Including the Excluded
Supporting Informal Workers for More Equal & Productive Cities in the Global South

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TOWARDS A MORE EQUAL CITY

TRADITIONAL CONCEPTUALIZATION:
ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT TRIANGLE

APPROACH USED IN THE WORLD RESOURCES REPORT

OUTLINE - INFORMAL ECONOMY

• More than half of urban workers are informal
• Definitions, status, and place of work
• Exclusionary urban practices towards informal workers
• Inclusive urban practices towards informal workers
• How can we achieve a more equal and productive city?
HIGHLIGHTS

- The informal economy accounts for 50 to 80 percent of urban employment in cities across the global South.
- Informal enterprises generate from one-quarter to one-half of gross domestic product or value added outside agriculture.
- In Mexico the informal workforce represents around 60 percent of the total Mexican workforce and generates just over 30 percent of the country’s total GVA.
- Informal and formal economic activities are inextricably linked through the exchange of goods and services and global supply chains.
- For cities to be productive they need to support informal workers.
- Most cities are either ambivalent or hostile towards urban informal workers.
Home-based workers, street vendors, and waste pickers are three large groups of self-employed urban workers upon whom city policies have a direct impact.

A growing number of cities are taking a more inclusive approach to informal workers and their activities.

Offering security of tenure and equitable access to core services to home-based workers.

Promoting regulated but equitable access to public spaces for street vendors.

Integrating waste pickers into solid waste management systems.

Inclusive approaches are the outcome of advocacy campaigns and legal struggles mounted by organizations of informal workers and supported by coalitions of allies.
MOST OF THE URBAN WORKFORCE IS INFORMAL

<table>
<thead>
<tr>
<th>Region</th>
<th>City</th>
<th>Average Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFRICA 76%</td>
<td>Kampala (Uganda)</td>
<td>86%</td>
</tr>
<tr>
<td></td>
<td>Antananarivo (Madagascar)</td>
<td>63%</td>
</tr>
<tr>
<td>ASIA &amp; PACIFIC 47%</td>
<td>Ahmedabad (India)</td>
<td>85%</td>
</tr>
<tr>
<td></td>
<td>Hanoi (Vietnam)</td>
<td>46%</td>
</tr>
<tr>
<td>AMERICAS 36%</td>
<td>Lima (Peru)</td>
<td>55%</td>
</tr>
<tr>
<td></td>
<td>Mexico City (Mexico)</td>
<td>49%</td>
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</tbody>
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1. These groups represent a **significant share of urban informal employment**, and an even larger share of urban informal self-employment.

2. The city and its **policies directly impact these workers**, and each group illustrates the need for specific public goods.

3. The groups are **emblematic** of what informal **workers need** from cities to become more productive.
For more than 20 years, the WIEGO network has sought to improve the status of the working poor, especially women, in the informal economy by increasing their voice (through stronger organizations and greater representation); their visibility (through improved statistics and research); and the validity of their work (through legal recognition and identity). WIEGO does so by helping to build and strengthen organizations and networks of informal workers. These networks exist in four sectors of workers—domestic workers, home-based workers, street vendors, and waste pickers—and have more than 1000 affiliates in 90 countries.
The International Conference of Labour Statisticians (ICLS) has adopted three related statistical terms and definitions that globally pertain to informal employment. These terms are often used interchangeably and thus imprecisely:

- **Informal sector**: production and employment that takes place in unincorporated small or unregistered enterprises
- **Informal employment**: employment without legal and social protection—both inside and outside the informal sector
- **Informal economy**: all units, activities, and workers so defined and the output from them
STATUS OF EMPLOYMENT AND PLACE OF WORK

Status in employment is used to delineate two key aspects of labour contractual arrangements: the *allocation of authority* over the work process and the outcome of the work done; and the *allocation of economic risks* involved.

- **Employers**: those who hire others
- **Own-account workers**: those who do not hire others (single-person operators or heads of family firms)
- **Contributing family workers**: family members who work without pay in family firms
- **Members of informal producer cooperatives**

Place of work: factories, shops, homes, public spaces, construction sites, transportation modes.
TYPES OF URBAN INFORMAL ECONOMIC ACTIVITIES

On Streets or In Open Spaces
- street vendors
- push-cart vendors
- waste pickers
- roadside barbers
- construction workers

At Home
- garment makers
- textile weavers
- shoemakers
- artisans or craft producers
- mechanics/repairmen

In Homes of Others
- domestic workers
- gardeners/landscapers
- guards/watchmen
- drivers

In Hotels, Restaurants, Offices
- cleaners/janitors
- dishwashers
- “helpers”

In Small Workshops
- scrap metal recyclers
- shoe makers
- Weavers
- garment makers

In Unregulated Factories
- garment makers
- shoe makers
- fireworks/match makers

Photo: Paula Bronstein, Jonathan Torgovnik, Juan Arredondo/Getty Images Reportage
TYPES OF URBAN INFORMAL ECONOMIC ACTIVITIES

