

How the SSE is supporting formalization

in various informal economy contexts



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According to the ILO, 58% of the working population—around 2 billion people—work in informal conditions..

The ILO defines it as any work activity carried out without protection or regulation within the formal economy.

This category includes jobs with no legal or social support, no formal contract or access to social protection (health, pensions, occupational hazards), and no guaranteed labor rights.

- Those who exercise it are often excluded from negotiation and representation processes in the world of work.
- Informal employment includes both self-employed workers (such as street vendors, waste pickers, or farmers) and those working in unregistered microenterprises or in domestic service without a contract.





- Informal employment consists of individuals and families excluded from formal labor relations.
- Many workers in the informal economy choose to organize collectively, giving rise to associated work.
- Workers have adopted and integrated forms of cooperativism and the social and solidarity economy, thereby consolidating an alternative based on self-management, economic democracy, and cooperation.

How has organizing in the SSE helped informal workers?

The SSE has potential for workers in informal employment in the following areas:

- Improvement of economic, productivity, and working conditions and capacity.
- Improvement of working conditions and access to social protection
- Recognition and political representation of informal workers through their organization in forms of the social and solidarity economy
- Transition toward formalization in favor of informal workers and their interests.



Challenges

- The barriers that the SSE still faces in regulatory frameworks or the lack of minimum universal social protection floors for workers in national contexts eventually lead to temporary welfare policies.
- Strategic representation alliances between traditional trade unions and SSE organizations representing workers in informal employment need to be strengthened.
- Need to strengthen the organizational processes of workers in informal employment
- The tension exists between the economic logic of the market and the logic of solidarity (promotion of individualistic solutions such as entrepreneurship).



Main recommendations of Resolution IV of the 113th International Labor Conference (2025) on informality and the transition to decent work



Clear definition, recognition and definition



Institutional support for the SSE



Participation and social dialogue



Promotion of formalization



Data for effective policies



Guaranteed social protection for all



Promotion of financial inclusion



Thanks



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