** The Government member of Morocco did not support the subamendment.
- 284.** Neither the subamendment nor the amendment was adopted.

285. The chapeau was adopted without amendment.

Clauses (a)–(g)

286. Clauses (a)–(g) were adopted without amendment.

New clause after clause (g)

287. The Government member of the United States, also speaking on behalf of the Government member of Japan, introduced an amendment to add a new clause to read “labour migration and employment policies that promote the rights of migrant workers;”. The intention was to provide concrete follow-up to the guiding principles in Part II, Paragraph 7(i), which called for special attention to be paid to migrants and other vulnerable workers in the transition from the informal to the formal economy.

288. The Worker Vice-Chairperson supported the proposed amendment. Referring to the situation in Spain and elsewhere in the EU, he noted that migrant workers were over-represented in the informal economy. Where migrants’ rights were not respected, there was a risk of lower standards for all workers and economic units in both the informal and formal economies. It was very important that governments included migrant workers in their policies.

289. Noting that the wording was aligned with the conclusions of the 2013 Tripartite Technical Meeting on Labour Migration, the Employer Vice-Chairperson commended the Government members of Japan and the United States for proposing the amendment, which was of critical importance. He proposed a subamendment to add “take into account labour market needs and” after “employment policies that”.

290. The Worker Vice-Chairperson said that he would support the subamendment if a further subamendment, to add “decent work and” after “promote”, was accepted in order to align the text further with the resolution concerning the second recurrent discussion on employment, adopted at the 2014 Conference.

291. The Employer Vice-Chairperson supported the further subamendment as it strengthened the text.

292. The Government member of the United States also supported the further subamendment.

293. The Government members of Canada and New Zealand, and the Government members of Latvia, speaking on behalf of the EU and its Member States, and Mexico, speaking on behalf of GRULAC, expressed their support for the amendment and two subamendments.

294. The Government member of Saudi Arabia, speaking on behalf of the Gulf Cooperation Council (GCC) countries, pointed out that some countries did not employ migrant workers and therefore did not have migrant worker policies or any international commitments in that regard. He proposed a further subamendment to insert “subject to international obligations” at the beginning of the new clause.

295. The Employer Vice-Chairperson and the Worker Vice-Chairperson as well as the Government members of Indonesia, Latvia, speaking on behalf of the EU and its Member States, and the Philippines, also speaking on behalf of the Government members of Cambodia and Thailand, did not support the further subamendment.

296. The representative of the Secretary-General pointed out that the chapeau included “may include the following elements”, which provided sufficient flexibility.

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- 297.** Thanking the secretariat for the clarification, the Government member of Saudi Arabia said that his concerns were allayed by the wording of the chapeau and he therefore withdrew the subamendment.
- 298.** The Government member of Zimbabwe, speaking on behalf of the Africa group, proposed a further subamendment to delete “employment”, with a view to avoiding repetition, since employment policies had already been taken into account in the chapeau.
- 299.** The Employer Vice-Chairperson and the Worker Vice-Chairperson, as well as the Government members of India and Morocco, supported the further subamendment.
- 300.** The Government member of Switzerland did not support the amendment. While the subject of migrant workers was particularly important, it was already addressed in Paragraph 7(i) of the proposed instrument.
- 301.** In view of the broad support received, the amendment to add a new clause after clause (g) was adopted as subamended.
- 302.** Consequently, an amendment proposed by the Government member of India fell. It had sought to insert a new clause after clause (g) to read “labour migration and employment policies focusing on the social security of migrant workers that take into account labour market needs and ensure that inter-country migrants have access to decent work in destination States;”.
- 303.** The new clause after clause (g) was adopted as amended.

Clause (h)

- 304.** The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to insert “, accessible” after “relevant”, since the accessibility of labour market information systems was particularly important.
- 305.** The Worker Vice-Chairperson and Employer Vice-Chairperson supported the amendment, as did the Government members of India, Indonesia, the Islamic Republic of Iran, New Zealand, and the Government members of Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group.
- 306.** The amendment was adopted.
- 307.** Clause (h) was adopted as amended.
- 308.** Paragraph 15 was adopted as amended.

Part V. Rights and social protection

Paragraph 16

Chapeau

- 309.** The chapeau was adopted without amendment.

Clauses (a)–(d)

- 310.** Clauses (a)–(d) were adopted without amendment.

311. Paragraph 16 was adopted without amendment.

Paragraph 17

Chapeau

312. The chapeau was adopted without amendment.

Clause (a)

313. Clause (a) was adopted without amendment.

Clause (b)

314. The Government member of Zimbabwe, speaking on behalf of the Africa group, introduced an amendment to delete “protection to employers and workers” after “health”. It was important to promote and extend OSH in a broad sense, and to not necessarily focus on individuals.

315. The Worker Vice-Chairperson did not support the amendment. He underscored that Part V was about rights, which concerned individual rights holders. Paragraph 17 aimed precisely at addressing the unsafe and unhealthy working conditions of individual workers in the informal economy. He recalled that agreement had been reached during the Conference in 2014 to ensure an urgent and immediate response to the issue, while all other social protection measures could be addressed progressively. He referred to the Occupational Safety and Health Convention, 1981 (No. 155), Occupational Health Services Convention, 1985 (No. 161), and Protection of Workers’ Health Recommendation, 1953 (No. 97), all of which spoke about the protection of individual workers. He expressed surprise that the present amendment and a similar amendment had been submitted by developed and developing countries.

316. The Employer Vice-Chairperson pointed out that OSH was critical in the transition to the formal economy, and did not support the amendment.

317. The Government member of Latvia, speaking on behalf of the EU and its Member States, supported the amendment, observing that it was almost identical to one which the EU Member States had submitted. He recalled that the clause had been discussed and agreed upon during the tripartite consultations. The proposed amendment provided greater clarity to the text and ensured that employers respected their obligations concerning OSH. He remarked that the text as originally formulated was not appropriate since OSH protection could not be extended to employers as legal entities.

318. The Government member of Saudi Arabia, speaking on behalf of the GCC countries, did not support the amendment and concurred with the Employers’ and Workers’ groups. While he understood the amendment’s rationale, he stressed that the basic rights should refer to individuals.

319. The Government member of the United States supported the amendment. She expressed surprise at the change in position of the Employers’ and Workers’ groups, recalling that a tripartite consensus on the clause had been reached during the informal tripartite consultations.

320. The Worker Vice-Chairperson clarified that tripartite agreement on the clause had not been reached during the consultations.

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- 321.** The Government member of Zambia reiterated his support for the amendment. He voiced concern that the original text was too narrow in scope as it focused solely on the aspect of protection, and consequently overlooked the prevention of occupational accidents and diseases. He stressed that the wording should refer to the promotion of OSH in a broad and inclusive sense.
- 322.** The Employer Vice-Chairperson conceded that a common understanding on the clause had been reached during the informal consultations. However, upon further reflection, the Employer members considered the original text to be stronger.
- 323.** The amendment was not adopted.
- 324.** In view of the fate of the previous amendment submitted by the Africa group, the Government member of Latvia, speaking on behalf of the EU and its Member States, withdrew an amendment to delete “to employers and workers” as it was almost identical.
- 325.** Clause (b) was adopted without amendment.
- 326.** Paragraph 17 was adopted without amendment.

Paragraph 18

- 327.** Three similar amendments had been submitted by the Employer members, the Africa group, and the EU Member States to delete “[living]”.
- 328.** The Employer Vice-Chairperson introduced the Employer members’ amendment and proposed a subamendment to delete “where it exists” and add at the end of the Paragraph “that takes into account the needs of workers and considers relevant factors including, but not limited to, the cost of living and the general level of wages in their country”. The subamendment was proposed in a spirit of consensus and after careful review of the other amendments submitted on the Paragraph, the majority of which had proposed to delete “living”.
- 329.** The Worker Vice-Chairperson underscored that the concept of a minimum living wage was of critical importance for the Worker members; they would seek a consensus in the Committee that would be as close to the concept as possible. In recognition of the lack of agreement among Government members on the concept, the Workers’ and Employers’ groups had participated in an intense dialogue over the previous days to formulate the subamendment that was being proposed by the Employer members. Emphasizing that the promotion of a minimum living wage would continue to be a top priority for the Worker members, with the goal of making it a reality at country level. Poverty, wages and wage gaps in the informal economy was a key issue. Referencing the findings of the ILO *Global Wage Report 2014/2015*, he emphasized that the wage gap between the informal and formal economies was not due to factors such as skills or education deficits but to exploitation and exclusion. He argued that wage stagnation must be addressed as a matter of fairness and of economic growth. While in some countries minimum wage setting had demonstrated its effectiveness as a means of reducing poverty, in many others, where it existed, the level of the minimum wage was inadequate to lift workers out of poverty. He recalled that the concept of a minimum living wage was enshrined in both the ILO Declaration on Social Justice for a Fair Globalization, 2008, and the Declaration of Philadelphia. Proactive action at country level could not be further postponed. He called upon Government members to support the subamendment.
- 330.** The Government member of Austria thanked the Worker Vice-Chairperson for his explanations and requested the secretariat to clarify whether “extending a minimum wage”

meant that countries with minimum wages set through collective bargaining at the sectoral level, as was the case in Austria, should have a single minimum wage.