Source: ILO, 2018
INFORMAL EMPLOYMENT IN SELECT CITIES, 46 - 86%

Source: Chen and Beard, 2018

AFRICA
- Kampala (Uganda) 86%
- Lomé (Togo) 83%
- Bamako (Mali) 82%
- Cotonou (Benin) 81%
- Ouagadougou (Burkina Faso) 80%
- Dakar (Senegal) 80%
- Abidjan (Ivory Coast) 79%
- Niamey (Niger) 76%
- Antananarivo (Madagascar) 63%

ASIA & PACIFIC
- Ahmedabad (India) 85%
- Kolkata (India) 85%
- Mumbai (India) 80%
- Delhi (India) 71%
- Chennai (India) 65%
- Pune (India) 58%
- Ho Chi Minh City (Vietnam) 53%
- Hanoi (Vietnam) 46%

AMERICAS
- Lima (Peru) 55%
- Mexico City (Mexico) 49%

DISTRIBUTION OF URBAN INFORMAL WORKFORCE IN INDIA

27% TRADE
- 5% Street vending
- 22% Other Trade

12% CONSTRUCTION

9% TRANSPORT

27% MANUFACTURING
- 17% Home-based
- 10% Other manufacturing

24% OTHER SERVICES
- 6% Domestic work
- 1% Waste

1% UNKNOWN

Source: Chen and Raveendran, 2014
Why not just formalize the informal economy and its workers?

- Most struggling and emerging cities are not creating enough jobs.
- Most workers earn below the threshold for corporate or personal income tax.
- Many informal enterprises and workers pay various taxes and operating fees.
PROS (AND CONS) OF FORMALITY AND INFORMALITY

- Worker protection
- Social safety net
- Clear agreements
- Protects the environment
- Minimum wage
- Minimum working age

- Flexibility
- Ease of entry
- Reduces poverty and unemployment
- Creative, entrepreneurial
- Convenient and inexpensive goods

Photo: Valeria Gelman/WRI
• Homebased workers have inadequate housing and access to core services
• Street vendors subject to harassment, confiscation and evictions
• Waste pickers are denied access to waste and the right to bid for public contracts
NEEDS AND DEMANDS OF INFORMAL WORKERS

**Legal Identity and Standing**
- Freedom from forced relocations and zoning restrictions
- Secure tenure and upgrading of their homes-cum-workplaces
- Basic infrastructure services—water, electricity, sanitation
- Occupational health and safety services

**Economic and Social Rights**
- Freedom from harassment, bribes, confiscation of goods, evictions, arbitrary warrants and convictions, and arbitrary relocations
- Right to vend in public spaces in central locations, near pedestrian and customer traffic
- Integration of natural markets of street vendors in urban zoning, land allocation, and market development plans
- Fair, transparent, and participatory system for allocating licenses and permits
- Basic infrastructure services at their vending sites, including shelter, water, sanitation, and storage facilities

**Access to Core Infrastructure Services**

**Social Protection**
- Freedom from harassment and confiscation of collected waste and reclaimed materials by city officials
- Access to waste
- Right of their organizations to bid for solid waste management contracts as paid service providers for collecting, recycling, and transporting waste
- Space and equipment for collecting, transporting, sorting, and storing recyclable materials, including safety equipment and clothing

**Organization and Representation**
HOME-BASED WORKERS NEED…

- Affordable and secure housing
- Core public services: energy, electricity, water and sanitation, and transportation
- Zoning regulations that permit commercial and small-scale manufacturing activities in residential areas
- Occupational health and safety
EXAMPLES OF INCLUSIVE APPROACHES TO HOME-BASED WORKERS

- SEWA mobilizes informal workers to improve housing and core services through participatory planning and finance.

- HomeNet Thailand advocated for the Universal Health Coverage (UHC) scheme, the Homeworkers Protection Act, and Domestic Workers Ministerial Regulation.

- The UHC scheme entitles all informal workers to universal health and the legislation entitles home-based workers and domestic workers to a minimum wage, occupational health and safety protection.

Photo: Paula Bronstein/Getty Images Reportage
STREET VENDORS NEED...

