

Fifth item on the agenda: Facilitating transitions from the informal to the formal economy

Report of the Committee on Transitioning from the Informal Economy

1. The Committee on Transitioning from the Informal Economy, set up by the International Labour Conference (Conference) at its first sitting on 28 May 2014, initially consisted of 201 members (87 Government members, 48 Employer members and 66 Worker members). To achieve equality of voting strength, each Government member entitled to vote was allotted 176 votes, each Employer member 319 votes and each Worker member 232 votes. The composition of the Committee was modified eight times during the session and the number of votes attributed to each member adjusted accordingly.¹

¹ The modifications were as follows:

- (a) 29 May: 228 members (106 Government members with 900 votes each, 50 Employer members with 1,908 votes each and 72 Worker members with 1,325 votes each);
- (b) 30 May: 227 members (110 Government members with 39 votes each, 39 Employer members with 110 votes each and 78 Worker members with 55 votes each);
- (c) 31 May (morning): 227 members (111 Government members with 760 votes each, 40 Employer members with 2,109 votes each and 76 Worker members with 1,110 votes each);
- (d) 31 May (afternoon): 229 members (113 Government members with 760 votes each, 40 Employer members with 2,147 votes each and 76 Worker members with 1,130 votes each);
- (e) 2 June: 194 members (113 Government members with 1,640 votes each, 40 Employer members with 4,633 votes each and 41 Worker members with 4,520 votes each);
- (f) 3 June: 155 members (113 Government members with 220 votes each, 20 Employer members with 1,243 votes each and 22 Worker members with 1,130 votes each);
- (g) 4 June: 141 members (114 Government members with 55 votes each, five Employer members with 1,254 votes each and 22 Worker members with 285 votes each);
- (h) 5 June: 138 members (115 Government members with 18 votes each, five Employer members with 414 votes each and 18 Worker members with 115 votes each);
- (i) 6 June: 136 members (115 Government members with 16 votes each, five Employer members with 368 votes each and 16 Worker members with 115 votes each).

2. The Committee elected its Officers as follows:

<i>Chairperson:</i>	Mr V. Seafield (Government member, South Africa) at its first sitting
<i>Vice-Chairpersons:</i>	Mr A. Frimpong (Employer member, Ghana) and Mr P. Dimitrov (Worker member, Bulgaria) at its first sitting
<i>Reporter:</i>	Ms S. Villafañe (Government member, Argentina) at its ninth sitting

3. At its ninth sitting, the Committee appointed a Drafting Committee composed of the following members:

Government member: Mr W. Scholz (Germany), assisted by Mr T. Shoko (Zimbabwe)

Employer member: Mr A. Meyerstein (United States), assisted by Ms C. Charbonnier (France)

Worker member: Ms C. Passchier (Netherlands), assisted by Mr M. Diallo (Senegal)

4. The Committee had before it Reports V(1) and V(2), entitled *Transitioning from the informal to the formal economy*, prepared by the Office for a double discussion of the fifth item on the agenda of the Conference: “Facilitating transitions from the informal to the formal economy – *Standard setting, double discussion*”.

5. The Committee held 18 sittings.

Introduction

6. The representative of the Secretary-General, Mr J.M. Salazar-Xirinachs, ILO Assistant Director-General for Policy, welcomed the members of the Committee. He emphasized the strategic importance of the deliberations for the world of work. The outcome of the discussion would be the basis for developing a possible instrument to guide ILO constituents in facilitating transitions from the informal to the formal economy and improve the lives of millions of workers.

7. Upon his election, the Chairperson underlined that the issue before the Committee was important because the informal economy absorbed around half of the workforce of the world. If progress towards formalization was not made, efforts to achieve inclusive and sustainable development would not succeed, and standards set by the ILO would remain out of reach of the majority of workers. The issue was also challenging because the instrument under consideration had to account for the heterogeneity and complexity of the informal economy, along with the multiple factors that sustained its persistence and even expansion. It also had to account for the large diversity of informality across countries and levels of economic and institutional development. As such, the discussion provided an opportunity for representatives to learn from one another. The Chairperson recalled that, at its 317th Session in March 2013, the Governing Body of the ILO decided to place a standard-setting item (double discussion) on the agenda of the 103rd Session of the

Conference on facilitating transitions from the informal to the formal economy. The objectives of the Committee were to examine the proposed Conclusions contained in Report V(2), and to provide the Office with clear guidance for drafting a possible instrument on the subject as a means to promote decent work. He thanked the Office for having prepared the reports which were an excellent basis for the discussion.