331. The representative of the Secretary-General explained that the Paragraph was not to be interpreted as promoting the adoption of a single minimum wage at country level.
332. The Government member of Zimbabwe, speaking on behalf of the Africa group, praised the Employer members and Worker members for the compromise they had reached and supported the subamendment.
333. The Government members of Australia, Indonesia, Japan and Nepal, the Government member of the Philippines, also speaking on behalf of the Government member of Thailand, and the Government members of Latvia, speaking on behalf of the EU and its Member States, and Mexico, speaking on behalf of GRULAC supported the subamendment.
334. The Government member of India also supported the subamendment, adding that a minimum wage was guaranteed in his country's Constitution.
335. The subamendment was adopted.
336. As a consequence, the amendments that had been submitted by the Worker members, Africa group and the EU Member States fell, as did an additional amendment proposed by the EU Member States to replace "where it exists, a minimum [living] wage" by "where they exist, minimum wages".
337. The Government member of Switzerland, also speaking on behalf of the Government member of the United States, withdrew an amendment to delete "living" and after "wage" insert "with a view towards achieving a living wage".
338. Paragraph 18 was adopted as amended.

Paragraph 19

339. Paragraph 19 was adopted without amendment.

Paragraph 20

340. The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to replace "With the aim of facilitating" by "Through". He reasoned that it would better align and be more coherent with the wording used at the beginning of Paragraph 18.
341. The Employer Vice-Chairperson suggested referring the amendment to the Committee Drafting Committee, as it implied a linguistic rather than a substantive change.
342. The Worker Vice-Chairperson and the Government members of India, and the Government member of Mexico, speaking on behalf of GRULAC, were amenable to the proposal to have the Committee Drafting Committee review the wording.
343. The Government member of the United States supported the amendment.
344. Both the Employer Vice-Chairperson and the Worker Vice-Chairperson expressed uncertainty about the meaning of the phrase "their contributing capacity" at the end of the

Paragraph, commenting that it was not clear whether it related to individuals in the informal economy or to member States.

- 345.** The Government member of Brazil, speaking on behalf of GRULAC, emphasized that there had been support for the amendment from several Government members and felt that the fate of the amendment should be decided by the Committee. In response to the earlier question posed by the Worker Vice-Chairperson concerning “contributing capacity”, he stated that the French version of the text clearly referred to workers in the informal economy.
- 346.** There was consensus to refer the amendment to the Committee Drafting Committee for clarification of the English text.
- 347.** When the discussion of the initial GRULAC amendment resumed following its consideration by the Committee Drafting Committee members, the Reporter explained they had made two proposals with respect to Paragraph 20. First, they proposed to replace “With the aim of facilitating” with “Through”, aligning the text with wording found in Paragraph 18. Second, they had concluded that “contributory capacity” in the English version referred to “persons” in the informal economy and not to Members. Moreover, the wording in the French version made explicit mention of the contributory capacity of persons in the informal economy (*capacité contributive de ces personnes*). The Committee Drafting Committee concluded that the English, French and Spanish versions aligned and did not require changes, in that part of Paragraph 20.
- 348.** The Employer Vice-Chairperson did not object to “Through” instead of “With the aim of facilitating” since the Office had also used the terms in Paragraph 18 of the proposed text. Regarding the second matter, he understood “contributory capacity” to mean persons who contributed to social insurance, and suggested that the English version should be adjusted so that it aligned with the French and Spanish versions.
- 349.** The Chairperson pointed out that the Committee Drafting Committee had specifically convened to address that question and had concluded that there was sufficient alignment and clarity across the three languages.
- 350.** The Reporter reiterated that the Committee Drafting Committee had found no need to make changes. He pointed out that, in the English version, the word “their”, in “their contributory capacity”, referred to “those in the informal economy”.
- 351.** The Employer Vice-Chairperson and the Worker Vice-Chairperson supported the proposals of the Committee Drafting Committee.
- 352.** The Government members of India, the Philippines, and the Government members of Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the initial GRULAC amendment.
- 353.** The amendment was adopted.
- 354.** The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to replace “should progressively extend” by “could consider progressively extending” in order to clarify that extension of social insurance was just one, contributions-based, means of formalization, and that the new wording would give member States options as to whether or not to extend social insurance, social security or social protection.

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- 355.** The Worker Vice-Chairperson recalled that the EU and its Member States had raised the issue during the tripartite consultations. He reminded the Committee that the instrument under discussion was a non-binding Recommendation and that the amendment would represent a weakening of the text. He agreed that social insurance was but one part of a social protection system. As a contributory scheme, workers and employers in economic units would indeed have to contribute. Governments might also play a contributory role, for instance in the case of very poor workers. With that in mind, he wondered why the EU and its Member States were concerned about the wording. The extension of social insurance schemes was already subject to national contexts, the contributory capacity of workers, employers and government, tripartite social dialogue and the structure of particular schemes. He therefore did not support the amendment.
- 356.** The Employer Vice-Chairperson did not support the amendment because he felt that the word “should” in the original text was more positive, directive and consistent with wording used in other Recommendations, whereas the word “could” proposed in the amendment might send the wrong signal. Moreover, the Paragraph sought to encourage member States to extend social insurance, which was paramount in transitioning from the informal to the formal economy.
- 357.** The Government member of Norway felt that the wording was consistent with that of a Recommendation. She did not support the amendment.
- 358.** The Government member of the Philippines did not support the amendment, reasoning that social insurance was part of the social protection floor, which was referred to in Paragraph 19.
- 359.** The Government members of India, Senegal, and Zimbabwe, speaking on behalf of the Africa group, also did not support the amendment.
- 360.** The Government member of Morocco expressed general support for the progressive extension of social insurance and proposed a subamendment to remove “consider” from the Paragraph such that it would read “... could progressively extend the coverage of social insurance ...” The subamendment was not seconded and fell.
- 361.** The Government member of the Central African Republic, underlining that transitioning from the informal to the formal economy was a process, supported the amendment.
- 362.** The Government member of Switzerland did not support the amendment and considered the original wording to be more appropriate for a Recommendation.
- 363.** As there was little support for the amendment, it was not adopted.
- 364.** The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to delete “and, if necessary, adapt administrative procedures, benefits and contributions”, citing the same reasoning put forward with their previous amendment.
- 365.** The Worker Vice-Chairperson did not support the amendment because the phrase proposed for deletion was a key part of the Paragraph that defined the means by which social insurance systems would be extended to workers and economic units in the informal economy.
- 366.** The Employer Vice-Chairperson did not support the amendment because the phrase provided guidance to member States as to how to implement the Recommendation.

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- 367.** The Government members of India, Republic of Korea, and Saudi Arabia, speaking on behalf of the GCC countries, did not support the amendment.
- 368.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment, believing that removing the phrase and leaving only “taking into account their contributory capacity” did not make sense because governments would need to review the mechanisms through which social insurance contributions and benefits would be extended.
- 369.** The amendment was not adopted.
- 370.** Paragraph 20 was adopted as amended.

Paragraph 21

- 371.** Paragraph 21 was adopted without amendment.

Paragraph 22

- 372.** The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to replace the entire Paragraph by “Members should take appropriate measures, including through a combination of preventative measures, law enforcement and effective sanctions, to address tax evasion and avoidance of social contributions, labour laws and regulations. Any incentives should be linked to facilitating the effective and timely transition from the informal to the formal economy.” The content of the proposed amendment reflected points discussed during the tripartite consultations and had been designed to prohibit tax evasion and avoidance of the formal economy, notably in those countries where progress towards formalization had already been achieved.
- 373.** The Employer Vice-Chairperson supported the amendment and suggested moving the Paragraph to Part VI on incentives, compliance and enforcement.
- 374.** The Worker Vice-Chairperson confirmed that the proposed amendment was the result of a lengthy dialogue with the EU and its Member States. He supported the amendment, as well as the Employer Vice-Chairperson’s suggestion.
- 375.** The Government member of Brazil, speaking on behalf of GRULAC, appreciated the amendment proposed by the EU Member States, although there was an element of “timeliness” reflected in the English and French versions that was not apparent in the Spanish version. He stressed that the beneficiaries of incentives should be fully compliant with the law, and that there should be no incentives without that conditionality. That was not reflected in the proposed amendment. Measures taken should under no circumstances result in incentives for non-compliant entities. With those crucial points in mind and on the record, he supported the amendment.
- 376.** The Government member of Argentina agreed with the Government member of Brazil and added that Argentina had taken measures in 2014 to ensure that beneficiaries of incentives were compliant with the law. In a spirit of consensus, she would support the amendment.
- 377.** The Government member of the United States also supported the amendment as well as the suggestion put forward by the Employer Vice-Chairperson to move the Paragraph to Part VI. She suggested that the latter proposal be referred to the Committee Drafting Committee.

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- 378.** The Government member of Zimbabwe, speaking on behalf of the Africa group, reminded the Committee that there had been agreement during the tripartite consultations to keep the original text and simply move it to Part VI. Recognizing the growing consensus, he requested clarification from the Government member of Latvia as to the meaning of “avoidance of social contributions”.
- 379.** The Government member of Latvia, speaking on behalf of the EU and its Member States, explained that it meant to address those who avoided making social insurance contributions.
- 380.** The Government member of Switzerland welcomed the emerging consensus and proposed a subamendment to add “elimination of disincentives” after “law enforcement”. The Government member of the United States seconded the subamendment.
- 381.** Both the Worker Vice-Chairperson and the Employer Vice-Chairperson supported the proposed subamendment, as did the Government member of Saudi Arabia, speaking on behalf of the GCC countries.
- 382.** The Government member of Brazil, speaking on behalf of GRULAC, said that the inclusion of a reference to the elimination of disincentives in the first sentence of the Paragraph would disrupt the delicate balance that had been struck in the original wording proposed by the EU Member States. He therefore proposed a further subamendment to insert “or elimination of disincentives, subject to compliance with legislation” after “Any incentives”.
- 383.** The Employer Vice-Chairperson did not support the further subamendment.
- 384.** The Worker Vice-Chairperson said that any reference to the elimination of disincentives should be linked to the transition to the formal economy, not to compliance with legislation. His group did not support the further subamendment.
- 385.** The Government member of Latvia, speaking on behalf of the EU and its Member States, did not support the further subamendment and encouraged the Committee to resume its consideration of the original amendment, which was the result of lengthy discussions.
- 386.** The further subamendment was not adopted.
- 387.** The Government member of Brazil reiterated his concern with regard to the subamendment as proposed by the Government member of Switzerland. He would, however, support the proposed amendment as submitted by the EU Member States, which was a consensus text.
- 388.** The Worker Vice-Chairperson said that, having heard the Government members of Brazil and Latvia, his group would no longer support the proposed subamendment and wished to adopt the amendment as submitted by the EU Member States.
- 389.** The Government members of Australia, Canada, India, Norway and Senegal did not support the subamendment.
- 390.** A further subamendment, to insert “insurance” between “social” and “contributions”, proposed by the Government member of India was not seconded.
- 391.** The amendment, as proposed by the EU Member States, was adopted.
- 392.** As a result, an amendment submitted by GRULAC fell.