- Security from evictions, forced relocations, and confiscation of goods
- Access to public spaces and streets with pedestrian traffic
- Zoning for markets allowing street vendors
- Fair access to vending licenses and permits
- No harassment from police or other regulation-enforcing authorities

Photo: Valeria Gelman/WRI
EXAMPLES OF INCLUSIVE POLICIES TOWARDS STREET VENDORS

- **Bhubaneshwar, India**
  - National legislation and dedicated vending sites for street vendors in India
  - The case of Bhubaneshwar started in 2007, in 2011, there were 54 “vending zones” accommodating 2600 fixed kiosks
  - One of the first cities in India to acknowledge street vendors and designate space for them

- **Bhadra Fort Market, Ahmedabad**
  - Plan to renovate the Fort started in 2011, in January 2012 vendors were evicted with plans to relocate them
  - Negotiated resettlement of evicted vendors
  - 503 vendors were relocated through a participatory process and with help from SEWA, WIEGO, and others
• Leading up to the World Cup, the municipality shifted in priorities from stadium building and large infrastructure.
• 2006 and 2007 two local government officials in charge of urban regeneration left their jobs to form Asiye eTafuleni (AeT) to provide design, legal, and other support to street vendors, market traders, barrow operators, and waste pickers in Warwick Junction.
• February 2009, the Durban Municipality announced its plans to grant a 50-year lease of public land to a private developer to build a shopping mall in middle of Warwick Junction.
• AeT won three legal cases against the city.
• The city revoked its decision to lease the market land for the construction of a mall.
WHAT WASTE PICKERS NEED…

• Freedom from harassment and confiscation
• Integration as paid service providers for collecting, segregating, recycling, and transporting waste in solid waste management systems
• The right of their organizations to bid for solid waste management contracts
• Space and equipment and storing recyclable materials
• Ban on the use of incineration and landfill disposal technologies that are harmful to the environment and the livelihoods of waste pickers
EXAMPLES OF INCLUSION OF WASTE PICKERS

- Waste pickers in Columbia have struggled for more than 2 decades to preserve their occupation
- Asociación de Recicladores de Bogotá (ARB), an association of cooperatives representing more than 2,500 waste pickers in Bogotá
- As a result of ARB, national association of waste pickers, the Constitutional court of Columbia passed three landmark judgements in support of waste pickers
- Tendering process violated basic rights of waste pickers; cooperatives of waste pickers could bid for solid waste contracts; stopped efforts to privatize solid waste management systems in Bogotá
- South African Waste Pickers Association (SAWPA); SWaCh in Pune; I Got Garbage (IGG) Bengaluru
City governments and local officials need to consider whether and when evictions from workspaces and residential areas are necessary.

Relocating informal settlements and informal livelihood activities to cities’ periphery increases the costs of doing business and decreases productivity, not only for those who are relocated but for the city as a whole.

Cities should provide core public services to informal workplaces to make them more productive; grant regulated access to public space for informal workers to pursue their livelihoods.
• Cities should make it easier for the informal self-employed to register their businesses.
• Cities need to assess which informal workers are liable for income taxes, personal or corporate, as many earn less than the threshold for such taxes.
• Taxation should be progressive and transparent, and assess what taxes and operating fees informal workers already play.
• Cities should extend benefits to workers in exchange for paying taxes.
City authorities, urban planners, and policy specialists should ensure meaningful participatory processes that involve informal workers and other relevant stakeholders.

If informal workers are not involved, the design and implementation of policies, plans, and laws will not be appropriate, fair, or equitable.

Cities should integrate informal economic activities into local economic development plans and urban land allocation plans.

Informal workers and their organizations have a long-term perspective on and stake in more productive and equal cities.
Urban informal workers have power when they are organized and have been demanding more inclusive and equitable urban policies, regulations, and practices for many years.

These organizations have given collective voice to some of the world’s most disadvantaged workers, such as home-based workers, street vendors, and waste pickers, and have achieved important victories.

The legal and policy victories would not have been possible without the informed and sustained policy efforts of organizations of informal workers, with the support from broad coalitions of allies.

Photo: (Iniciativa Regional para el Reciclaje Inclusivo (IRR))
Inclusive Recycling for Latin America

OPPORTUNITIES

www.reciclajeinclusivo.org
Each year, between 4.8 and 12.7 million tons of plastic waste end up in the ocean.
Without **improvements** to **waste management infrastructure**, the total amount of plastic waste in the world’s oceans could increase **10-fold** during the next decade, reaching up to **155 million tons**.

science.sciencemag.org/content/347/6223/768
Only 2% of Latin America cities have formal recycling programs.
Solid waste management comprises between 20% and 40% of municipal budgets.
The most common method for disposing of solid waste in Latin America:

DUMP SITES
ENVIRONMENTAL AND HUMAN HEALTH RISKS
Without recycling, waste serves only as fodder for one type of business, that of the collection, transport and the burial of waste.
With recycling, there are multiple production chains that spark the creation of employment, new technologies and decreased pressure on natural resources.
Reduce, Reuse, Recycle
Are the 3 R’s enough?
INCLUSIVE RECYCLING
• Number 4 million in Latin America and the Caribbean.
• Make up almost 50% of the recycling industry.
• Work in marginalized conditions and without labor rights.
• Are organized into cooperatives, associations, national movements and Red LACRE at a rate of 10%.
• Public Policy: Regulatory changes in alignment with Inclusive Recycling in 18 countries in the region: Cleaning Services, REP and formalization.

• Private Sector: Recycling methods as part of the value chain. Investments in inclusive recycling.