8. The representative of the Secretary-General recalled that transitioning from the informal to the formal economy was central to development, inclusive growth and inclusive societies. In developing countries, the transition should be anchored in a process of productive transformation and depended on a variety of factors, including an adequate regulatory environment, an effective compliance system, sound public institutions and effective access to rights. He explained that, in preparation for the Committee's work, the Office had prepared a preliminary report (Report V(1)) that overviewed the challenges of transitioning from the informal to the formal economy and detailed the law and practice in different countries. It included a questionnaire, a key part of the standard-setting process, which had been distributed to member States with an invitation to reply following consultation with the most representative organizations of employers and workers. The subsequent Tripartite Meeting of Experts on Facilitating Transitions from the Informal to the Formal Economy (Meeting of Experts), held in September 2013, had provided guidance on the nature and content of the proposed instrument. The proposed Conclusions contained in Report V(2) had been based upon the replies to the questionnaire and had taken into consideration the views expressed during the Meeting of Experts. He presented the new procedure for approving the report of the Committee discussions and proposed Conclusions and the follow-up that would lead to discussion of a draft instrument at the 104th Session of the Conference in 2015.
9. At the tenth sitting of the Committee, the Chairperson transmitted a message from the President and Vice-Presidents of the Conference, Mr D. Funes de Rioja, Mr A. Alexandris (Governments), Mr T. Sakurada (Workers) and Ms J. Mugo (Employers). The Officers of the Conference had requested that the Committee keep three principles in mind in its continued deliberations. Those were: the principle of governance, as the report submitted to the Conference was clear on the link between the failure of governance and informality; second, a rights-based approach in transitioning from the informal to the formal economy; and, third, the integration of the concept of sustainable enterprises.

General discussion ²

10. The Employer Vice-Chairperson emphasized the need for a holistic discussion taking into account the broad range of issues and challenges related to informality. All three constituents had a role to play in facilitating transitions from the informal to the formal economy. Informality was a means of survival for around 80 per cent of the population in many developing countries. Informality was also expanding in developed countries and there was a need to stop such deterioration through appropriate interventions.
11. In addition to informal labour, the correlation between land and capital was a significant policy issue that went to the root of facilitating effective transitions from the informal to

² Unless otherwise specified, all statements made by Government members on behalf of regional groups or members of intergovernmental organizations are reported as having been made on behalf of all Governments members of the group or organization in question who are Members of the ILO and are attending the Conference.

the formal economy. Around the world, hundreds of millions of people lived in informal homes on informally held land. Policies were needed to address formal ownership rights to dwellings and other types of capital, such as farm buildings, livestock and shops. That would potentially unlock considerable amounts of capital held by the world's poor and enable sustainable development through local financing for schools, roads, electricity, water and sanitation.

