











FROM INFORMAL TO FORMAL ECONOMY:

ENSURING MORE JUST AND DECENT CONDITIONS OF WORK

NGO Consultation

In conjunction with the 104rd Session of the International Labour Conference

Outcome Report

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Background

The NGO Consultation was jointly organized by the International Catholic Centre of Geneva (CCIG), Kolping International/German Commission for Justice and Peace, Caritas Internationalis, the World Movement of Christian Workers (WMCW), the International Coordination of Young Christians Workers, also in collaboration with Women in Informal Economy: Globalizing and Organizing (WIEGO).

From Informal to Formal Economy: Ensuring More Just and Decent **Conditions of Work** - the title chosen for the event - refers to the proposed ILO Recommendation on the transition from informal to formal economy and links it to those groups who are more often exposed to abuses within the labor sector. Youth, women, and migrants are those who are frequently excluded from the formal labor market and are hence not granted fundamental labor rights.

The Consultation constituted a precious opportunity for civil society actors to foster dialogue, share best practices, and also to shed a light on today's economic challenges and their impacts on these vulnerable groups.

Participants had also the opportunity to work more in depth on some of the most pressing aspects of the transition from informal to formal economy: migrants and labor rights, youth and education, and social security and women.

Panelists Gloria Moreno Fontes, ILO Senior Specialist on Migration Policy, Marilea Damasio, WMCW Secretary General, Rodrigo Whitelaw, UNIAPAC Representative, and Prossy Nambatya, Joint Action Committee on Decent Work in Uganda, delivered presentations that offered snapshots of the complex reality of the informal economy and brought different and valuable perspectives to the event.

Gianluca Castaldi, Caritas Network, Fabienne Ferrerons, YCW France, and Suman More, KKPKP shared their vast experiences as resource persons in the afternoon workshops on Migrant Rights, Youth and education and Women and Social Security.

The purpose of this Outcome Report is to offer a summary of the discussions place during the consultation and to compile recommendations on how build up common strategies to effectively implement and further support the ILO Recommendation.

PROGRAM

Chair -Ms. Hildegard Hagemann

Kolping international/German Commission for Justice and Peace

10h30 - Registration and Light Breakfast

11h00 - Opening remarks Ms. Maria D'Onofrio CCIG Secretary General

11h10 – **Panel Discussion**:

Keynote speaker

Ms. Gloria Moreno Fontes, Senior Specialist on Migration Policy – ILO

Formalization: A Global Challenge

Ms. Marilea Damasio, General Secretary, WMCW

The Perspective of Employers

Mr. Rodrigo Whitelaw, Representative from UNIAPAC

Advocating at National Level: Best Practices

Ms. Prossy Nambatya, Joint Action Committee on Decent Work in Uganda

13h00 - Lunch Break

13h45 - Challenges for vulnerable groups

Parallel Workshops and Plenary Discussion with:

Mr. Gianluca Castaldi, Witness from Caritas Network

Ms. Fabienne Ferrerons, YCW France

Ms. Suman More, KKPKP waste-pickers, India

15h45 - **Concluding Remarks**

Ms. Betina Beate, General Secretary, WMCW



Executive Summary



After having welcomed participants and panelists, Ms. Maria D'Onofrio (CCIG Secretary General) thanked partners for their support to the event and highlighted the continuous efforts undertaken by the CCIG in order to promote Decent Work for different vulnerable The important groups. achievements the CCIG and its partners reached. said Ms. D'Onofrio. reinforce our belief that working together

is the only possible way to face global challenges and find effective solutions. Building up on this, she also stressed the fact that the proposed ILO Recommendation on the transition from informal to formal economy represents a common ground to create new synergies and find more effective solutions at the national level and among Civil Society (CSO) actors. Ms. D' Onofrio called the participants to actively participate to the plenary discussions as well as to the working groups exchanges so as to think together about what comes next, what CSO recognize as common challenges and positive achievements and finally what will be CSO's commitment to move forward, together.