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- 393.** The Employer Vice-Chairperson introduced an amendment to move Paragraph 22 to before Paragraph 23, in Part VI.
- 394.** The Worker Vice-Chairperson supported the amendment.
- 395.** As there was no objection from the Government members, the amendment was adopted.
- 396.** Paragraph 22 was adopted as amended.

Part VI. Incentives, compliance and enforcement

Paragraph 23

- 397.** The Employer Vice-Chairperson introduced an amendment to delete “, including those relating to registration, taxation and compliance with laws and regulations”. There had been agreement that the barriers to transition to the formal economy were multifaceted. Accordingly, listing only a few examples in the Paragraph would be misleading and not a true reflection of the challenges foreseen in the transition process.
- 398.** The Worker Vice-Chairperson, together with the Government members of Latvia, speaking on behalf of the EU and its Member States, Saudi Arabia, speaking on behalf of the GCC countries, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 399.** The amendment was adopted.
- 400.** Speaking on behalf of the EU and its Member States, the Government member of Latvia introduced an amendment to add “as well as take measures to promote anti-corruption and good governance” at the end of the Paragraph.
- 401.** The Employer Vice-Chairperson and Worker Vice-Chairperson supported the amendment.
- 402.** The Government members of India, the Islamic Republic of Iran, United States, Saudi Arabia, speaking on behalf of the GCC countries, and Zimbabwe, speaking on behalf of the Africa group, supported the proposed amendment.
- 403.** The amendment was adopted.
- 404.** Paragraph 23 was adopted as amended.

Paragraph 24

- 405.** The Government member of Brazil, speaking on behalf of GRULAC, introduced an amendment to delete “provide incentives to, and”, as well as to delete the comma after “advantages of”. He explained that the goal of Paragraph 24 was to highlight the advantages of transitioning to the formal economy. Incentives were already covered in Paragraphs 22 and 23.
- 406.** The Worker Vice-Chairperson contended that Paragraph 24 was also meant to deal with incentives, whereas Paragraph 22 focused on sanctions and preventive measures, and Paragraph 23 dealt with the removal of barriers. He therefore did not support the amendment.

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- 407.** The Employer Vice-Chairperson did not support the amendment.
- 408.** The Government member of Switzerland did not support the amendment.
- 409.** The amendment was not adopted.
- 410.** The Worker Vice-Chairperson introduced an amendment to insert “: (a)” after “including” and to add after clause (a) a new clause to read “(b) the promotion of democratic and membership-based social and solidarity economy units and cooperatives that ensure decent work”. The amendment did not change the existing text, but underlined the importance of cooperative movements. Cooperatives and the social solidarity economic units played an essential role in the transition to the formal economy and as a means of overcoming poverty through, for example, the provision of social protection schemes and old age pension schemes. He noted examples from nineteenth century France and Germany where cooperatives had lifted many farmers out of poverty. The same approach had also been pursued in other countries. Cooperatives played an important role in achieving decent work. He cited the Promotion of Cooperatives Recommendation, 2002 (No. 193), and Social Protection Floors Recommendation, 2012 (No. 202), which reinforced the role of cooperatives in the transition to the formal economy. He appreciated that Paragraph 25 provided incentives to micro- and small enterprises (MSEs) but maintained that the significant role of cooperatives should also be reflected.
- 411.** The Employer Vice-Chairperson recalled that cooperatives were mentioned in Paragraph 4, which dealt with the scope of the proposed Recommendation. Part VI, however, addressed incentives, compliance and enforcement in the implementation of the proposed instrument. In its original formulation, Paragraph 24 did not single out any specific groups. While he shared the views of the Worker Vice-Chairperson on cooperatives, the Employer Vice-Chairperson did not support the amendment to include special incentives for specific groups.
- 412.** The Government member of the United States concurred with the Employer Vice-Chairperson. She recalled that cooperatives were found in both the formal and informal economies. She also noted that the wording of the amendment would result in a lack of coherence with the chapeau since proposed clause (b) did not concern an incentive or an advantage in the transition to the formal economy.
- 413.** The Government member of Saudi Arabia, speaking on behalf of the GCC countries, concurred with the Employer Vice-Chairperson and the Government member of the United States, noting that cooperatives were already covered elsewhere in the proposed Recommendation.
- 414.** The Government member of Switzerland did not support the amendment for the same reasons as the previous speakers.
- 415.** The Government member of Zimbabwe, on behalf of the Africa group, did not support the amendment. He suggested that the amendment could be moved to Part VII of the proposed Recommendation.
- 416.** The Government member of Latvia, speaking on behalf of the EU and its Member States, supported the amendment.
- 417.** The amendment was not adopted.
- 418.** Paragraph 24 was adopted without amendment.

Paragraph 25

Chapeau

- 419.** The Employer Vice-Chairperson withdrew an amendment to replace “micro and small enterprises” by “economic units”.
- 420.** The Government member of Latvia, speaking on behalf of the EU and its Member States, withdrew an amendment to replace “should” by “could” in the chapeau.
- 421.** At a later stage of the discussion on Paragraph 25, the Employer Vice-Chairperson, recalling the critical importance of the chapeau to the entire text, retabled the amendment to replace “micro and small enterprises” by “economic units” and proposed a subamendment to replace “enterprises” by “economic units”.
- 422.** The Worker Vice-Chairperson noted the consensus achieved earlier in the discussion on how to capture parts of the informal economy that were listed in Paragraph 3. The Workers’ group agreed that reference to micro- and small economic units was the best way to proceed. The Workers’ group supported the subamendment.
- 423.** The Government member of India, and the Government members of Latvia, speaking on behalf of the EU and its Member States, Mexico, speaking on behalf of GRULAC, Saudi Arabia, speaking on behalf of the GCC countries, and Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.
- 424.** The Government member of the United States requested clarification from the secretariat in relation to reopening the discussion on the chapeau. She introduced a further subamendment, seconded by the Government member of Switzerland, to add “as appropriate” at the end of the chapeau, noting that some clauses contained in the Paragraph were not applicable to households which were considered to be part of economic units.
- 425.** The representative of the Secretary-General recalled that the Paragraph had not yet been adopted in its entirety. Given that the chapeau might affect the related clauses, it was possible to further amend it, as proposed by the Chairperson and agreed by the Vice-Chairpersons. She also drew the attention of the Government member of the United States to Paragraph 3 of the proposed Recommendation, which did not list households as such as part of the definition of economic units. The former were included in Paragraph 4, which covered both workers and economic units.
- 426.** The Government member of the United States took note of the clarification. She understood that households had been considered to be economic units by the Committee Drafting Committee.
- 427.** The Employer and Worker Vice-Chairpersons did not support the further subamendment. The Worker Vice-Chairperson stressed that the coverage of economic units had been clearly defined in Paragraph 3 and that the Committee Drafting Committee had not been tasked to interpret Paragraph 3.
- 428.** The Government member of Brazil supported the further subamendment as it would provide flexibility in the measures to be taken, especially in light of the concerns he had on clause (c) regarding public procurement.
- 429.** Replying to the comments made by the Worker Vice-Chairperson, the Government member of Switzerland said that the definition of economic units that had been agreed in

the Committee in 2014 included both enterprises and households. In her view, Paragraph 3 only concerned the scope of the proposed Recommendation.

430. The further subamendment was not adopted.

431. The subamendment was adopted.

432. The chapeau was adopted as amended.

Clause (a)

433. The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to add “, and by improving access to services through, for example, information and communication technologies” after “procedure”. The amendment aimed to improve the text and facilitate the transition to the formal economy through the use of technology.

434. The Employer and Worker Vice-Chairpersons, the Government member of Mexico, speaking on behalf of GRULAC, and the Government member of Saudi Arabia, speaking on behalf of the GCC countries, supported the amendment.

435. The Government member of the United States requested clarification on the type of services referred to by the amendment.

436. The Government member of Latvia, speaking on behalf of the EU and its Member States, clarified that the word “services” referred to any kind of service that might facilitate the formalization of MSEs.

437. The amendment was adopted.

438. Clause (a) was adopted as amended.

Clause (b)

439. The EU and its Member States and the Worker members had submitted identical amendments which were discussed together.

440. The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced their amendment to delete “, such as those combining income tax, value added tax and social insurance contributions in a single periodic payment” after “regimes”. He explained that the proposal was based on the tripartite consultations and improved the text.

441. The Employer Vice-Chairperson and Worker Vice-Chairperson, as well as the Government members of Australia, Canada, India and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.

