

Global Position Paper from Workers' Organizations in the Informal Economy ILC 111th Session – General Discussion on: Achieving a just transition towards environmentally sustainable economies and societies for all

International networks of workers in the informal economy and WIEGO welcome the ILO report on *Achieving a just transition towards environmentally sustainable economies and societies for all*, prepared for the International Labour Conference's 111th Session.

For the ILO, and for us, a just transition means greening the economy in a way that is fair and inclusive, creating decent work opportunities, and leaving no one behind. To fulfil this commitment, workers in informal employment – more than two billion workers who make up 61% of the global labour force – must be included.

Severe impacts of climate change and other economic trends disruptive to workers in informal employment need an inclusive “just transition” approach

Rising incidents of pollution, heat-related stress, declining biodiversity and floods due to climate change, coupled with a lack of basic services, such as energy and water, are harming workers' well being and income security, particularly in settlements where the working poor live. Workers in informal employment who have their homes and public spaces as workplaces face not only low and unstable incomes but are disproportionately impacted by extreme weather conditions and are already facing the effects of higher energy and commodity prices, which not only reduce their households' incomes but can also limit their access to paid work. Women face the worst of all of these impacts.

Under these challenging circumstances, workers in the informal economy help reduce pollution and the emissions that cause climate change by recycling, reusing and repairing materials; producing goods from natural and degradable materials; supporting localized economies through street and market vending; and by generally carrying a light carbon footprint. Domestic workers directly shoulder care work brought on by more frequent and severe climate disasters, including managing heat stress on homes and people.

Informal work itself is increasingly an adaptation measure for those who have been displaced from other work or geographies due to climate change and other forms of environmental destruction. Without a just transition, the policies crafted to mitigate environmental problems like climate change, as well as growing automation in the economy (which is often propelled by environmental policies), can further undermine and displace workers in informal employment¹ as well as increase the number of people working informally.

“Nothing for us without us”²

Knowing that climate change worsens inequalities and that this is not a problem that will soon go away,³ just transition should help reduce economic inequality through the distribution or redistribution of economic opportunity, planned through effective social dialogue and co-production of solutions. An effective just transition framework would support the legal recognition of workers in informal employment – including waste pickers, street vendors and market traders, home-based workers, and domestic workers – and their membership-based representative organizations in labour and social protection regulations. Organizations of workers in informal employment must be included in social dialogue, and able to negotiate collectively and have a seat at the table in planning and decision-making processes on the issues that impact them.

Environmentally just transition and the transition from the informal to the formal economy must go hand in hand

In the move towards a more environmentally sustainable economy that serves all workers, it is necessary to link the just transition with the transition from the informal to the formal economy by implementing the ILO Recommendation No. 204. A just transition must generate pathways to decent, inclusive jobs and protections so that all workers impacted by economic disruption can be effectively integrated into new systems or retrained into other occupations.

¹ Cass Talbott, Taylor, Pinky Chandran, Cecilia Allen, Lakshmi Narayan and Owusu Boampong. 2022. Extended Producer Responsibility (EPR) and Waste Pickers. WIEGO Technical Brief No. 15. Manchester, UK: WIEGO.

² A slogan used by social movements in South Africa, including by StreetNet International.

³ IPCC, Summary for Policymakers, in *Climate Change 2022: Impacts, Adaptation and Vulnerability*, Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, 2022.

Organizations of workers in informal employment are already engaging with national governments to seek meaningful inclusion. And, despite the dearth of just transition policies around the world, workers' organizations in the informal economy (membership-based organizations), and Social and Solidarity Economy (SSE) organizations and units are already supporting a just transition for their members and, through their collective nature, are better positioned than many other entities to strengthen workers' cooperation, collaboration, systems thinking, skill-building and problem solving, which the ILO states are important for just transition.⁴ Workers' organizations are well placed to work on the front lines to help transition workers during times of economic disruption, as we witnessed during the COVID-19 pandemic.⁵

The SSE, when following principles of democracy, worker control and redistribution, contributes to more inclusive societies and the transition from the informal to the formal economy, poverty reduction and building resilience as highlighted in the Promotion of Cooperatives Recommendation, 2002 (No. 193), the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) and the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205). SSE units need recognition and support to improve and expand their work on just transition.

Financing just transition: Strong shoulders need to carry more burden

The costs to low- and middle-income member states of climate disasters and structural transformation as part of a just transition are impossible to bear alone. The ILO should play a role in the global fund for "loss and damage" (providing financial assistance to poor nations stricken by climate disaster) that was agreed on at the 2022 COP27 UN climate summit. Workers, especially those in the informal economy, should also not be burdened with forging their own economic transition without adequate support.

The ILO is best placed within the UN system to highlight the prevalence of informal employment in these countries' labour markets and understand the implications this has on financing an inclusive just transition. For example, in its potential options towards an international legally binding instrument on plastic pollution (as called for by United Nations Environment Assembly resolution 5/14), the United Nations Environment Program proposes as a "possible core obligation: facilitating a just transition, including an inclusive transition of the informal waste sector," including to "integrate the informal waste sector into the plastics value chain and promote a circular economy through a 'just transition programme'".⁶ Furthermore, South Africa and Kenya have launched the Just Transition Initiative, to explore just transition as a core obligation of the treaty, in response to requests made by waste pickers participating in the process.

The way forward:

- Recognition of the work of workers in informal employment and their tremendous current and potential contributions to reducing carbon emissions and mitigating environmental damage.
- Inclusion of organizations of workers in informal employment, through implementation of Recommendation 204, in social dialogue, collective negotiations and having a seat at the table in planning and decision-making processes on the issues that impact them.
- Introduction of a mix of social protection measures, including social assistance and social insurance. These would function as adaptation mechanisms, enabling workers in informal employment to face disruption and transitions in the labour market.
- The ILO supports member states to extend safe and healthy working conditions, which are now part of the "Declaration of Fundamental Principles of Rights at Work" adopted in 1998 (and amended in 2022), so that they consider the impact of the climate crisis on the wellbeing of workers in informal employment.
- Implementation of the 2022 ILC conclusions on the SSE.⁷
- ILO support on conducting and disseminating research, and undertaking awareness-raising activities for constituents, academic institutions, the general public and other relevant stakeholders on the just transition processes.
- Further integration of just transition into ILO activities at regional and national levels, including through Decent Work Country Programmes, development of cooperation projects, including South-South and triangular cooperation, and other relevant ILO activities, focusing on capacity building of the social partners.

Just transition processes should include the use of public finance for investment in green infrastructure that is sensitive to gender equality and the realities of workers in the informal economy.

⁴ ILC.111/Report VI. Achieving a just transition towards environmentally sustainable economies and societies for all. International Labour Conference 111th Session, 2023. para.103. In: Achieving a just transition towards environmentally sustainable economies and societies for all (ilo.org).

⁵ WIEGO. 2020. "COVID-19 Crisis and the Informal Economy Study."

⁶ UNEP/PP/INC.2/4. In: https://wedocs.unep.org/bitstream/handle/20.500.11822/42190/options_INC.pdf?sequence=1&isAllowed=y

⁷ Resolution (ilo.org)