The first panelist, Ms. Gloria Moreno-Fontes (ILO Senior Specialist on Migration Policy) started her presentation with introducing the concept of "informal employment" which, according to the 2003 17th International Conference of Labor Statisticians, encompasses all employment arrangements

that do not provide individuals

with legal or social protection through their work, whether in informal enterprises, formal enterprises or households. After having highlighted that the ILO worked closely with WIEGO, as civil society representative organization to study the statistic relating to the informal sector and the

In general, for women, there is a large portion of informal employment outside the informal sector

reality of the people who live in that segment of the economy, she passed on to the definition of persons working within the informal sector and to the measurement of the contribution of informal workers to the Gross Domestic Product (GDP).

She gave disaggregated data on informal employment in agricultural and non-agricultural sectors, on women, and on domestic workers. In particular, about the latter, Ms. Fontes said that, in 2010, almost 30% of domestic workers were excluded from the scope of national labor legislation and approximately 45% had no entitlement to weekly rest and/or paid annual leave. To conclude, Ms. Fontes proposed guiding principles and recommendations to help states with the implementation of the ILO recommendation. She overall suggested to consider migrants especially vulnerable to the most serious decent work deficits in the informal economy and, among others, she suggested to integrate a policy framework to facilitate the transition to the formal economy within the national development strategies or plans or poverty reduction strategies.

In the following presentation, Ms. Marilea Damasio (WMCW General Secretary) stressed the fact that informal work can touch upon all job sectors and all



countries where unemployment and precarious jobs are widespread and poverty and sex-related work discrimination afflict the economic system. Informal work plays a key role within these because it produces situations however while it might help the daily surviving it does not reduce poverty but it fuels is. Ms. Damasio highlighted that informal economies characterized bv non-decent work are conditions and an extremely high number of poor and vulnerable workers. If some activities provide livelihood and a decent income, most informal economy workers are still exposed to inadequate and unsafe working conditions. They

have high levels of illiteracy, a low level of skills and inadequate training opportunities. They have lower incomes and greater uncertainty than those working in the formal economy; they work longer hours, are not covered by the collective agreements and do not have the right to be represented. They often have an ambiguous employment status and are physically and financially vulnerable since working in the informal economy is out of the limits of social or labor protection systems.

The persistence of a large informal economy affects the ability of companies to become more productive

Ms. Damasio further recalled that, given the heterogeneity of the informal economy and the difficulty to define it, to plan effective interventions that facilitate the transition to formality, States have to carefully study the phenomenon. The different categories of work involved and the many causes that lead to both the growth of the informal economy and the "informalisation" of the formal economy cannot be left behind.

Decent Work is based on the understanding that work is a source of personal dignity, peace in the community, and economic growth that expands opportunities for productive jobs and enterprise development. To achieve their goals, people need inclusion, respect for themselves, and for their rights at work.

Mr. Rodrigo Whitelaw (Representative from UNIAPC) shared the knowledge on

the vulnerability of informal economy workers, their dignity at work and therefore also their contribution to the society. The heterogeneity of the informal economy and also the heterogeneity of the context in which the informal economy operates call for great flexibility also for the transition from informal to formal working conditions. Therefore in each national context all actors involved (public, private, national, international, formal as



well as informal), have to figure out their way to efficiently cooperate. For the Christian entrepreneurs in particular, social dialogue is a value which has to be maintained to increase entrepreneurship, to tackle social security issues and to increase the level of education and training. The protection of workers and labor standards and the promotion of the employment are preconditions for decent work. The evolution of the global economy has led to rapid changes in societies

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that affect, among others, companies' and business' leaders; they have to adjust to the rapid evolution of information technologies, the financialization of the economy; the increase of international competition; the development of Global Value Chains the emergence of new producing countries; the relocation processes resulting in losses: the deterioration of working iob conditions, and the process of formalization of the informal economy. Mr. Withelaw therefore

stressed the importance of small and medium enterprises in the creation of employment; the continuing access to education and training for workers, and

the need to have trade, industrial and fiscal policies that support productive investment and sustainable enterprises. As Christian business leaders, Mr. Whitelaw said, we must continue to ensure that justice, solidarity, respect for human dignity and the common good are reaffirmed and integrated into daily business practices and to ensure decent working conditions and legal and social protection to the greatest number of workers in the world.