442. The amendment was adopted.

443. The amendment submitted by the Worker members fell.

444. Clause (b) was adopted as amended.

Clause (c)

- 445.** The Government member of Zimbabwe, speaking on behalf of the Africa group, proposed an amendment to delete “by micro and small enterprises” to avoid repetition with the text of the chapeau.
- 446.** The Employer Vice-Chairperson supported the amendment.
- 447.** The Worker Vice-Chairperson supported the amendment and noted that many workers in the informal economy organized and owned cooperatives, and therefore he introduced a subamendment to insert “, including by cooperatives and social solidarity economy units,” after “access”.
- 448.** The Employer Vice-Chairperson noted that the original clause focused on providing opportunities to MSEs to bid for public tenders as a means of transitioning to the formal economy. The introduction of cooperatives and social solidarity economy units was not relevant. Those groups were referred to elsewhere in the proposed Recommendation, for example in Paragraph 4. He therefore did not support the subamendment.
- 449.** The Worker Vice-Chairperson clarified that cooperatives were part of both the informal and the formal economies and in many cases were themselves MSEs. As such, cooperatives should not be excluded from potential incentives, such as access to public tenders, intended for MSEs.
- 450.** The Employer Vice-Chairperson noted that in Ghana, for example, MSEs had to meet certain criteria to be eligible to bid for public contracts. The present clause sought to ease restrictions on the participation of small economic units in public procurement. However, the text should not discriminate by favouring one group over another. Given that cooperatives were mentioned in Paragraph 4, they would necessarily be included in the meaning of the present clause. Thus, as a matter of principle and to preserve the harmony of the text, the Employers’ group did not support the subamendment.
- 451.** The Government member of India supported the amendment, noting that in developing economies cooperatives played a major role in microeconomic activities and in helping the poor.
- 452.** The Government member of the United States did not support the subamendment and favoured keeping the focus of Paragraph 25 on MSEs. She recalled that, during the tripartite consultations, the Office had clarified the rationale for the Paragraph whose exclusive purpose was to identify best practices for the formalization of MSEs.
- 453.** The Government member of Switzerland supported the subamendment.
- 454.** The Government member of Trinidad and Tobago, speaking also on behalf of the Government member of Jamaica, did not support the subamendment.
- 455.** The Government member of Brazil, speaking on behalf of GRULAC, noted that, while Paragraphs 22, 23 and 24 focused on promoting and defining incentives for the transition to the formal economy, Paragraph 25 was about measures to facilitate the transition for MSEs. However, clause (c) concerned the ways in which governments could involve entities of the informal economy in public procurement. In such cases, governments should apply the relevant laws, which likely meant that cooperatives and social solidarity economic units, as well as MSEs, had to be formalized to take part in public tenders.
- 456.** The Government member of Colombia supported the subamendment.

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- 457.** The Government member of the Democratic Republic of the Congo supported the subamendment. She noted that circumstances were different between countries and that in some countries more NGOs were operating on the ground than MSEs.
- 458.** The Government member of Morocco explained that in his country economic units also needed to be formal to participate in public procurement. He therefore did not support the subamendment.
- 459.** In view of the lack of a clear majority, the Chairperson called for an indicative show of hands on the subamendment from the Government members.
- 460.** The subamendment was not adopted.
- 461.** The amendment was adopted.
- 462.** The Worker Vice-Chairperson introduced an amendment to insert “, consistent with labour standards” after “procurement”. The intention was to ensure that procurement rules were consistent with international labour standards, based in particular on the Labour Clauses (Public Contracts) Convention, 1949 (No. 94), and Labour Clauses (Public Contracts) Recommendation, 1949 (No. 84).
- 463.** Before commenting on the amendment, the Employer Vice-Chairperson wished to hear the views of the Government members.
- 464.** The Government member of Argentina supported the amendment. Public procurement was an incentive for small enterprises and should be consistent with international labour standards.
- 465.** The Government member of Latvia, speaking on behalf of the EU and its Member States, supported the amendment.
- 466.** The Government member of Mexico, speaking on behalf of GRULAC, noted that while the wording could be improved, he supported the amendment.
- 467.** The Government members of India and Norway supported the amendment.
- 468.** The Government member of Switzerland supported the amendment on the understanding that there were clear standards. She echoed the view expressed by the Government member of Mexico that the wording of the amendment could be improved, and suggested referring it to the Committee Drafting Committee.
- 469.** The Employer Vice-Chairperson noted that many public procurement procedures included social clauses. He asked for clarification from the Worker Vice-Chairperson as to what was meant by the amendment, particularly as international labour standards were referenced elsewhere in the proposed Recommendation.
- 470.** The Worker Vice-Chairperson said that Convention No. 94 and Recommendation No. 84 were the guiding instruments, requiring that public procurement rules be consistent with international labour standards. That included issues such as access and corruption. He noted that if there were any concerns regarding the wording of the amendment, those could be referred to the Committee Drafting Committee.
- 471.** The Employer Vice-Chairperson proposed a subamendment to replace “labour standards” with “national labour legislation”. He introduced a further subamendment to replace

“national labour legislation” by “national legislation”. It would broaden the scope and facilitate measures to tackle corruption in public procurement.

- 472.** The Worker Vice-Chairperson did not support the further subamendment as it was important that the text be aligned with international labour standards, the provisions contained in the Labour Clauses (Public Contracts) Convention, 1949 (No. 94), and national labour legislation.
- 473.** The Government members of Australia and Canada supported the subamendment.
- 474.** The Government member of Argentina considered it important to maintain the reference to labour standards in the context of public procurement. She did not support the further subamendment.
- 475.** The Government member of Switzerland did not support the further subamendment since it was implicit that all measures included in the proposed Recommendation would be implemented in the context of national legislation.
- 476.** The Government member of Uruguay shared the view expressed by the Government member of Argentina that public procurement had to take place within the framework of labour standards. However, national legislation in that field was beyond the scope of the proposed Recommendation. He did not support the further subamendment.
- 477.** The Government member of Colombia aligned herself with the previous Government speakers and did not support the further subamendment.
- 478.** The Government member of Japan supported the further subamendment.
- 479.** The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the further subamendment since the scope of national legislation included labour laws.
- 480.** The Government member of Saudi Arabia, speaking on behalf of the GCC countries, supported the further subamendment because national legislation was broader than labour standards.
- 481.** The Chairperson noted that there appeared to be an emerging consensus in favour of the further subamendment proposed by the Employer members.
- 482.** The Worker Vice-Chairperson noted the different positions among Government members and stated that a consensus on the further subamendment was not clear. He added that public procurement processes necessarily had to be consistent with national legislation. He proposed a further subamendment to replace “national legislation” with “international and national labour standards”.
- 483.** The Chairperson urged Government members to clarify their positions on the matter since public procurement was a government responsibility.
- 484.** The Employer Vice-Chairperson requested that it be put on record that in the Committee’s discussions, certain rules of conduct had to be followed. Changing those rules in the course of discussions was not in the Committee’s interests if it hoped to complete its work. He pointed out that trade unions were not the custodians of national laws or public procurement, and that governments were not bound by international instruments they had not ratified. He did not support the further subamendment proposed by the Worker members.

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- 485.** The Government member of Burkina Faso noted that the view of the Africa group was clear and he did not support the further subamendment proposed by the Worker members.
- 486.** The Government member of Zimbabwe, speaking on behalf of the Africa group, said that the discussion was leading to greater confusion. He did not support the further subamendment proposed by the Worker members.
- 487.** The Government member of the Bolivarian Republic of Venezuela requested that the Workers' group clarify the use of the word "international".
- 488.** The Worker Vice-Chairperson explained that ratified international treaties, including Conventions specifically related to public procurement, were applicable at the national level. However, procurement laws and practices should be consistent with ratified international labour standards and with the principles concerning fundamental rights at work, which all ILO Members were expected to respect, promote and realize.
- 489.** The Government members of Algeria, Australia, and the Government member of Saudi Arabia, speaking on behalf of the GCC countries, did not support the proposal to refer to international and national labour standards. The Government member of Saudi Arabia reiterated that public procurement could not be subject to unratified international standards, and could not be governed by labour standards alone. The Paragraph should refer only to national legislation.
- 490.** The Worker Vice-Chairperson proposed a further subamendment to insert "relevant labour standards and national legislation" after "consistent with".
- 491.** The Employer Vice-Chairperson said the wording proposed by the Worker Vice-Chairperson was ambiguous. He did not support the proposal.
- 492.** The Government member of Brazil, speaking on behalf of GRULAC, proposed a further subamendment to add "national legislation, including labour legislation" after "consistent with", since public procurement had to be in line with national legislation. Moreover, public procurement was not governed by labour law alone, but also by numerous other national laws and standards.
- 493.** The Employer Vice-Chairperson supported the further subamendment.
- 494.** The Worker Vice-Chairperson proposed a further subamendment to add "national legislation and ILO core labour standards" after "consistent with". In adopting the ILO Declaration on Fundamental Principles and Rights at Work in 1998, Members committed to respect, promote and realize principles and rights in four areas, whether or not they have ratified the relevant Conventions.
- 495.** The Employer Vice-Chairperson did not support the further subamendment, recalling that the 1998 Declaration was cited in the preamble to the proposed Recommendation.
- 496.** The Government member of Uruguay, and the Government member of Latvia, speaking on behalf of the EU and its Member States, supported the proposal. The Government members of Australia, United States, and the Government members of Qatar, speaking on behalf of the GCC countries, and Zimbabwe, speaking on behalf of the Africa group, did not.
- 497.** The Government member of Norway, echoed by the Government members of Canada and New Zealand, said that while she could understand the rationale behind the proposal, the

Paragraph should refer to labour principles and rights, rather than fundamental labour standards, which Members might not have ratified.