12. The promotion of sustainable enterprises was also essential in light of the Conclusions concerning the promotion of sustainable enterprises adopted at the 96th Session of the Conference. Conditions for attracting informal enterprises to the formal economy and promoting growth included an entrepreneurial culture, trade and sustainable economic integration, an enabling legal and regulatory framework and a stable macroeconomic environment. In order to unleash the potential of transitions to the formal economy, incentives were required. Those included cheaper credit, appropriate technologies, a sound fiscal infrastructure, as well as business development services. Over-regulation was a significant cause of informality. Excessive taxes should be reduced and corruption eliminated from administrative systems. Governments had a role to play in creating the requisite environment to stimulate enterprise development and growth, generate capital and help people obtain credit.
13. Governments should adapt their policies in consultation with the social partners to meet the needs of the market economy, particularly by promoting the rule of law and removing barriers to formalization. Employers also had a role to play in advocating solutions to policy, legal and institutional obstacles in order to improve the business environment and facilitate business expansion. Employers' organizations could also assist in human resource management, productivity improvement, management skills, accounting and entrepreneurial development relevant to formal enterprises.
14. The proposed ILO instrument on facilitating transitions from the informal to the formal economy should take account of the multifaceted nature of the informal economy as well as regional and geographical differences. A policy-based approach should be pursued, taking into account the specific needs, rights and interests of workers. With regard to a rights-based approach, the mere extension of rights without formalizing the production units would not work. Given the complex nature of informality, transitions could not be achieved through a quick fix. Rather, they should take place at a pace that allowed for employment absorption and that did not destroy entrepreneurship in the informal economy. The removal of barriers to informality and the development of incentives for formalization could only be achieved through a change in attitudes, political vision and an integrated approach. The time had come to transform the informal economy and make it more beneficial to the global community.
15. The Worker Vice-Chairperson recalled that the majority of workers who undertook activities in the informal economy did so as a survival strategy in response to the absence of decent jobs and adequate social protection in the formal economy. Workers in the informal economy, many of whom were women, suffered serious decent work deficits, including the denial of the protection of fundamental principles and rights at work and other labour standards. Activities in the informal economy tended to be characterized by low productivity and, in many cases, represented a form of underemployment. Transitioning from the informal to the formal economy would enhance economic efficiency as well as the welfare and working and living conditions of the workers concerned. As the large informal economy was the result of underdevelopment, structural transformation into higher value added production would shrink the informal economy and benefit workers, businesses, communities and nations alike. For that reason, workers, employers and governments had a common agenda to address increasing informalization.

-
16. He agreed with the Employer Vice-Chairperson's statement that formalization would help promote sustainable and inclusive development by enabling investment in schools, sanitation, peace and stability and the creation of a sound macroeconomic environment. The Worker Vice-Chairperson emphasized, however, that social and economic inclusion was critical to the process. An effective international instrument should empower workers in the informal economy through recognition, skills training, access to social services and social security, as well as the right to bargain collectively.
 17. The purpose of transitioning to the formal economy was threefold: to reduce decent work deficits; to reduce unfair competition between enterprises; and to protect revenue to build national social protection floors. The existing text should be strengthened through the inclusion of guidance and practical measures for member States and the social partners and a requirement that governments should report on their implementation of its provisions. The goal should be to provide a common standard of protection for workers, regardless of the type of work they did. He gave examples of unions supporting home-based workers in India, which helped them to gain self-respect and increase their income and food security, and unions for automotive mechanics in Mali, helping them to get access to credit.
 18. There were three critical issues in the discussion. First, good governance and job-centred macroeconomic policies that would enable the creation of formal jobs in formal enterprises were essential, particularly because of the deregulation of labour markets which led to increased informality. Although there was a strong body of international instruments, labour standards and national laws, there were also gaps in compliance in all countries and at all levels of economic development throughout the world. The four strategic dimensions of decent work for transition from the informal to the formal economy were particular important, and an effective legal framework and strengthened enforcement mechanisms, particularly labour inspection, were essential. Industrial policy, sectoral policy and the development of solidarity-based enterprises were part of the structural transformation of economies. Second, the instrument needed to be rights-based and the approach should not be gradual. Immediate action was needed in the areas of social security, wages, occupational safety and health (OSH), working hours and, in light of the disproportionate number of women in the informal economy, maternity protection and childcare. Establishing and increasing minimum wages had been shown to lift workers out of poverty and to support the transition to formality. Labour and social rights established by laws or collective agreements were critical to that process. Third, consideration should be given to employment relationships and the nature of contracts and subcontracting. Informal work in formal establishments deprived workers of formal benefits by failing to recognize the employment relationship. Furthermore, many employers ignored or avoided their responsibilities to workers in global supply chains, reaching from global consumer brands to home-based workers. It was important to talk about a wide range of actors in the informal economy, including members of cooperatives and other forms of solidarity economy enterprises, and wage-dependent workers who operated outside formal employment structures. It was also essential for non-wage workers to be able to bargain with local, state and national authorities, other decision-makers and contractors as a foundation for change. The right to organize and to bargain collectively and the right to freedom of association were essential elements of the transition to formality.
 19. The Government member of Greece, speaking on behalf of the European Union (EU) and its Member States (hereinafter referred to as the EU Member States), as well as the Government members of the former Yugoslav Republic of Macedonia, Montenegro, Iceland, Serbia, Albania, Ukraine, Republic of Moldova, Armenia and Georgia, stated that while the proposed Conclusions covered many elements that should be included in a future Recommendation, including the recognition and extension of rights at work and social protection, further clarification of the definition of the "informal economy" and of the scope of the future Recommendation was needed. The Preamble should stress that the