The last speaker, Ms. Prossy Nambatya (Joint Action Committee on Decent Work in Uganda- JACODeWU) so defined the concept of "decent work" and therefore the overall goal of the multi-stakeholder initiative created in Uganda by Justice and Peace, Ugandan unions, Kolping Society, Catholic Workers, government, women youth and informal and economy organisations net. The initiative, whose outcomes may be very well resumed in empowering informal workers to make

their own way to formal economy and demand better services for decision makers, departs from the striking Ugandan reality. In Uganda, more than 90% of the businesses are informal ones and about 92% of the informal workforce is made by women. The agricultural sector occupies the 27% of the (informal) workers, followed by trade and services (24%) and manufacturing (14%). The reasons why the informal sector, in Uganda, expanded during these recent years, said Ms. Nambatya, are many; among them we find the augmented internal migration of Ugandans from rural to urban areas, a constantly increasing

population, and HIV/AIDS epidemic which has left many orphans who entered who became informal workers to make a living. Ms. Nambatya recalled that, in her country, there are a number of obstacles that challenge the transition from informal to formal economy. One of this, i.e., the lack of absence of organized and recognized interest groups for informal workers that can deal with government representatives, has been tackled by the JACODeWU initiative. Through the creation of a better structured work force they aim at reducing vulnerability and increasing dialogue with the political actors.

We look forward to a society in which disadvantaged groups in the informal economy fulfill their dreams free from the constraints of poverty

WORK SHOULD BE THE SETTING FOR THIS RICH PERSONAL GROWTH, WHERE MANY ASPECTS OF LIFE ENTER INTO PLAY: CREATIVITY, PLANNING FOR THE FUTURE, DEVELOPING OUR TALENTS, LIVING OUT OUR VALUES, RELATING TO OTHERS, GIVING GLORY TO GOD. IT FOLLOWS THAT, IN THE REALITY OF TODAY'S GLOBAL SOCIETY, IT IS ESSENTIAL THAT "WE CONTINUE TO PRIORITIZE THE GOAL OF ACCESS TO STEADY EMPLOYMENT FOR EVERYONE",[103] NO MATTER THE LIMITED INTERESTS OF BUSINESS AND DUBIOUS ECONOMIC REASONING.."

(Pope Francis, Laudato si, 127)

Afternoon Workshops and Plenary Discussion





The afternoon discussions were preceded by the experiences of the resource persons Mr. Gianluca Castaldi, witness from Caritas Network, Ms. Fabienne Ferrerons, YCW France, Ms. Suman More, KKPKP waste-pickers, India in regard to perils and challenges of migrants, perspectives in youth employment policies and the power of organization of women workers in informal economy.

Working Group N. 1 - Inclusion and Migrants



In Italy, only very few migrants are willing to rely on the instruments provided by the law to escape from their situation of exploitation, said Mr. Castaldi. This happens because of different reasons: migrants are often unaware that they are victims of labor exploitation because they do not know anything different and ignore they are afforded specific rights and protection by the Italian system. In addition, even if

migrants are aware of that, they are frequently reluctant to denounce their exploiters. The fact that they think that "at least they have a job" allowing them a minimum for survive, the bad relations they often have with law enforcement authorities, and the recognition they have toward their employers and friends who helped them to make a living make impossible for them to report their situation to the authorities.

Once they do it, however, if they are not well supported by specialized organizations and people they easily fall again in the net of the informal economy. Mr. Castaldi concluded saying that denunciation to the authority and integration within the society must go hand in hand if Italy wants to tackle the transition from the informal to the formal economy in a meaningful way.



Working Group N. 2 -**Education and Youth**

Ms. Fabienne Ferrerons, responsible for the external relations of the Young (YCW) Christian Workers explained that since 2014 the YCW has developed an action campaign in France which focuses on young people and their entitlements. The goal of this action campaign, she highlighted, is to give

youth the means to fight for the recognition and defense of their labor rights. After a national youth consultation, YCW France strongly realized that the majority of young people ignores to which rights they are entitled and that 69% of them think that schools are the places where they should learn about their rights. The transition from school to work is becoming more and more complex and it becoming even more complicated for young people to leave decently after they exit the education circuit. Therefore young people need to benefit from indepth trainings to understand and value their rights, pointed out Ms. Ferrerons.

The YCW France also noticed that in the actual French education system, civic education is not enough valued. Thanks to its engagement and the dialogue with trade unions and the government, the YCW managed to convince the competent French institutions to include training sessions on labor rights within the formal education system. This kind of training will take place starting from secondary schools and will be given by professionals and trade-unions representatives.