- 498.** The Government member of Cameroon recalled that the 1998 Declaration was referenced in the preamble and ILO Members were obliged to respect and promote its principles. She supported the further subamendment.
- 499.** As a consensus among Government members was unclear, the Chairperson requested an indicative show of hands, which pointed to a lack of support. The further subamendment proposed by the Workers' group was not adopted.
- 500.** Resuming the discussion on the subamendment proposed by the Government member of Brazil, on behalf of GRULAC, the Employer Vice-Chairperson and the Government members of Australia, Japan and the United States, and the Government member of Zimbabwe, speaking on behalf of the Africa group, voiced their support for the further subamendment.
- 501.** The Worker Vice-Chairperson said that, while his group held on to their concern that the commitments enshrined in the ILO Declaration on Fundamental Principles and Rights at Work receive due reference in the proposed instrument, they did not wish to stand in the way of a consensus and supported the amendment, as subamended by GRULAC.
- 502.** The amendment was adopted as subamended.
- 503.** The Employer Vice-Chairperson introduced an amendment to insert "procedures and" between "procurement" and "volume", to render the text more comprehensive.
- 504.** The Worker Vice-Chairperson, the Government members of Latvia, speaking on behalf of the EU and its Member States, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the proposed amendment.
- 505.** The amendment was adopted.
- 506.** The Government member of Zimbabwe, speaking on behalf of the Africa group, introduced an amendment to replace the "and" after "volumes" by a comma.
- 507.** The amendment was adopted and further issues related to punctuation and grammar were referred to the Committee Drafting Committee.
- 508.** Clause (c) was adopted as amended.

Clause (d)

- 509.** The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to insert "savings" after "credit" to clarify that financial services included savings.
- 510.** The Employer Vice-Chairperson supported the insertion of "savings" but proposed a subamendment to place it before "guarantee schemes".
- 511.** The Worker Vice-Chairperson supported the subamendment and suggested referring the positioning of the word "savings" to the Committee Drafting Committee. The Employer Vice-Chairperson and the Government member of Latvia, speaking on behalf of the EU and its Member States, concurred.

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- 512.** The Government member of Brazil supported the subamendment. He requested that the Paragraph be checked for drafting consistency with the amendment to the chapeau, which referred to “economic units”, while some clauses still referred to “enterprises”.
- 513.** Both the Worker Vice-Chairperson and Employer Vice-Chairperson supported the proposal and asked that the matter be referred to the Committee Drafting Committee.
- 514.** The amendment was adopted as subamended and the Committee Drafting Committee was tasked with reviewing the Paragraph for consistency.
- 515.** Clause (d) was adopted as amended.

Clause (e)

- 516.** The Worker Vice-Chairperson introduced an amendment to insert “skills” after “entrepreneurship training”, subamending it to add “development” after “skills” to improve clarity. The insertion was based on an agreement reached with the Employers’ group, which would be applied throughout the text of the proposed Recommendation.
- 517.** The Employer Vice-Chairperson supported the subamendment.
- 518.** The Government members of India, New Zealand, the Philippines, Latvia, speaking on behalf of the EU and its Member States, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 519.** The amendment was adopted as subamended.
- 520.** Clause (e) was adopted as amended.

Clause (f)

- 521.** The Government member of Zimbabwe, speaking on behalf of the Africa group, introduced an amendment to delete “coverage, for example through temporary or permanent subsidies for social insurance contributions” after “security”. He indicated that the emphasis should be on access to social security; the concept of coverage was implicit.
- 522.** The Worker Vice-Chairperson supported the amendment, except for the deletion of “coverage”. He proposed a subamendment to maintain “coverage” after “social security”.
- 523.** The Employer Vice-Chairperson supported the subamendment but requested the secretariat to provide guidance on the most appropriate formulation.
- 524.** The representative of the Secretary-General affirmed that “improving access to social security” had the same meaning as “improving social security coverage”.
- 525.** The Government members of India, Indonesia, New Zealand, Latvia, speaking on behalf of the EU and its Member States, and Mexico, speaking on behalf of GRULAC, supported the subamendment.
- 526.** The Government member of the Philippines supported the subamendment, stressing that the extension of social security was a key priority for her Government, in line with the Social Protection Floors Recommendation, 2012 (No. 202).

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527. The amendment was adopted as subamended. As a consequence, an amendment submitted by the Worker members fell. It had sought to delete “, for example through temporary or permanent subsidies for social insurance contributions” after “social security coverage”.
528. Clause (f) was adopted as amended.
529. Paragraph 25 was adopted as amended.

Paragraph 26

530. Prior to the discussion of Paragraph 26, the representative of the Secretary-General clarified that the word “formal” before “employment relationships” was redundant in that context. However, since it was part of bracketed text from the 2014 Committee discussion, the Office had not revised the sentence.
531. The Worker Vice-Chairperson introduced an amendment to delete the brackets and replace “and” by “including, but not limited to,”. He emphasized that the proposed text had been agreed with the Employers’ group.
532. The Employer Vice-Chairperson proposed a subamendment to delete “formal” from the bracketed text.
533. The Worker Vice-Chairperson supported the subamendment.
534. The Government members of Algeria, India, Latvia, speaking on behalf of the EU and its Member States, and Zimbabwe, speaking on behalf of the Africa group, supported both the amendment and the subamendment.
535. The Government member of Brazil requested that the Spanish version of the Paragraph be verified by the Committee Drafting Committee.
536. The amendment was adopted as subamended.
537. Paragraph 26 was adopted as amended.

Paragraph 27

538. The Government member of Latvia, speaking on behalf of the EU and its Member States, introduced an amendment to replace “all workers and workplaces” by “the informal economy”. That would ensure alignment with ILO labour inspection Conventions.
539. The Worker Vice-Chairperson pointed out that the wording of the Paragraph was taken from the conclusions on labour administration and labour inspection adopted by the Conference in 2011. He quoted points 17 and 22(9) of the conclusions as well as Paragraph 5 of the Employment Relationship Recommendation, 2006 (No. 198), and reminded the Committee that they were texts that had been adopted by the tripartite constituents in support of the notion that labour inspection should cover all workers and workplaces. He did not support the amendment.
540. The Employer Vice-Chairperson commended the Worker Vice-Chairperson for referencing those relevant documents and asked the secretariat to clarify whether labour inspections covered workplaces or workers.

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- 541.** The representative of the Secretary-General replied by quoting Article 2(1) of the Labour Inspection Convention, 1947 (No. 81), which read “The system of labour inspection in industrial workplaces shall apply to all workplaces in respect of which legal provisions relating to conditions of work and the protection of workers while engaged in their work are enforceable by labour inspectors.” Therefore, labour inspection covered workplaces for the protection of workers.
- 542.** The Employer Vice-Chairperson pointed out that based on that understanding, the wording of the proposed Paragraph did not accurately reflect Article 2(1) of Convention No. 81, which consisted of two distinct parts: the first indicating that labour inspection applied to all workplaces, and the second regarding conditions of work and the protection of workers. He proposed a subamendment to restore “all workplaces” and delete the first mention of “the informal economy”. The text would read “extend coverage of labour inspection to all workplaces,”.
- 543.** The Worker Vice-Chairperson replied that the proposed subamendment did not respect the original text that had been agreed through tripartite consultations. He proposed a further subamendment to add “in order to provide protection for all workers” after “all workplaces”. The wording aligned the Paragraph with the text in the previously quoted documents. He hoped the Committee would recognize that workers and workplaces were both covered by inspection and that labour inspection should be in place to protect all workers.
- 544.** The Employer Vice-Chairperson supported the Worker members’ further subamendment.
- 545.** The Government member of Latvia, speaking on behalf of the EU and its Member States, did not support the subamendment. He pointed out that the intention of the initial amendment was to make the text more precise and stress the need to extend labour inspection coverage to the informal economy.
- 546.** For the same reasons, the Government members of New Zealand and Switzerland did not support the subamendment.
- 547.** The Government member of India underlined that a high number of workers in the informal economy had no benefits or protection. He supported the Worker members’ further subamendment.
- 548.** The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the further subamendment.
- 549.** The Government members of Australia, and Brazil, speaking on behalf of GRULAC, did not support the further subamendment, preferring the amendment proposed by the EU and its Member States.
- 550.** The Government member of the United States also preferred the amendment proposed by the EU and its Member States, given the need to extend the coverage of labour inspection to the informal economy.
- 551.** Following informal consultations, the Government member of Latvia proposed a further subamendment, on behalf of the EU Member States – which he hoped would meet the concerns of all the constituents – to replace “all workers and workplaces” by “workplaces in the informal economy in order to protect workers”.
- 552.** The Worker Vice-Chairperson, underscoring the fundamental importance of the Paragraph, said that the protection of workers was at the heart of the ILO’s mandate. In line with the

Decent Work Agenda, all workers had the right to decent and dignified working conditions, regardless of their employment status. Workers, employers and governments had a moral obligation to extend protection to all workers and to ensure that employment relationships were not exploitative. The responsibility to protect the safety and health of all workers in all workplaces, be they in a formal situation, in the street, on a farm or even virtual, must be upheld. He welcomed the spirit of compromise in which the proposed subamendment had been drafted, and said it had his group's support.