transition from the informal to the formal economy had important implications for the workforce, the labour market, national social protection floors and social security systems, working conditions, inclusive development and the sustainability of enterprises, and fair competition in national and international markets. Reference should also be made to the ILO's Decent Work Agenda. Informal employment and the resulting loss of social security rights and other labour law protections were also a problem for EU Member States. Therefore, they were continuously working on avoiding such developments through legislation as well as providing incentives to economic actors to minimize informality. The EU Commission proposed in April 2014 to launch a European platform to enhance cooperation in the prevention and deterrence of undeclared work through improved cooperation between Member States' enforcement authorities. The future instrument might need to address those issues as they affected the EU and its Member States. While well-designed, employment-oriented policies and strategies could contribute to economic growth and poverty reduction, employment needed to be productive, of a certain quality and provide an income above the poverty level. It must ensure the exercise of workers' rights and give workers a voice, dignity and safe working conditions.

20. The Government member of Oman, speaking on behalf of the Gulf Cooperation Council (GCC) countries, underlined the importance of transitioning from the informal to the formal economy and noted GCC country efforts to that end. Such transitions required an adequate legal framework for protecting workers' rights. Definitions existed for several categories of informal workers and the goal should be to protect all informal workers regardless of their specific designation. In the GCC countries, informal workers already had access to some social security and other benefits. Efforts were also being made to protect domestic workers and support business development for artisans and craftspersons. The GCC countries would support an instrument that protected informal workers while addressing pathways for transitions to the formal economy.
21. The Government member of Zimbabwe, speaking on behalf of the Africa group, stressed that the importance of transitions from the informal to formal economy could not be overstated for his region. Jobs in the informal economy had many characteristics that were not in line with the Decent Work Agenda. If employment was to be a tool to fight poverty and promote development, the deficiencies of the informal economy had to be addressed. The transitions from the informal to the formal economy should be a process supported by informed studies and clear guidelines. In that respect, he supported the adoption of an instrument on the subject.
22. The Government member of Zambia believed that the agenda item was timely in view of the tripartite consensus that providing decent jobs was a major factor towards achieving economic development and social justice. It was especially relevant for Zambia where 84.6 per cent of the labour force, made up largely of young workers, worked in the informal economy. He emphasized the need to invest in the informal sector as a matter of national peace and security and towards achieving the objectives of the Declaration of Philadelphia. He supported the development of an instrument and urged the Committee to come up with a definition of informal employment in light of existing work on the subject.
23. The Government member of Kenya reiterated that most new jobs in Africa were created in the informal economy, which was a source of livelihood for many households and a major contributor to national gross domestic product (GDP). There were, however, significant decent work deficits in the informal economy and it was difficult to balance promotional and protective interventions with enforcement measures. Any eventual instrument should mainstream the informal economy into macroeconomic and fiscal policies. The environmental impact of the informal economy should also be considered, as well as initiatives related to OSH. The informal economy could contribute to sustainable

development, but only if it was supported by an enabling legislative framework, along with effective labour administration and inspection systems.

