



Women in Informal Employment
Globalizing and Organizing

Implementing the New Urban Agenda

How Local and National Governments
Can Support the Urban Informal Economy



About this Booklet:

This document was developed by WIEGO through participatory consultative processes (including focus groups, surveys, and interviews) with membership-based organizations (MBOs) of urban informal workers from Asia, Africa, and Latin America from May to July 2016. These expressed needs of informal workers can provide helpful guidance for local and national authorities as they seek to implement the New Urban Agenda in a participatory and inclusive way.

About WIEGO:

Women in Informal Employment: Globalizing and Organizing is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. We believe all workers should have equal economic opportunities and rights. WIEGO creates change by building capacity among informal worker organizations, expanding the knowledge base about the informal economy and influencing local, national and international policies. Visit www.wiego.org.

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Context

More than 50 per cent of the urban work force in most developing countries is informal – ranging from over 80 per cent in South Asia to over 51 per cent in Latin America.¹ With their work, urban informal workers make important economic, social, and environmental contributions to their cities and countries.

By providing goods and services at affordable prices and at convenient locations, street vendors allow the poorest segments of the population to have access to things that otherwise they would not be able to afford. To work in public spaces, street vendors pay local authorities taxes, levies, and other fees, making fiscal contributions to municipal revenues.

Home-based workers produce inputs and goods that form part of larger supply chains, serving both domestic and international markets, with links to formal businesses. These workers produce more affordable goods and services for those in greater need, and because they work from home, they reduce the pressures on transportation systems, hereby reducing their imprint in polluting emissions. Home-based workers pay value-added taxes on the raw materials and inputs they use, contributing to national and municipal coffers.

Informal waste pickers provide important environmental services that contribute to mitigating climate change and reducing pollution by collecting and diverting recyclable materials from landfills and reinserting them into industrial production cycles. They help mitigate the emissions of greenhouse gases and reduce pressures for the extraction and exploitation of virgin materials. In most of the developing world, informal waste pickers are largely responsible for the recuperation rates of recyclable materials, contributing to reduced costs for municipalities in terms of waste management.

Despite all these contributions, informal workers' lives and livelihoods continue to be vulnerable for many reasons. Many myths about the informal economy prevail in the minds of city policy makers and the general public – among them the notion that equates the informal economy with illegal activities. These misconceptions have influenced existing local legal frameworks and policies to the detriment of the livelihoods of informal workers. They have also permeated the visions of urban designers and policy makers as they define the future of cities.

Visions of urban development need to be revisited to address inequalities. According to the United Nations, half of the world's population live in cities and it is expected that the trend will continue, especially in developing countries.² Cities have become important economic hubs in the world, gathering economic production, and, increasingly, political power. This trend, combined with the transfer of responsibilities from national to local governments of the last decades, has created increasing global competition among cities for investment and resources. This competition has led to urban visions of “World Class Cities” and/or the creation of Special Economic Zones (SEZ), which are grounded on the creation of economic and fiscal incentives for foreign direct investment and/or other economic elites that imply the informalization of jobs and the precarization of working conditions of informal workers. Moreover, many cities have engaged in policies of evictions, relocations of informal workers to the outskirts of the city, and have imposed barriers to these workers' livelihoods.

So just as the cities rise economically, the levels of inequality within cities are increasing, creating important social, economic, and governance challenges for local authorities. The agreement and implementation of the New Urban Agenda provides an opportunity to address these challenges, and to create a new and inclusive vision of city development – one where formal and informal livelihoods are promoted, social and economic gaps can be reduced, and political rights can be exercised.

The points outlined below have been gathered by WIEGO in participatory consultative processes (including focus groups, surveys, and interviews) with membership-based organizations (MBOs) of urban informal workers from Asia, Africa, and Latin America during May to July 2016. These expressed needs of informal workers can provide helpful guidance for local and national authorities as they seek to implement the New Urban Agenda in a participatory and inclusive way.

¹ Vanek, Joann, Martha Alter Chen, Françoise Carré, James Heintz and Ralf Hussmanns. 2014. *Statistics on the Informal Economy: Definitions, Regional Estimates & Challenges*. Working Paper 2. Manchester: WIEGO. P. 1

² U.N. 2016. Sustainable Development Goals. Goal 11: Make cities inclusive, safe, resilient and sustainable. <http://www.un.org/sustainabledevelopment/cities/>



Home-based workers produce inputs and goods that form part of larger supply chains, serving both domestic and international markets. Photo: Paula Bronstein/Getty Images Reportage

What Do Informal Workers Need from Local Governments?