- 553.** The Employer Vice-Chairperson wished to hear the views of the Government members before stating his position.
- 554.** The Government member of Canada said that while she fully supported the need for an adequate labour inspectorate to provide effective protection for all workers, she was concerned about the practicality of immediately extending the coverage of labour inspection to all workers. Some member States would find that difficult. She therefore proposed inserting “progressively” before “extend”.
- 555.** The Government member of the United States seconded the further subamendment, and said that “progressively” would take account of any problems that governments might face in immediately extending the coverage of labour inspection, such as a lack of human or financial resources.
- 556.** The Worker Vice-Chairperson recalled the 2014 discussion with regard to “immediate” and “progressive” actions, in which constituents had agreed that provisions regarding rights, including working conditions and OSH, and the implementation of those rights, should be subject to immediate application. He therefore firmly opposed the proposal by Canada. The extension of labour inspection coverage continued to be a matter of life and death, and should be immediate. He stressed that Paragraphs 16 and 17 dealt with the issue of application of rights and OSH in accordance with the national contexts of member States and that the Paragraph under discussion was focused on implementation and enforcement. In the event that resources were lacking to extend the labour inspectorate, it was the responsibility of the government concerned to ensure that any gaps were filled.
- 557.** The Government members of Argentina, Brazil, India, and the Government member of Zimbabwe, speaking on behalf of the Africa group, opposed the proposal by Canada. However, all expressed support for the proposal made by the EU Member States.
- 558.** The Employer Vice-Chairperson said that he also opposed the further subamendment proposed by the Government member of Canada and supported the proposal by the EU Member States.
- 559.** The further subamendment proposed by the Government member of Canada was not adopted.
- 560.** The further subamendment proposed by the EU Member States was adopted.
- 561.** The amendment was adopted as subamended.
- 562.** The Government member of the United States, also speaking on behalf of the Government members of Canada, Japan and Switzerland, introduced an amendment to insert “and identify and target sectors with ongoing patterns of non-compliance” after “informal economy”. The purpose of the amendment was to provide guidance to member States on targeting sectors with a high incidence of labour law violations, in line with global best practice. It also reflected the tripartite Conclusions of the Meeting of Experts on Non-

Standard Forms of Employment, 2015, which spoke of the need to adopt a strategic approach to labour inspection.

563. The Employer Vice-Chairperson, the Worker Vice-Chairperson, and the Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment.

564. The Government member of the United States expressed disappointment at the lack of support concerning the identification and targeting of sectors with ongoing patterns of non-compliance.

565. The amendment was not adopted.

566. Paragraph 27 was adopted as amended.

Paragraphs 28–30

567. Paragraphs 28–30 were adopted without amendment.

Part VII. Freedom of association, social dialogue and role of employers' and workers' organizations

Paragraphs 31 and 32

568. Paragraphs 31 and 32 were adopted without amendment.

Paragraph 33

569. The Government member of the United States, speaking also on behalf of the Government member of Canada, introduced an amendment to replace “should consider, where appropriate, extending membership” by “should, where appropriate, extend membership”. The amendment sought to strengthen the Paragraph by making the extension of employer and worker membership and services more than a mere consideration, since the wording “should consider” could mean that nothing was done. The proposed amendment nonetheless preserved a degree of flexibility by keeping the term “as appropriate”.

570. The Employer Vice-Chairperson and the Worker Vice-Chairperson did not support the amendment. The Worker Vice-Chairperson added that employers' and workers' organizations were free to determine their own internal structure and activities.

571. The Government member of Switzerland supported the amendment, noting that the proposed Recommendation gave useful direction and guidance to governments as well as to the social partners.

572. The Government members of India, New Zealand, Latvia, speaking on behalf of the EU and its Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.

573. The Government members of Australia and the Philippines supported the amendment, noting that “where appropriate” guaranteed flexibility for the social partners.

574. The Government member of Qatar did not support the amendment.

575. The Employer Vice-Chairperson pointed out that the Paragraph concerned only employers' and workers' organizations. However, after considering the views of certain governments, he was convinced that the proposed amendment would not alter the intention of the text and he supported the amendment.

576. The Worker Vice-Chairperson joined the Employer Vice-Chairperson in support of the amendment, though with reservations.

577. The amendment was adopted.

578. Paragraph 33 was adopted as amended.

Paragraph 34

579. Referring to an amendment to delete “, according to national practice,”, the Worker Vice-Chairperson noted that its intention had been to raise certain issues that had surfaced in the informal consultations, especially in relation to Paragraph 6. Recognizing that there was insufficient support among Government members for the proposal, the Worker members withdrew the amendment.

580. Paragraph 34 was adopted without amendment.

Paragraph 35

581. Paragraph 35 was adopted without amendment.

Part VIII. Data collection and monitoring

Paragraph 36

Chapeau

582. The chapeau was adopted without amendment.

Clause (a)

583. The Government member of Algeria introduced an amendment, seconded by the Government member of Zimbabwe, speaking on behalf of the Africa group, to delete “where possible and as appropriate,”. The intention was to emphasize that continuous, long-term data collection was needed.

584. The Worker Vice-Chairperson supported the amendment.

585. The Employer Vice-Chairperson considered that the amendment might have the effect of limiting government flexibility in gathering data on the informal economy. However, given that the proposal came from Government members, he supported the amendment, although with reservations.

586. The Government member of the Bolivarian Republic of Venezuela supported the amendment.

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- 587.** The Government member of New Zealand did not support the amendment. Collecting data on the informal economy was difficult and it would be unrealistic to expect governments to fulfil such an obligation without any flexibility.
- 588.** The Government member of the Republic of Korea did not support the amendment, citing the need for flexibility depending on national circumstances.
- 589.** The Government members of Latvia, speaking on behalf of the EU and its Member States, and Qatar, speaking on behalf of the GCC countries, did not support the amendment.
- 590.** The Government member of the United States confirmed the need for flexibility. She noted that while strong data existed for the formal economy, many countries, including the United States, had not yet fully grasped how best to gather data on the informal economy. She did not support the amendment.
- 591.** The Employer Vice-Chairperson withdrew his support for the amendment, noting the emphasis of several Government members on the need to maintain flexibility.
- 592.** The Government member of Brazil supported the amendment. He reasoned that the Paragraph and clause allowed for adequate flexibility, even with the proposed deletion, since the chapeau that governed the clause used “should”.
- 593.** The Government member of Australia acknowledged that data collection on the informal economy was important but that government resources and expertise were often limited. He did not support the amendment.
- 594.** The Government member of Uruguay, for the reasons given by the Government members of the Bolivarian Republic of Venezuela and Brazil, supported the amendment. He added that the very nature of the proposed Recommendation provided flexibility.
- 595.** The Government member of India did not support the amendment, noting that in a pluralistic society with divergent interests, it was not always possible to disseminate data publicly.
- 596.** The Government members of Barbados, Canada, Indonesia and Japan did not support the amendment.
- 597.** The amendment was not adopted.
- 598.** The Employer Vice-Chairperson introduced an amendment to insert at the end of the clause “, including the number of informal economic units, the number of workers employed and their sectors”. The three areas of data collection were particularly important for understanding the informal economy and to inform transition policies. It was useful to mention them specifically in the clause.
- 599.** The Worker Vice-Chairperson supported the amendment, but asked for clarification of the meaning of “sectors” since the traditional economic sectors did not always apply to the informal economy.
- 600.** The Employer Vice-Chairperson explained that “sectors” referred to sectors where economic units operated, such as agricultural, commerce, mining and manufacturing. Information on these sectors would be useful for the development of specific policies to facilitate the transition from the informal to the formal economy.

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- 601.** The Government member of Latvia, speaking on behalf of the EU and its Member States, did not support the amendment.
 - 602.** The Government member of the United States supported the amendment, as the beginning of the clause provided sufficient flexibility.
 - 603.** The Government members of Canada, India and New Zealand, and the Government members of Chile, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
 - 604.** The amendment was adopted.
 - 605.** Clause (a) was adopted as amended.

Clause (b)

- 606.** The Government member of Algeria, seconded by the Government member of Zimbabwe, speaking on behalf of the Africa group, proposed an amendment to insert “and evaluate the process and” after “monitor”.
- 607.** The Worker Vice-Chairperson and Employer Vice-Chairperson supported the amendment.
- 608.** The Government member of Latvia, speaking on behalf of the EU and its Member States, did not support the amendment.
- 609.** The Government member of Argentina, speaking on behalf of GRULAC, supported the amendment. The evaluation, monitoring and revision of policies that were being implemented was very important.
- 610.** The Government member of India, and the Government member of Qatar, speaking on behalf of the GCC countries, supported the amendment.
- 611.** The Government member of the United States supported the spirit of the amendment, and proposed a subamendment to delete “process and” because the objective was to monitor and evaluate the progress being made. The Government member of Australia seconded the subamendment.
- 612.** The Worker Vice-Chairperson and Employer Vice-Chairperson supported the subamendment.
- 613.** The Government member of Switzerland did not support the subamendment. She considered the original text sufficiently clear. Moreover, the issue at hand had already been covered in Paragraph 9 and there was no need for duplication.
- 614.** The Government members of Indonesia and the Republic of Korea also preferred the original text and did not support the subamendment.
- 615.** The Government members of India, South Africa, and Latvia, speaking on behalf of the EU and its Member States, supported the subamendment.
- 616.** The subamendment was adopted.
- 617.** Clause (b) was adopted as amended.
- 618.** Paragraph 36 was adopted as amended.

