

Session: Sharing economic benefits
5 Guiding Questions
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1. Policies, actions and trade-offs

The COVID-19 pandemic-cum-lockdowns have exposed pre-existing inequities and injustices in existing labour markets, economic policies, urban planning, social protection systems and the supply chains for essential goods and services, including health, food, water, transport and waste management. Globally, 61 per cent of all workers are informally employed: 90 per cent in developing countries, 67 per cent in emerging economies and 18 per cent in developed countries (ILO 2018). And many, if not most, workers in the supply chains for essential goods and services are informally employed: without social protection contributions or worker benefits from an employer. Indeed, nearly half of all workers globally and over two-thirds of informal workers globally are self-employed: mainly as own-account operators or contributing family workers in single person or family units. Yet, around the world, most labour regulations and economic policies – and COVID 19 relief packages - are biased towards formal wage workers and small, medium or large firms. Furthermore, informal workers are widely stigmatized and penalized for being non-productive or illegal.

Hopefully the recognition being accorded to essential frontline workers during the pandemic-cum-lockdowns will help change the narrative about the informal workforce. The global community needs to recognize the role and contribution of informal workers in the supply chains for the essential goods and services that all of us depend on. What is needed is a fundamental re-setting of existing labour regulations, economic policies, urban planning and social protection systems to recognize, include and support the working poor in the informal economy.

This will require concerted action to integrate informal workers into the realization of all SDGs. Promoting decent and production work for informal workers (SDG #8) will require promoting several SDGs as informal workers face deficits in all four pillars of decent work:

- economic opportunities (SDG#8)
- rights at work (SDG#8)
- social protection (SDGs#3 & 8)
- social dialogue (SDG#16 economic opportunities (SDG#8))

Moreover, ILO Recommendation 204 on the Gradual Transition to Formalization contains several key provisions linked to different SDGs.

- Most informal workers are from poor households trying to earn a living against great odds and, therefore, need protection and promotion in return for regulation and taxation (SDG#1 and 3).
- Informal livelihoods should not be destroyed in the process of formalization (SDG#16)
- Regulated use of public space is essential to the livelihoods of informal workers, especially in cities (SDG#11).
- Regulated access to natural resources is also essential to the livelihoods of informal workers, especially in rural areas (SDG#11).

Also, the livelihoods of urban informal workers are often undermined by large-scale urban infrastructure projects (SDG #9) and by the privatization of public services such as energy (SDG#7), transport (SDG #9) and waste management (SDG # 6). Moreover, promoting decent and productive work for informal workers, who represent the majority of all workers, will require reducing the injustices and inequities in the existing policy and regulatory environment (SDGs #10 and 16).

Finally, what informal workers and their membership-based organizations need and want are:

- organization & representation (SDG#16)
- legal recognition & protection (SDGs #9 & 16)
- social protection (SDGs #3 & 8)
- public services, including basic infrastructure services at workplace + public transport (SDG #9)

In sum, no silver bullet – no single SDG – will reduce the poverty and inequality faced by the working poor: joint action on all fronts is needed. And this will require genuine partnerships between government, the private sector and the membership-based organizations of informal workers (SDG # 16).

1. Leaving no-one behind

In addition to vulnerable persons who are not able to work, the working poor in the informal economy are most likely to miss out on economic benefits and decent work. The COVID 19 pandemic-cum-lockdowns created a false, but all too real, dilemma for the working poor; [to die of hunger or die of the virus](#). This is because most informal workers (and their families) live hand-to-mouth and cannot work remotely: for them, the crisis soon became a food crisis. They will be left further behind unless recovery and stimulus plans focus on a) their role in providing essential goods and services and b) what they need to recover. Recovery in the informal economy will require financial assistance (emergency cash transfers and loans for working capital) but, more importantly, *integration on fair terms* into economic recovery and stimulus plans, into the supply chains for essential goods and services, into urban planning and into social

protection systems. To ensure fair integration, the organizations of informal workers should be invited to the rule-setting and policy-making table. The motto of the global movement of informal workers is “*Nothing for Us, Without Us.*”

3. Knowledge gaps

Thanks to the joint efforts over two decades of the ILO, the UN Statistical Commissions Delhi Group, national statistical offices and the WIEGO network, the [first-ever global estimates of informal employment](#) were published in 2018. We now know that, globally, the majority of all workers globally are informally employed; a higher percentage of informal workers than of formal workers are from poor households; and a higher percentage of workers from poor households than from non-poor households are informally employed. These institutions need to continue to work together to ensure that a) an increasing number of countries collect data on informal employment and b) the data on informal employment can be cross-tabulated with data on poverty, hunger, health, social protection, education by gender, class and ethnicity. Disadvantages by gender, class, ethnicity and status in employment intersect in determining outcomes for both women and men in the informal economy.

To respond to the COVID-19 crisis in an equitable and just way will require understanding and addressing the pre-existing injustices and inequities in economic policies, labour market regulations, urban planning and social protection systems that were exposed during the crisis. Efficiency should not be the goal as the drive for efficiency tends to undermine resilience and reinforce injustices and inequalities. During the COVID 19 crisis, more diversified and localized supply chains – whether for food or medical supplies - proved less vulnerable and more resilient than centralized and globalized supply chains.

4. Relevant means of implementation and the global partnership for development (SDG 17)

In the recent past, too much emphasis has been placed on public-private partnerships which often serve to concentrate wealth, power and public resources at the tip of the economic pyramid. To redistribute wealth, power and public resources towards the base of the pyramid, it is important for governments, the private sector and civil society organizations to partner with *membership-based organizations of the poor*: there are global alliances of informal workers and slum dwellers with affiliates in countries around the world. These membership-based organizations are engaged in a daily struggle to secure human and labour rights as well as social and economic justice for their members. Increasingly around the world, membership-based organizations of informal workers are engaging with governments, the private sector and civil society organizations to make formalization schemes, urban planning systems, waste management systems, corporate hiring and contracting practices, public services and procurement systems and the allocation of public space more inclusive and fair towards informal workers and informal enterprises.

A promising example of a partnership between local government and a local organization of informal workers emerged during the current COVID 19 lockdown in India. The Self-Employed Women's Association (SEWA), a trade union of 2 million women informal workers, partnered with the Ahmedabad Municipal Corporation to [engage women vendors in selling vegetables and milk in local neighborhoods during the lockdown in India](#): this partnership, and its innovative solution to the break in the food supply system, illustrates both the potential of public-informal worker organization partnerships and of supporting informal workers going forward.

5.Science, technology and innovation

STI are two-way swords: driving innovative solutions to intractable problems on one hand and inequality and injustice on the other. The working poor at the [base of the economic pyramid use very basic technologies](#) in their work and have limited access to technological innovations. The capital-intensive technologies chosen by governments in the provision of public services – such as energy, transport, and waste management – often undermine informal livelihoods, especially when these services are privatized. And there is a significant digital divide between rich and poor individuals, households and communities. At the same time, increasing numbers of people are gaining access to work and markets through digital platforms: for independent self-employed platforms can provide access to markets but for those who depend on platforms to access “gig” jobs, the platform companies offer little or no social and legal protections. What the working poor want are platforms that they can own and manage to gain access to markets and jobs. Both technology optimists and technology pessimists need to meet with membership-based organizations of the poor to develop a balanced, just and sustainable approach to technology development. The over-reliance on technological solutions can lead to a world without jobs. But COVID-19 has exposed what a world without jobs would look like and feel like. It is not the future we want.