Common Needs of Urban Informal Workers

Policy Environment:

- New or expanded legal frameworks to protect their rights and entitlements as workers, including the right to work (e.g. to vend in public spaces), commercial rights, and land-use/tenure rights.
- Supportive economic policy environment for informal operators, especially the working poor, rather than one that is blind to them or biased against them. This requires addressing biases in existing economic and sector policies, as well as designing and implementing targeted policies.
- Demand for the goods and services produced by informal enterprises and workers, which can be achieved through local government procurement.
- Fair allocation of urban space and other resources to support the livelihoods of the poor.
- Increased economic opportunities -- to reduce crime and violence.
- Increased access to basic urban services: housing, water, sanitation, and electricity, as well as improved, adequate, affordable and more accessible transport services that allow them to transport their goods to relevant markets.
- Skills development plans and other business and financial supports for informal workers so that they can increase their income potential
- Urban housing projects should be designed bearing in mind that these spaces are used both to live and to work. They should also be developed to offer access to economic opportunities to informal workers without the need to travel long distances.

Social Protection and Safety at Work:

- Adequate, accessible, and affordable health care services/centres.
- Provision of child care centres to keep children out of child labour. The issue of child care must be a priority, given the overrepresentation of women in the informal economy.
- Adequate regulations and access to appropriate infrastructure to ensure informal workers' occupational health and safety.

Collective Bargaining and Representation:

- Spaces for dialogue and tripartite forums at city level where informal workers can participate directly is paramount. Informal workers must be able to directly regulate their working conditions through collective bargaining processes that involve democratically elected representatives of these worker organizations (rather than representatives of other trade unions speaking on their behalf).
- Appropriate bargaining forums at the city level must be created, they must be enshrined in law, and there must be sufficient budgetary provision for them to function effectively. This requires designing the rules of participation, establishing criteria for determining the issues for negotiation, and envisaging how such new forums will engage with the wider policymaking and regulatory frameworks so that these become a meaningful part of participatory decision-making.

Labour Rights:

- To avoid counterproductive effects, both national and local governments should do away with Special Economic Zones (SEZ) or other measures that create further informalization.
- City policies are needed to ensure youth can become fully integrated in labour markets with protection against becoming another vulnerable sector of the labour force.
- Support and funding for the creation and strengthening of informal workers organizations.

Sector-Specific Needs of Urban Informal Workers

Home-Based Workers (HBWs) Need:

- To be prioritized within poverty reduction and women's empowerment programmes of city governments, particularly because HBWs are mostly female heads of household who contribute to their family's income and the economy.
- The formulation of effective local policies on HBWs developed with their participation and oriented to ensure that adequate budget allocations are in place, including: upgrading of homes of HBWs which are also their work places; skills development (including re-skilling for alternative employment) and appropriate literacy programmes, including financial literacy; social protection, including occupational health and safety; access to credit and economic resources; and access to markets.
- Support for children's education, especially girls' education to ensure they go to school and are not exploited as child labourers, and combating all forms of forced labour, child labour, discrimination, and violence based on gender, race, ethnicity or caste groups.
- Establishment of appropriate zoning regulations, allowing for selected commercial activities in residential areas, by residents.
- Development of supportive policies for the social solidarity economy and promotion of partnerships with the public and private sectors to create decent jobs for HBWs.

Street Vendors Need:

- A legal/regulatory framework which includes recognition of the right to vend in public spaces under fair and reasonable conditions (which balance the competing rights of different users of public spaces) and to maintain natural markets. Street vendors also demand the right to have street vendors' natural markets recognized and built into urban zoning and land allocation plans.
- The right to fair and transparent allocation of permits and licenses; and freedom from harassment, confiscation of goods, evictions, arbitrary warrants and convictions, arbitrary relocations, unofficial payments and/or bribes.
- Local governments to stop unnecessary forced evictions in the interests of urban development and "beautification".
- If evictions are necessary, local governments must provide an alternative and mutually agreed upon space in a good location before the eviction takes place.
- Freedom from mafia elements.
- Education regarding trading bylaws and local government systems.
- To develop business skills and access affordable credit.