Paragraph 37

- 619.** With a view to ensuring that the proposed Recommendation retained its relevance over time, the Government member of Switzerland, speaking also on behalf of the Government members of Canada, New Zealand and the United States, introduced an amendment to delete the rest of the sentence after “International Labour Organization”. The Paragraph aimed to express that Members should take into consideration relevant ILO guidance. The deletion of the reference to specific guidelines would ensure that the Recommendation did not become obsolete.
- 620.** The Worker Vice-Chairperson recalled that, after a comprehensive discussion on the Paragraph in the Committee in 2014, a consensus had been reached. He expressed surprise that the debate on the Paragraph had been reopened, and strongly opposed the amendment. The definition of informal employment adopted by the 17th International Conference of Labour Statisticians (ICLS) in 2003 was key to the proposed Recommendation. He also supported an amendment submitted by the Government member of the Republic of Korea to add “and the 19th International Conference of Labour Statisticians in 2013” because it complemented the 17th ICLS. He requested further clarification from the secretariat.
- 621.** The Employer Vice-Chairperson noted that there would be future meetings of the ICLS providing guidelines relevant to the process of the transition to the formal economy. While he was in favour of the amendment, it was necessary to express in the Paragraph that the work of labour statisticians was relevant to the transition process.
- 622.** The representative of the Secretary-General suggested that the concerns of the Employer Vice-Chairperson could be taken into account by referring to “guidelines adopted by the latest International Conference of Labour Statisticians”.
- 623.** The Worker Vice-Chairperson reiterated that the definition of informal employment adopted by the 17th ICLS, as well as the guidance provided by the 19th ICLS, were an important reference for the proposed Recommendation.
- 624.** The representative of the Secretary-General clarified that the most relevant and fundamental guidance on the informal economy had been provided by the 17th ICLS in 2003, following the Conference resolution and conclusions concerning decent work and the informal economy in 2002. The 19th ICLS had decided to review the concept of work in general, which could have implications for informal work. The ICLS conducted regular reviews of definitions and therefore the statistical definition of informal employment could be updated in future.
- 625.** The Worker Vice-Chairperson stressed the importance of incorporating a specific reference to the statistical definition of informal employment provided by the 17th ICLS in the proposed Recommendation. It was the first definition of informal employment and the basis for the deliberations on the proposed Recommendation.
- 626.** The Government member of New Zealand said that the discussion in the Committee reconfirmed the value of the proposed amendment. It was important that member States took relevant ILO guidance into account. He felt that “relevant” would encompass future instruments or revisions to statistical definitions. He supported the amendment.
- 627.** The Government member of Mexico, speaking on behalf of GRULAC, indicated that the Annex to the proposed Recommendation did not contain reference to ICLS guidelines for the implementation of the Recommendation. The guidelines of the 17th ICLS formed the basis of the proposed Recommendation and should therefore be specifically mentioned. He suggested that a reference to future updates could be incorporated in Paragraph 37.

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- 628.** The Government member of Switzerland said that she understood the considerations of the Employers' group, Workers' group and other Government members. She suggested referring to the guidance of the ICLS, without further specifications.
- 629.** The Worker Vice-Chairperson suggested adding "and consider subsequent future updates, as appropriate" after "2003".
- 630.** The Government member of Brazil, speaking on behalf of GRULAC, said that he had listened carefully to the explanation provided by the representative of the Secretary-General. The latest guidance on the definition of the informal economy originated from the 17th ICLS, and it should therefore be referred to in Paragraph 37. He proposed a subamendment to add "and its updates", after "2003".
- 631.** The Worker Vice-Chairperson confirmed that he supported the suggestions made by GRULAC.
- 632.** The Employer Vice-Chairperson proposed a further subamendment, to insert "and subsequent updates" at the end of the Paragraph, as an alternative to the subamendment proposed by GRULAC.
- 633.** The Worker Vice-Chairperson supported the further subamendment, noting that it preserved the reference to the 17th ICLS in 2003 while allowing for future updates.
- 634.** The Government member of India, and the Government members of Latvia, speaking on behalf of the EU and its Member States, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the proposal.
- 635.** The Government member of the United States said that she preferred the wording proposed by GRULAC as the notion of "subsequent" updates was implicitly understood. She supported the further subamendment in the interest of consensus.
- 636.** The further subamendment was adopted.
- 637.** The amendment was adopted as subamended.
- 638.** As a consequence, an amendment submitted by the Government member of the Republic of Korea, seeking to add "and the 19th International Conference of Labour Statisticians in 2013" to the end of the Paragraph, fell.
- 639.** Paragraph 37 was adopted as amended.

Part IX. Implementation

Paragraph 38

Chapeau

- 640.** The Worker Vice-Chairperson withdrew an amendment to delete " , according to national practice,".
- 641.** The chapeau was adopted without amendment.

Clauses (a)–(d)

642. Clauses (a)–(d) were adopted without amendment.

New clause after clause (d)

643. The Government member of Algeria introduced an amendment to add a new clause after clause (d) to read “information, prevention and enforcement activities by the labour inspectorate;”. It was seconded by the Government member of Zimbabwe, speaking on behalf of the Africa group.

644. The Worker Vice-Chairperson expressed concern regarding the insertion of a reference to information, prevention and labour inspection in Part IX on implementation, as reference was included elsewhere in the proposed Recommendation. He did not support the proposed amendment.

645. The Employer Vice-Chairperson said that since the matter was the responsibility of governments, he wished to hear from the Government members before stating his position.

646. The Government member of Egypt supported the amendment.

647. The Government members of India, New Zealand, Switzerland, Thailand and the United States, and the Government members of Brazil, speaking on behalf of GRULAC, Latvia, speaking on behalf of the EU and its Member States, and Qatar, speaking on behalf of the GCC countries, opposed the proposed amendment for the same reasons as the Worker Vice-Chairperson.

648. The Employer Vice-Chairperson opposed the amendment.

649. The amendment was not adopted.

650. The new clause after clause (d) was adopted.

Clauses (e) and (f)

651. Clauses (e) and (f) were adopted without amendment.

652. Paragraph 38 was adopted without amendment.

Paragraph 39

653. An amendment submitted by the Worker members to delete “, according to national practice;” was withdrawn.

654. Paragraph 39 was adopted without amendment.

Paragraphs 40–42

655. Paragraphs 40–42 were adopted without amendment.

Annex

656. The Worker Vice-Chairperson introduced an amendment to insert “Labour Clauses (Public Contracts) Convention, 1949 (No. 94), and Recommendation (No. 84), 1949” in the

“Wages” subsection. Convention No. 94 and Recommendation No. 84 were important instruments not only for public procurement, but also for general wage setting and should be referenced in the Annex.

- 657.** The Employer Vice-Chairperson and the Government members of Latvia, speaking on behalf of the EU and its Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 658.** The amendment was adopted.
- 659.** As a consequence, an amendment submitted by the Employer members, to insert “Labour Clauses (Public Contracts) Convention, 1949 (No. 94)” in the “Wages” subsection, fell.
- 660.** The Employer Vice-Chairperson introduced an amendment to insert “Private Employment Agencies Convention, 1997 (No. 181)” in the “Employment policy and promotion” subsection to underline that private employment agencies were an important entry point to the formal economy.
- 661.** The Worker Vice-Chairperson supported the amendment.
- 662.** The Government members of Latvia, speaking on behalf of the EU and its Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 663.** The Government member of Switzerland did not support the amendment.
- 664.** The amendment was adopted.
- 665.** The Chairperson said that two identical amendments had been submitted by the Employer members and Worker members and would be discussed together.
- 666.** The Worker Vice-Chairperson introduced the amendment to insert a new subsection between the subsection entitled “Specific categories of workers” and the subsection entitled “United Nations instruments”, to read:

ILC Resolutions and Conclusions

- the resolution and Conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007)
- the resolution and Conclusions concerning the youth employment crisis adopted by the International Labour Conference at its 101st Session (2012)
- the resolution and Conclusions concerning the second recurrent discussion on employment adopted by the International Labour Conference at its 103rd Session (2014)

The amendment was linked to informal consultations on how to restructure the preamble and which issues to cover in the Annex.

- 667.** A subamendment proposed by the Government member of the Islamic Republic of Iran to add “Resolution concerning statistics of work, employment and labour underutilization adopted by the 19th International Conference of Labour Statisticians (October 2013)” was not seconded and fell.
- 668.** The Employer Vice-Chairperson, and the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 669.** The amendment was adopted.
- 670.** The Annex was adopted as amended.

Adoption of the proposed Recommendation

- 671.** The Chairperson declared that there were no remaining amendments to the proposed instrument still to be discussed.
- 672.** The proposed Recommendation was adopted as amended, in its entirety, subject to any modifications by the Committee Drafting Committee.

Adoption of the resolution

- 673.** The Worker Vice-Chairperson introduced a draft resolution, submitted jointly with the Employers' group, that had been developed through informal tripartite consultations. He highlighted operative paragraph 2 of the draft resolution, which invited the Governing Body to develop a strategy and action plan to give effect to the Recommendation. In particular, subparagraph (c) called for the introduction of a new regular discussion point in the agenda of ILO Regional Meetings (2015–19) and subparagraph (f) called for cooperation with the relevant international organizations. He hoped that such cooperation would follow the example set by the Social Protection Inter-agency Cooperation Board, co-chaired by the ILO and the World Bank, and established in line with the resolution accompanying the Social Protection Floors Recommendation, 2012 (No. 202). He also highlighted the need to promote the new standard, as well as provide macroeconomic policy advice and financial and technical cooperation to facilitate the transition to the formal economy. Lastly, he noted that operative paragraph 3 invited the Governing Body to request regular reports from member States under article 19 of the ILO Constitution, in particular General Surveys.
- 674.** The Employer Vice-Chairperson supported the draft resolution and proposed an amendment to add “and other ILO forums” after “ILO Regional Meetings (2015–19)”. That would provide member States and the ILO with some flexibility also to introduce the topic at the subregional and national levels, as well as at technical meetings.
- 675.** The Government member of Australia asked the secretariat to clarify the additional reporting requirements referred to in operative paragraph 3.
- 676.** The Legal Adviser explained that the paragraph invited the Governing Body to consider the transition to the formal economy as a possible topic for future General Surveys. It did not create additional reporting requirements beyond those already foreseen under article 19 of the Constitution. A similar paragraph was included in the resolution concerning the promotion and the implementation of the Recommendation on HIV and AIDS and the world of work, 2010.
- 677.** The Government member of the United States asked the secretariat to further clarify the frequency of General Surveys and their relation to the recurrent discussions of the Conference.
- 678.** The Legal Adviser explained that the ILO Committee of Experts prepared a General Survey each year on a topic determined by the Governing Body. He added that following the adoption of the ILO Declaration on Social Justice for a Fair Globalization in 2008, a link had been established between the General Surveys and recurrent discussions, whereby the synthesis or the “outcome” of the discussion of the Committee on the Application of Standards on the General Survey was transmitted to the recurrent discussion Committee as an extra input to the issues under discussion.
- 679.** The representative of the Secretary-General added that that had not always been the case, citing the example of the second recurrent discussion on employment which was not linked

to a General Survey. She further stressed that the topic of General Surveys remained at the discretion of the Governing Body.

