

## Decent Work for all: Including the Informal Sector

## **ACTION ON POVERTY**

*Building livelihoods, transforming lives*

*If we are to meet SDG 8, achieving decent work in the informal sector is an essential but ambitious goal. Programmes in enterprise promotion which go beyond productivity and incomes to address other aspects of decent work can contribute learning. Lessons can be drawn from programmes in informal employment; sector based work and strengthening value chains which have key objectives in several aspects of decent work; and enterprise programmes with groups marginalised by stigma and discrimination.*

The Sustainable Development Goal No 8 aims to promote inclusive and sustainable economic growth, employment and decent work for all.

Amongst others, the targets for this goal (reference UNDP) include:

- Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to finance.
- By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

The informal economy comprises half to three-quarters of all non-agricultural employment in developing countries (ILO 2016). It contributes about 55 per cent of Sub-Saharan Africa's GDP and employs 80 % of the labour force; nine in 10 rural and urban workers have informal jobs in Africa (ADB 2013).

**Clearly, SDG 8 cannot exclude the informal sector, yet decent work is often considered in relation to workers in the formal sector – commonly global supply chains and factories.**

### **Ethical and Social Audits and Assessments of Commercial Suppliers**

**commonly include:** charitable contributions, volunteer events, energy use, transparency, work environment, and employees' wages.

Participatory techniques in the workplace can be used to go beyond conventional audits, facilitate the safe contribution of all, ensure fair access by small holders to markets, help management surpass international market requirements and contribute to decent work for all.

### **The ILO Framework on the Measurement of Decent Work: Four strategic pillars:**

**- Full & productive employment**  
**- Rights at work,**  
**- Social protection and the**  
**- Promotion of social dialogue.** Ten substantive elements:

- (i) Employment opportunities;
- (ii) Adequate earnings and productive work;
- (iii) Decent working time;
- (iv) Combining work, family and personal life;
- (v) Work that should be abolished;
- (vi) Stability and security of work;
- (vii) Equal opportunity and treatment in employment;
- (viii) Safe work environment;
- (ix) Social security; and
- (x) Social dialogue, employers'

Yet assessment of impact in the informal sector is often limited to indicators concerned with income and number of jobs secured.

The very nature of the informal sector makes decent work for all within it seem ambitious, since it is associated with poor employment conditions and poverty. Characteristic features for workers include lack of protection in the event of non-payment of wages, compulsory overtime or extra shifts, lay-offs without notice or compensation, unsafe working conditions and the absence of social benefits such as pensions, sick pay and health insurance. Owners of micro and small enterprises in the informal sector also often face a similar lack of social benefits and health insurance, long hours, unsafe working conditions and a lack of protection from exploitation from other stakeholders in the value chain. Indeed the dividing line between employers and employed in terms of many of these conditions is often very grey in informal sector businesses.

Women, migrants and other vulnerable groups who are excluded from other opportunities have little choice but to take informal low-quality jobs, whether in the informal sector or in informal employment. Lack of awareness of their rights and lack of social protection measures combine with low levels of literacy. Low self-esteem, confidence and exclusion hinder social dialogue at all levels.

Despite the ambitious nature of securing decent work in the informal sector – going beyond income poverty to issues around full and productive employment, rights at work, social protection and social dialogue; there are examples of improvements in the informal sector – such as in safety, social dialogue, flexibility with family life and more equal opportunities.

There are also programme examples we can learn from, such as:

➤ **Programmes improving conditions in informal employment**

**Rights and Livelihoods of Domestic Workers in Uganda**

Domestic work in Uganda is highly feminised, not recognised as ‘work’ and involves vast numbers of marginalised women who are vulnerable to a wide range of exploitation and abuse. There is a need to catalyse widespread attitude change. This project reached over 7000 female domestic workers. Improvements included accessing legal services, freedom to associate, improved terms and conditions; and involved:

- Clear understanding of rights and obligations as workers by both employees and employers is necessary – awareness was raised in different media – e.g. radio, TV, print, SMS.
- Knowledge and understanding of other stakeholders – police, local government officials and community leadership also play a key role in influencing domestic workers’ access to basic rights and supporting attitude and behavioural change.
- Having small scale livelihoods alongside domestic work helped to reduce their vulnerability.
- Peer education and group support sustains access to advice and financial improvements and forms the basis of future collective action.

➤ **Sector based and value chain approaches in which safety and other aspects of decent work are a key objective**

**Promoting Rights and Livelihoods of Soapstone Sector Workers, Kenya**

With soapstone resources vast and demand high, the programme sought to address health and safety, labour standards and political representation through a sector based livelihoods programme reaching 12,000 people. Benefits included increased and more reliable incomes, especially for women, dramatic improvements in health and safety, collective strength and organisation led to reduced exploitation, and a political voice. Key contributions included:

- A holistic approach which included improving enterprise productivity helped to win the trust and respect of workers before other issues could be addressed – especially collective work.
- As businesses copied more productive practises, they also copied safer working practices.
- The formation of self-help groups helped to address issues of concern collectively, with political recognition and representation enabling a place on the political agenda together with links with specific arms of the government such as OSHA (Occupational Safety and Health Act).
- Attitudinal change towards safer – and more efficient – working practices and to women’s role in better paying skill areas of the industry.

➤ **Enterprise Programmes targeting specifically marginalised groups** which address key rights issues that result from stigma and discrimination

**Food and Income/Livelihood Security for People Living with HIV/AIDS in Kenya**

The project improved both food security (15,291 beneficiaries) and livelihoods of PLWHA - incomes doubled and beneficiaries considered themselves as food secure; as well as resulting in tangible examples of reduced stigma and/or rights abuse of 19,329 people. Factors included:

- A holistic approach helped to address rights issues which directly hinder livelihoods and full and productive work – such as access to land and marginalisation by customers.
- Access to services such as those relating to health as well as skills and resources to reach markets, directly or through links to others, have been essential for full and productive work.
- Community animators trained in enterprise, health and basic/legal rights together with peer group support helps to sustain impact in these areas and on stigmatisation by the community.
- Training and advocacy regarding rights with different stakeholders (police and judicial process, community & county leadership) is needed to secure rights which impact on productive work.

## **Achieving Decent Work: Combining rights and livelihoods**

The examples above involve a private/public sector framework.

For people to have decent work in the informal sector productivity and profitability must be improved **and** rights must be secured.

From Action on Poverty's work it is clear that when both these issues are addressed there are common factors which can be replicated, including:

- In order to access even basic elements of decent work **significant attitude and behavioural change** is often required – such as towards rights at work, safety, women, children and other marginalised groups. This goes beyond economic aims.
- There is considerable potential for **synergy** between wider objectives that address decent work for all with economic objectives.
- Improved **status and confidence** at an individual level when productive work is secured helps to facilitate increased equality and reduce discrimination.
- The benefits of being in productive, decent work must be promoted, such as: **role models** of marginalised groups being visible to all, the **business case** of safety and other benefits demonstrated (linked with increased productivity).
- There is a need to enable **social dialogue, collective action, and advocacy** amongst stakeholders who influence access to the right to decent work and more widely in communities for attitude and behavioural change.

The consideration of rights will need to become part of enterprise and market led interventions to secure decent work at scale in the informal sector.

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