24. The Government member of Canada recalled that a significant proportion of the world's population worked in conditions of informality. Many were vulnerable workers, including youth, older workers, women and ethnic minorities. It was thus timely and important that a new international instrument be developed with practical guidance and flexible approaches to formalization, reflecting the diversity of national circumstances. In particular, the instrument should address the gender dimension, given the preponderance of women in the informal economy, and reflect the concerns of other vulnerable groups. While Canada supported the general direction of the proposed Conclusions, it noted that the text was not fully aligned with the Social Protection Floors Recommendation, 2012 (No. 202), and that Canada would seek to align the wording of the proposed text with Recommendation No. 202.
25. The Government member of Switzerland expressed concern about the image of her country and the manner in which its position was reflected in various ILO reports. Switzerland had worked for a number of years towards achieving policy coherence and had initiated a number of pragmatic measures beyond legal reforms to promote formalization, complemented by research to validate the most effective approaches. An appropriate enabling framework that reflected economic and social concerns was necessary for designing a coherent policy on transitions to the formal economy. Any future instrument should not focus solely on governance gaps or difficulties associated with adapting economic structures. Given the complexity of the subject, the ILO should not act alone but rather consider coordinating efforts with other international organizations. Also, a future instrument should not focus on legislative approaches since excessive regulation hindered transitions to the formal economy. The eventual instrument should consider a mix of measures, including access to credit, while promoting a favourable environment for businesses and entrepreneurs, along with support services.
26. The Government member of the Dominican Republic underscored that it was the responsibility of governments to examine employment policies, to be well informed on possible policies to achieve the goal of formalization and to ensure that all workers benefited from social security and participated in the formal economy. She highlighted a number of initiatives taken in her country including, among others, the formation of a national tripartite employment committee, the establishment of a "one-stop-shop" system to facilitate the registration of enterprises, and the targeting of procurement rules to favour micro-enterprises. Such measures made it easier for enterprises to join the mainstream and increased the number of registered firms. She specified that initiatives had been taken in all regions of the country and that the ILO had provided support in the area of employment in general. She further emphasized that governments should take action to foster tripartite social dialogue.
27. The Government member of the United States acknowledged that defining informality was not easy and cautioned that seeking a consensus on the definition might be fruitless. However, the characteristics and symptoms of the informal economy were very easy to identify. They included an absence of both registration and employment relationships, an absence of social benefits, and a lack of rights and protections. He expressed his Government's support for a Recommendation that gave clear and practical guidance on how workers and firms could escape their invisible status and reap the benefits of formality. The instrument should also emphasize how to effectively help all workers to enjoy the same rights, protections and benefits as their counterparts in the formal economy, and how employers could enjoy the substantial benefits, as well as the rights and responsibilities of formalization. It was suggested that the Committee unbundle the issues and identify the specific strategies that should be developed to address the key elements

involved, and that the different measures necessary to formalize enterprises and workers be considered and made explicit in a Recommendation. For enterprises, those were property rights, access to finance, access to skilled workers, legal recognition and protection for firms, and payment of employment and social benefit contributions; small enterprises would in addition need training on employment and labour laws, proper OSH measures, and basic workers' rights. For workers, they included identification and registration of all employment relationships, in particular where workers were commonly denied the same rights, protections and benefits as their counterparts in the formal economy. It was suggested that the Committee also discuss the provision of the rights, protections and benefits for workers remaining in the informal economy.