- 680.** The Government member of Switzerland proposed an amendment to subparagraph (c) to add “as appropriate” after “ILO Regional Meetings” to allow for flexibility in setting Regional Meeting agendas to ensure they met the needs of constituents.
- 681.** The Worker Vice-Chairperson proposed an amendment to add “s” to “cycle” to ensure the option of including the discussion in future cycles of ILO Regional Meetings. That was particularly relevant given that the 13th African Regional Meeting in the current cycle was scheduled for November 2015 and likely too soon to be able to reflect the issue in the Report of the Director-General or to place it on the Meeting’s agenda.
- 682.** The representative of the Secretary-General confirmed the assessment made by the Worker Vice-Chairperson and suggested removing “(2015–19)” to capture the extended time frame.
- 683.** The Government member of Brazil remarked that the thrust of the informal discussions had been to request the introduction of a new regular item in the agenda of ILO Regional Meetings. The draft resolution now placed a discussion point, in the agenda of ILO Regional Meetings, at the discretion of the Governing Body. He did not see the necessity of including “as appropriate”, and did not support the amendment proposed by the Government member of Switzerland. He supported the amendments proposed by the Workers’ group and Employers’ group.
- 684.** The Employer Vice-Chairperson supported all the amendments in so far as they provided flexibility.
- 685.** The Worker Vice-Chairperson supported the amendment put forward by the Employers’ group, and aligned himself with the Government member of Brazil in his opposition to adding “as appropriate”, given that the agenda of Regional Meetings was already at the discretion of the Governing Body.
- 686.** The Government member of the United States supported the amendment to add “as appropriate”. Otherwise, the wording presupposed that the issue of transition to the formal economy would always be a priority for these Meetings, which might not always be the case.
- 687.** The Government member of Saudi Arabia, speaking on behalf of the GCC countries, supported the amendment to add “as appropriate”.
- 688.** The Government member of Mexico, speaking on behalf of GRULAC, agreed that it was not necessary to include “as appropriate”. He did not support the amendment.
- 689.** The Government member of Australia supported the amendment proposed by the Government member of Switzerland as it provided for flexibility in prioritizing points to be discussed at ILO Regional Meetings.
- 690.** The Government members of Canada and Egypt aligned themselves with the Government members of Australia, Switzerland and the United States in support of the amendment.
- 691.** The Government member of Zimbabwe, speaking on behalf of the Africa group, recalled an informal discussion held during the Committee’s work in which it was agreed that “as appropriate” should be included. He therefore supported the amendment.

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- 692.** The Worker Vice-Chairperson clarified that that issue had not been discussed during informal discussions.
- 693.** The Government member of Algeria supported the amendment.
- 694.** The amendment proposed by the Government member of Switzerland was adopted.
- 695.** Regarding the proposal by the Worker Vice-Chairperson to replace “cycle” by “cycles”, the Employer Vice-Chairperson, the Government members of Canada and the Islamic Republic of Iran, and the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment, which was then adopted.
- 696.** The amendment proposed by the Employer Vice-Chairperson to add “and other ILO forums” was adopted.
- 697.** The resolution was adopted as amended.

Closing statements

- 698.** The Employer Vice-Chairperson thanked the Chairperson for his capable leadership during the occasionally complex discussions. He welcomed the spirit of negotiation and understanding demonstrated by the Workers’ group, which had enabled progress to be made. He also thanked the secretariat for its support in consolidating the text of the proposed Recommendation and ensuring that the constituents reached a common understanding. He looked forward to seeing the draft Recommendation adopted by the plenary of the Conference.
- 699.** The Worker Vice-Chairperson said that while the conception, gestation and birth of the proposed Recommendation had been a long and sometimes difficult process, ownership and implementation must be the focus moving forward. Efforts must be made to ensure the visibility and practicality of the guidance provided by the new standard. He thanked the Employer Vice-Chairperson for his commitment and integrity during difficult discussions. He acknowledged the Chairperson's unwavering commitment to the principle of social dialogue. He expressed his appreciation to the Government members for listening to the views of the social partners, and urged them to take the necessary measures to ensure the effective implementation of the Recommendation. He acknowledged the efforts of the secretariat to shape the Recommendation and provide guidance throughout the discussions. He acknowledged the number of members of the Workers’ group in the room, and the many more that they represented. Lastly, he made a statement about the recent flooding and fuel station fire in Ghana that had led to numerous casualties, including many informal workers . He expressed solidarity on behalf of the Workers’ group with those impacted and with the Employer Vice-Chairperson. He concluded that those events highlighted the importance of decent working conditions and protection for workers in the informal economy.
- 700.** As a citizen of Ghana, the Employer Vice-Chairperson expressed his sincere appreciation to the Worker Vice-Chairperson for the message of sympathy regarding the tragedy that had befallen his nation. He urged colleagues to work together to resolve issues concerning conditions of work so that the situation in Ghana and elsewhere would improve.
- 701.** The Government member of Latvia, speaking on behalf of the EU and its Member States, noted that through its discussions the Committee had reached a common understanding of the actions necessary for governments and the social partners to address the transition to the informal economy and to provide informal workers with rights, voice, dignity and safe working conditions. He appreciated that the proposed final Recommendation reflected the

concerns raised, and that it would help to achieve decent work for all. The EU and its Member States had borne two priorities in mind. The first was to have a meaningful, pragmatic and achievable instrument that gave guidance to governments. The second was to bear in mind the realities of workers in both developed and developing countries, in accessing digital technologies and in the fight against corruption. The instrument would give workers in the informal economy a stronger voice and better representation, support positive business environments and investment, and encourage growth and decent work for all. He hoped that governments kept those issues in mind when implementing the Recommendation. The EU and its Member States would continue to promote social dialogue and the involvement of civil society organizations in policy development. In closing, he thanked the Chairperson for his excellent guidance, the Vice-Chairpersons and Government members for their constructive cooperation, and the Office and secretariat for their hard work and assistance.

- 702.** The Government member of Saudi Arabia, speaking on behalf of the GCC countries, thanked the Chairperson for his excellent leadership and expressed his gratitude to the secretariat for its guidance throughout the Committee's work. He acknowledged the commitment of the social partners, which had been fundamental to achieving a successful conclusion. He welcomed the support provided by the Government members present. Although the informal economy was not a major issue in the Gulf States, Saudi Arabia and the other countries of the GCC were keen to support the transition from the informal to the formal economy and learn from other Members.
- 703.** The Government member of Zimbabwe, speaking on behalf of the Africa group, expressed satisfaction that the Committee had successfully addressed the challenging topic it had had before it. The Recommendation would be particularly meaningful to the governments and people of Africa. As a number of African economies were predominantly informal, the Recommendation would be fundamental to improving the lives of workers across the continent and should be implemented without delay. He welcomed the spirit of cooperation that had prevailed throughout the discussions among the social partners and the Committee members. He thanked the Chairperson for his successful leadership of the Committee at its present and 2014 sessions and the secretariat for the guidance and support they had provided.
- 704.** The Government member of India said that while the drafting of the Recommendation had been a long process, the true journey would begin in its implementation. He welcomed the spirit of compromise that had prevailed in the negotiations and looked forward to future cooperation in order to build a global society based on dignity for all.
- 705.** The Government member of the Philippines thanked the Officers of the Committee and the secretariat for facilitating the Committee's work. She expressed satisfaction that, when adopted, the Recommendation would contribute significantly to the reduction of decent work deficits in her country and elsewhere. She hoped that the ILO would prioritize capacity building for member States to facilitate the transition.
- 706.** The Government member of Mexico, speaking on behalf of GRULAC, expressed his gratitude to the Officers of the Committee and to the secretariat, and said that all those present could be satisfied with the results of their efforts. He looked forward to seeing the draft Recommendation adopted by the plenary of the Conference, and encouraged all governments to expedite its implementation. He expressed his Government's commitment to continuing cooperation with regard to the transition to the formal economy.
- 707.** The representative of the Secretary-General congratulated all members of the Committee on their substantial and constructive engagement over the two years of discussion and their interventions in the Committee, both of which had demonstrated the importance the ILO

tripartite constituents attached to the draft Recommendation and its follow-up. The numerous references made to the Office reports and the tripartite informal consultations were a gratifying recognition of the value of the efforts behind them. The draft Recommendation represented the culmination of research and policy work undertaken since the early 1970s when the term “informal sector” was first coined by the ILO. The significance of the 2002 Conference general discussion concerning decent work and the informal economy was also noted. When adopted, the draft Recommendation would become a landmark instrument and an advocacy tool which would foster partnerships with international and regional organizations in the context of the implementation of the post-2015 sustainable development agenda. She underscored that the expectations for follow-up by the Office were high and that a detailed action plan would be presented and discussed during the November 2015 session of the Governing Body. She thanked the Office team that had coordinated the preparation of the reports, and the secretariat members for their work. Special thanks were extended to the Chairperson and Vice-Chairpersons for their inspiring engagement in preparing and steering the Committee’s work.

- 708.** In closing, the Chairperson thanked the two Vice-Chairpersons for their support and continuous commitment to building a consensus. Despite the divergent views which had surfaced at times during the discussions, the final text of the draft Recommendation was a vibrant reflection of the strength of the ILO’s tripartite approach. He also thanked all of the members of the Committee for their constructive spirit and collaboration, stressing that their proactive involvement both during the Committee sittings and the group consultations had been crucial. He also gratefully acknowledged the essential role played by the secretariat in preparing and facilitating the process towards an agreement on the text.

Geneva, 11 June 2015

(Signed) V. Seafield
Chairperson

A. Frimpong
Employer Vice-Chairperson

P. Dimitrov
Worker Vice-Chairperson

L.V. Sversut
Reporter

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