

## Address to Plenary

### 98<sup>th</sup> Session of the International Labour Conference (June 2009)

On behalf of WIEGO (Women in Informal Employment: Globalising and Organizing) and the international federation of organizations of street vendors, informal market vendors and hawkers, StreetNet International, I would like to congratulate the Director-General of the ILO on his excellent report on “*Tackling the Global Jobs Crisis: Recovery through Decent Work Policies*”.

This intervention is about the effects of the global crisis on workers in the informal economy – meaning both precarious wage workers and own-account workers as described in Clause 4 of the ILO’s 2002 *Conclusions on Decent Work and the Informal Economy*. Labour markets in many developing countries have well over half their workers (the Committee of the Whole on Crisis Responses heard that in India it is 92%) struggling to eke out livelihoods in various forms of precarious and informal work.

There is a myth that these workers are somehow cushioned against the effects of the crisis. On the contrary, informal workers, particularly women, tend to occupy the bottom of the global economy pyramid, with less protection and flexibility than their formal counterparts. Informal firms and wage workers, in times of economic trouble, have no cushion to fall back on and have no option but to keep on operating or working. In addition, as more and more workers crowd into the informal economy, the net result is more and more firms or individuals competing for smaller and smaller slivers of a shrinking pie. Unemployment, in this instance, is eclipsed by increasing impoverishment – the working poor becoming poorer.

As one example, an estimated 1% – 2% of the urban population of the world lives off collecting and recycling paper, cardboard, plastic, glass, and metal waste. Since September – October 2008 there has been a downturn in demand and price for recyclable waste as a result of a drop in demand from Asia for raw materials and packing materials. Decline in exports of manufactured goods to developed countries has resulted in a decline in demand for recycled waste materials and a drop in the selling price of waste. Waste collectors around the world are now earning significantly less than before, or facing loss of livelihoods.

Many local governments are exacerbating these trends as they respond to the crisis by terminating temporary contracts of precarious workers. They are also evicting informal traders from the public space which constitutes their workplace without proper consultation regarding alternatives, in misguided attempts to attract infrastructure investment by selling off public assets to private property developers. In South Africa, this is even more pronounced as local governments turn a blind eye to the global jobs crisis in their preparations for the 2010 FIFA World Cup.

This is not only destroying the livelihoods of large numbers of precarious and informal workers, but also having negative effects on the food security of poor consumers by

eliminating their access to cheaper basic fresh food and household goods, as traditional market-places (instead of being improved and upgraded) are being replaced by new multinational retail malls.

As we speak, a life-and-death struggle is being waged in Durban, South Africa, around a proposed new development to demolish a 99-year-old market (a protected heritage site) providing fresh produce at reasonably cheap prices to the city's low-income consumers, along with 10 surrounding informal markets, where 7 000 – 10 000 informal traders are eking out a living. The Durban municipality proposes to build a modern mall in this area, where there are already 8 or 10 other malls in a 10-km radius. The effects of such a development during the current crisis, on the livelihoods of the informal traders in the area and on the food security of Durban's low-income communities, will be devastating.

In line with the *ILO Declaration on Social Justice for Fair Globalisation*, the *Strategic Policy Framework 2010 – 15* and the proposed *ILO Global Jobs Pact*, we urge governments to bring their local government authorities into their economic recovery plans as a matter of urgency, and:

- (1) encourage them to adopt Local Economic Development strategies promoting retention of employment and existing livelihoods, and promoting innovative local social protection schemes, as their contribution to economic recovery;
- (2) sensitise them about the negative long and medium-term consequences of any short-term measure which has the effect (*albeit unintentional*) of destroying livelihoods, especially of the most vulnerable workers, during the global economic crisis;
- (3) urge them to engage in extensive and effective social dialogue with objective of:
  - being fully accountable to their civil society constituents;
  - improving levels of transparency about development decisions involving public assets;
  - engaging the participation of the most vulnerable workers in the solutions at local government level contributing to national economic recovery plans.

Such social dialogue should complement other levels of collective bargaining and social dialogue (*i.e. bipartite, tripartite, multi-partite, national and international*) with all social partners, including organized informal economy workers.

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*on behalf of WIEGO (Women in Informal Employment: Globalising and Organising)*

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