- 28.** The Government member of Belgium asserted that enabling millions of workers and enterprises in the informal economy to benefit from the protection of the law by removing them from an unstructured system would constitute a major advance towards decent work for all and a fair globalization. He noted the apparent broad consensus that if economic growth was not accompanied by formal employment creation, it would continue to be a source of inequality, poverty and vulnerability. He underlined that the extension of social protection was a key factor in progressively attaining broad coverage in harmony with the rate of economic development in a given country. References were made to the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Social Protection Floors Recommendation, 2012 (No. 202), as key instruments in that regard. The informal economy and informal employment were also a major preoccupation in the EU, where the informal economy represented approximately 18.4 per cent of GDP in 2013. It was suggested that well-constructed incentive schemes could also contribute effectively to reducing informality, and sectoral policies might also play a determining role by expanding sectors that created added value and employment and that had important multiplier effects and links to the economy. He proposed several points essential for the discussion: a broad scope of application, including undeclared work; the exchange of good practices among member States; the recognition of the importance of social protection to reduce poverty, inequality and social exclusion; the importance of strengthening labour inspectorates; the extension of social security protection to workers who had suffered accidents; and the involvement of the social partners in the definition of a common strategy to counter informality.
- 29.** The Government member of New Zealand welcomed the discussion in view of the impact that the informal economy had on the lives of millions of workers and employers. Beyond simply formalizing the working arrangements of the informal economy, workers and employers should be encouraged to take part willingly in the transition to formal work. Any instrument in this area should recognize the diversity of social, economic and political environments across countries. There was an opportunity to create an instrument that would deliver concrete outcomes, with the flexibility to implement them according to national circumstances and with due regard to the varied structures of the informal economy. Reference was made to the range of existing ILO instruments that provided a solid base to build upon. He supported the statement made by the Worker Vice-Chairperson that the instrument should include enforcement and compliance mechanisms. He described the business environment, legal framework and welfare system of his country that provided low barriers to formalization, and stressed that the instrument under discussion should draw on the wealth of practical knowledge and experience available in the Committee.
- 30.** The Government member of Norway emphasized that the characteristics of the informal sector varied between countries, and supported an individual country focus within the framework of the Decent Work Agenda. It was essential that all workers be included in a gradual transition from an informal to a formal economy. Governments were the main drivers and had to have the willingness and ability to promote good governance, fight

corruption, build capacity on social dialogue and strengthen labour administration systems. Similarly, there should be a willingness to create an equitable and progressive revenue and taxation system to support a social protection floor. A fair distribution of wealth was needed to make people interested in taking part in the formal economy. Due attention should be paid to including the social partners in the process, as shown by the example of Nordic countries.

31. The Government member of the Philippines recalled that the issue of the informal economy deserved urgent attention as it was central to sustainable development and decent work. The instrument should guide the design of national policies and programmes and address the root causes of informality. ILO expertise could be relied upon in formulating a framework that would, in particular, take into consideration the national context of each member State.
32. The Government member of Indonesia emphasized that a high rate of employment did not always coincide with an increase in the creation of jobs in the formal economy, as shown by the example of her country. She detailed the different programmes and initiatives her Government had undertaken to support the transition from informality to formality. Finally, it was important to design comprehensive employment-oriented policies that would take into account the need to preserve livelihoods as well as the diversity of each national context.
33. The Government member of Namibia noted that many workers were dependent on the informal economy to earn a living. The informal economy was the fastest growing part of the overall economy in many countries and the underlying reasons for that phenomenon should be carefully analysed. Progressive change was a condition for success and each country should be allowed to proceed at its own pace if unwanted consequences in terms of job losses and enterprise closures were to be avoided. Raising public awareness was another essential element of success, as was the need to consider local contexts.
34. The Government member of India welcomed the decision to draft an international instrument on transitioning from the informal to the formal economy. With nearly 93 per cent of the Indian workforce in the informal economy, she was of the view that informality was principally a structural and developmental issue. In any case, the high incidence of informality should not be linked to trade or fair competition in national and international markets. The transition to a formal economy needed to take account of specific country contexts, and could only be achieved if its costs were minimized and its benefits enhanced. The importance of rights at work should be emphasized, although not confused with human rights in general, which were broader in scope. Governments, workers and employers must work together to assist in the gradual and progressive transition to formality.
35. The Government member of Chile underscored the importance of including in the proposed Conclusions the right of informal economy employers and workers to affiliate with existing employers' and workers' organizations or to establish their own organizations. They should also include the duty of governments to consult employers' and workers' organizations in the design, implementation and evaluation of programmes and policies targeting the informal economy, including on its formalization. The transition from the informal to the formal economy must be a gradual one, and care should be taken to ensure that the human rights of those targeted by the instrument were respected, as recognized by the United Nations (UN). The time had come to reaffirm the values enshrined in the Declaration of Philadelphia adopted 70 years previously.
36. The Government member of Ethiopia explained that his country's informal economy remained significant and that it was a source of employment opportunities for many