Waste pickers contribute to mitigating climate change and reducing pollution by collecting and diverting recyclable materials from landfills and reinserting them into industrial production cycles. Photo: Paula Bronstein/Getty Images Reportage

Waste Pickers Need:

- Recognition of their economic contributions and environmental service to the community, including in concrete ways such as the issuing of occupational ID cards.
- Recognition of their work as service providers and their right to be paid for their service and be included in local solid waste management plans.
- Access to adequate equipment and working infrastructure for collecting, sorting and storing materials, and the provision of safety equipment and clothing.
- The right of their organizations to bid for solid waste management contracts.
- Fewer restrictions on access to waste and less harassment and confiscation of collected materials by city officials.
- An end to the use of incineration and harmful landfill disposal technologies.
- The promotion of segregation, recycling and composting as ways to secure workers' income; and increased access to recyclable and compostable waste by waste pickers – who can then sort, recycle, and compost waste.
- The right to access recreational community facilities and support to end the stigma that waste pickers face so they can be full citizens in their cities.
- Increased support for cooperatives and building the social solidarity economy.
- Provision of skills training workshops for elderly people and people with disabilities to ensure they can remain in the formal and informal labour market.
- Support to secure and improve livelihoods via infrastructure and equipment investment (e.g. balers, compactors, grinding and pellet machines) to assist waste pickers in adding value in the waste chain.
- Support to ensure informal recyclers' access to waste, including incentives and/or regulations (depending on local context), and for industry to source recyclable materials from waste pickers.
- Access to affordable credit.

What Do Urban Informal Workers Need from National Governments?

National governments also play an important role in creating an enabling environment for the livelihoods of urban informal workers through the legal and policies frameworks, and by correcting existing biases against their livelihood activities. National legal frameworks, in tandem with international instruments and standards, can define and protect the social, political, labour and economic rights of workers. The development of favourable laws and policies for informal workers at the national level – complementary to what is done at the local level – could help to reduce social and economic inequalities, and ensure decent work for informal workers.

Common Needs of Urban Informal Workers

Social Protection and Safety at Work:

- The working poor need affordable and accessible protection against the risks and uncertainties associated with their work, as well as against the common core contingencies of illness, disability, property loss, and death.
- Women working in the informal economy need paid maternity leave so that they do not have to work immediately following delivery.
- The issue of child care is also a priority, given the overrepresentation of women in the informal economy.
- Measures are needed for the prevention of abuse of women, who form the majority of workers in many sectors of the informal economy.
- In the process of formalization, the obligation to provide healthy and safe workplaces needs to extend to all workplaces, including the public space where many workers in the informal economy conduct their economic activities.

Labour Rights:

- Governments need to start giving effect to formalization processes by de-criminalizing all subsistence economic activities that are not inherently criminal in nature.
- Policies are needed to ensure youth can become fully integrated in labour markets with protection against becoming another vulnerable sector of the labour force.
- To avoid counterproductive effects, governments should do away with Special Economic Zones (SEZ) exemptions or other measures that create further informalization.
- Protection of workers' rights through legislation.

Sector-Specific Needs of Urban Informal Workers

Home-Based Workers Need:

- The ratification of ILO Convention C177.
- National governments to ensure that the national labour force surveys include a question on “place of work”.
- To be prioritized within national government programmes for poverty reduction and women's empowerment; particularly because home-based workers are mostly female heads of household who contribute to their family's income and the economy.
- Recognition and support for the home as a productive place of work, including support for home-based workers to access slum upgrading schemes.
- Promotion of social dialogues at the national level between employers and homeworkers.
- Development of an employment policy that supports occupational development, including skills development, market access, product design and development, improvement of technology, and credit policy.
- The creation of trade platforms where HBWs can access local and export markets.



To work in public spaces, street vendors pay local authorities taxes, levies, and other fees, making fiscal contributions to municipal revenues. Photo: Juan Arredondo/ Getty Images Reportage

Street Vendors Need:

- Simplified regulations for informal cross-border traders.
- Simplified taxation systems.
- Budget allocations to support the development of informal trading hubs and markets in recognition of the role they play in job creation and economic growth.
- Development of a national urban plan and economic zones that include provision of street vending hubs.

Waste Pickers Need:

- Recognition for their economic contributions and environmental service to the community.
- Retirement packages that take into consideration their difficult work conditions.
- Reduction of waste pickers' vulnerability in the value chain.
- Facilitation of easier processes and fairer taxation policies so that waste pickers can register as cooperatives.