Finally, Ms. Ferrerons underlined the general importance of ongoing trainings which enable people to strengthen their human rights and dignity in all places and contexts.

Working Group N. 3 - Women and Social Security

Ms. Suman More, a member of the Pune-based waste-pickers Union (KKPKP) introduced the Union's struggle to be recognized by the municipality of Pune (India) so as to get access to the waste disposal areas and furthermore to build

up social security services for its members. Social security is a pressing issue especially for women; however they struggle to develop a clear position and voice out their needs. Ms. More recommended that local authorities, supported by the central government and international organizations, such the ILO, provide space for dialogue to discuss about the needs of these workers. Certainly, she said, it is



advisable to promote greater understanding of the ILO recommendation among governments and administrations, including its reasons and objectives.

Concluding Remarks

Ms. Betina Beate, the outgoing general secretary of the World Movement of Christian Workers (WMCW) stressed the necessity to organize support for the precarious and vulnerable groups of workers. Workers' rights are a human rights' issue which have to be advocated for, she said. Alliances for this are essentials and widened social dialogue is what CSO has to aim to. In her farewell message, she encouraged the organizers of the event and their supporters to continue this kind of activities alongside the International Labor Conference and thanked the speakers and the resource persons for their readiness to enrich those activities. Special thanks to the CCIG for looking into the logistics and the interpreters for facilitating the multilingual event.

by Betina BEATE, Former General Secretary, WMCW

Outcome of the Consultation

In order to bring life to the new ILO Recommendation on the transition from informal to formal economy, the workshops and especially the group discussion were designed and moderated so as to achieve tangible conclusions. At the end of the day, the NGO Consultation reached its objective; key messages, suggestions for concrete measures to be taken by concerned actors and urgent strategic advocacy points designed for civil society organizations were compiled.

A. Key Messages

- 1. Put the person, especially the informal workers and their families, at the centre of all actions stemming from the ILO Recommendation on the transition from the informal to the formal economy
- 2. Give visibility to informal workers through providing them with spaces to share their experiences and express their views.
- 3. Encourage intergenerational exchange to reflect on the problem of informal economy as a holistic and integrated approach which could allow for the transition not in categories for young and old, migrants and residents.
- 4. Encourage and empower the Civil Society to better understand the issue of informal economy, so to enhance a participatory approach directed at finding effective solutions for a human rights based transition from informal to formal economy.

B. Concrete Measures

- 1. Enable informal workers to identify the decent work deficits they perceive as main obstacles that prevent them from enjoying decent work and living conditions.
- 2. Ensure that informal workers are provided with safe places to share their experiences.
- 3. Provide moral, financial and technical support for workers to be organized.
- 4. Reach out to existing workers' organizations in order to envisage new forms of collaborations to build a more inclusive process.
- 5. Adapt the formal education system to the current labor market, not only in purely economic aspects but in line with decent work principles that take into account the fact that the right to education aims towards the full development of the person in all aspects of her life, including her work environment.

C. Strategic Advocacy Points

- 1. Raise awareness on labor rights and new labor policies focusing on informal economy.
- 2. Promote capacity building activities to enable actors concerned and involved (workers organizations, employees, government, civil society actors) to advocate for their own rights.
- 3. Advocate on up- scaling the social protection schemes for informal workers.
- 4. Promote the sharing of best practices, including local testimonies through the organization of media campaigns.

ANNEXES

1. List of Participants and Contacts*

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^{*} Shared on the occasion of the event.

2. Links to Presentations by the panelists

For the full presentations of the panelists, please consult the following links:

- Opening Remarks by Maria D'Onofrio, CCIG Secretary General:
 Link
 - Keynote speaker Ms. Gloria Moreno Fontes, Senior Specialist on Migration Policy ILO: <u>Link</u>
- Formalization: A Global Challenge, Ms. Marilea Damasio, General Secretary, WMCW: <u>Link</u>
- The Perspective of Employers, Mr. Rodrigo Whitelaw, Representative from UNIAPAC: Link
- Advocating at National Level: Best Practices, Ms. Prossy Nambatya, Joint Action Committee on Decent Work in Uganda: Link





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