workers, especially in urban areas. While the informal economy offered the potential for poverty reduction, many vulnerable workers joined the informal labour market in order to survive. Facilitating the transition from the informal to the formal economy was a matter of urgency and could only be achieved by enhancing policy and legal frameworks and through the provision of institutional support. That also meant improving access to credit and microfinance and providing links with formal financial institutions. It further required improving access to business advisory services and business information, while at the same time ensuring decent work, broadening social protection and promoting social dialogue. Transition efforts must take account of the need for adequate policy space at the national level and should pay due attention to the relevant international instruments.

37. The Government member of Argentina said that the future Recommendation might provide countries with guidance on the establishment of labour, economic and development institutions that would stimulate the creation of formal employment and promote the transition to the formal economy. Over the past 11 years, formal employment, decent work and the formal economy had been viewed as the basis for her country's economic, labour and social policy. Her Government considered that formal employment was synonymous with better working conditions, higher wages and access to social security and collective bargaining. It also improved household income, which led to greater demand for enterprises, increased investment and economic growth. The most recent of a series of measures developed in order to encourage formal employment was a draft law on the promotion of registered work and prevention of labour fraud. Those measures had made it possible to reduce informality. Strategies designed to facilitate transition to the formal economy must not result in a double standard in terms of labour.
38. The Government member of China said that it was an opportune moment to consider the possibilities offered and challenges posed by a transition from the informal to the formal economy, particularly against a global backdrop of economic recovery. Noting China's experiences, he said that informal workers and their families were often excluded from social security systems and were therefore particularly vulnerable. China supported the drafting of an international instrument and was ready to strengthen technical cooperation with the ILO on that matter. He emphasized the need for knowledge sharing across countries; China was available to share its own experiences, particularly with regard to measures to provide informal workers with training to help them access the formal economy and to promote the work of small and medium-sized enterprises (SMEs) through the adoption of preferential policies for growth and entry into the formal economy.
39. The Government member of Chad recalled that in many developing countries, where the informal economy was particularly prevalent, employment took place outside the scope of labour law and violations of fundamental labour rights were commonplace. His delegation supported the view that the informal economy posed an obstacle to inclusive development and the rule of law. It had a negative impact on the sustainability of enterprises, working conditions and social protection coverage, while resulting in unfair competition on national and international markets. It further reduced levels of public revenue, hampering the effectiveness of public institutions. The adoption of an instrument on facilitating transitions to formality would contribute to decent work through the promotion of rights at work, employment, social protection and social dialogue. The instrument needed to be flexible and adaptable to national contexts, and must fully engage actors in the informal economy.
40. The Government member of the Bolivarian Republic of Venezuela described her Government's legislative experience in promoting and protecting labour rights, including for workers in the informal economy, and expressed her delegation's support for the drafting of an international instrument on facilitating transitions from the informal to the formal economy. The instrument must take account of the national economic

characteristics of each country and should consider which types of workers were affected. It was also important to ensure that national laws guaranteed protection for vulnerable categories of workers in the informal economy. A transparent transition process was essential, and every effort should be made to overcome obstacles to implementing legislation by strengthening the monitoring and oversight role of state authorities. Standards had to be set to ensure decent working conditions for informal workers and their enjoyment of fundamental labour rights, along with their gradual transition to the formal economy.

41. The Government member of Senegal stated that the informal sector accounted for over 41 per cent of his country's GDP and that almost 50 per cent of the active population worked in the non-agricultural informal sector. Despite their significant contribution to the national economy, informal workers were generally not covered by social protection schemes, even though the law in Senegal made no distinction between formal and informal workers. He outlined a number of initiatives by the Government to improve the social protection coverage of workers in the informal economy. One obstacle preventing economic units in the informal economy from achieving their productive potential was their exclusion from institutional structures which ensured recognition along with legal and social protection. That situation further worsened their vulnerability and semi-legal status and made it difficult to gain access to productive resources. With the support of the ILO, Senegal was piloting a simplified social security regime for informal workers and a labour inspection programme was being implemented that was adapted to the informal sector. While his Government strongly supported the adoption of such a Recommendation, the transition would have to be gradual.
42. The Government member of Egypt underlined that her Government's goal was to protect all workers, including those in the maritime and fishing sectors. Efforts were being made to ensure coordination between governmental bodies, such as meetings to discuss ways of encouraging decent work in the informal economy and a review of the various forms of grants and subsidies available to actors in the informal economy. Campaigns and visits were being carried out in order to inform workers of their rights, including with respect to accidents at work. She believed that it would be useful for member States to have guidelines showing the various possibilities for providing assistance to workers in the informal sector.
43. The Government member of Turkey recalled that the informal sector provided a financial incentive to both employers and employees, allowing them to increase take-home earnings while avoiding taxes and social security contributions. Informality could also contribute to employment creation, production and income generation, promote entrepreneurial activity and reduce poverty. However, those advantages were outweighed by the fact that most informal jobs were low paid and precarious. High levels of informality increased tax rates, lowered a government's spending capacity and made it impossible to target and manage social protection. It further created unfair competition and incentives for unproductive sectors, increased migration and prevented workers from exercising their fundamental rights at work. She explained that her Government's policies had reduced the informal economy by reforming the social security inspection system, cross-checking data, reducing insurance premiums and providing incentives. As a result, the informal employment rate had decreased from 50 per cent to 36 per cent since 2004–05. Further efforts were being made through coordination between the Ministry of Labour and Social Security and related public institutions. In order to combat informal employment, it was necessary to reduce the administrative, financial and legal liabilities of the formal sector, avoid over-regulation, increase sanctions for violators, step up inspections and put an end to tax and premium amnesty.

-
44. The Government member of Trinidad and Tobago said that a Recommendation on transitioning from the informal to the formal economy would provide guidance to member States and the social partners with a view to sustainable employment and decent work in the formal sector for all. In her country, the economy was primarily characterized by micro-, small and medium-sized enterprises (MSMEs). While a significant percentage of medium-sized enterprises were formalized, many activities in that sector were informal. Formalization should not be an end in and of itself but include tangible benefits for workers, employers and entrepreneurs. Her Government had established business incubators and a programme to facilitate formalization and increase opportunities for decent work. She hoped that the discussion in the Committee would strengthen the tripartite partnership, which was particularly important for the Caribbean States since micro- and small enterprises accounted for a significant percentage of their workforce.
45. The Government member of South Africa expressed concern at the deleterious effect of informality and forced and child labour, problems that tended to fuel one another. Many workers in the informal sector were made vulnerable by a lack of skills that left them unemployable and by a system of broad societal challenges. Programmes and funding for small businesses and cooperatives were needed. Committee members should learn from one another and move quickly and decisively to address the problems associated with the transition to the formal economy.
46. The Government member of Algeria maintained that there could be no sustainable development without the formalization of informal activities and their integration into the real economy, a process that would require good governance and economic and social regulation. Algeria had adopted a national strategy comprising various economic and human development plans aimed at encouraging productive development and decreasing unemployment. To that end, her Government had recently established a youth employment agency and a national unemployment insurance agency and was promoting the creation of MSMEs. Some 80 per cent of the population was covered by social security, but there was still a need to develop communication, awareness raising and control mechanisms and to exchange good practices.
47. The Government member of Colombia said that his Government had taken steps to formalize various elements of the private, public and transport sectors. A pilot programme to provide training in informal workplaces, such as warehouses and enterprises, had been launched in Bogotá and would be expanded to the entire country in 2014, and training agreements had been signed by employers' organizations and the Ministry of Labour in 2013. Another government programme focused on the transition from temporary to permanent jobs.
48. The Government member of the Plurinational State of Bolivia recalled that there were historic and structural reasons for the prevalence of the urban and rural informal economy in Latin American countries. The future Recommendation should provide alternative strategies for improving working conditions. His Government was working to build a plural economy with public, private, cooperative and community-based elements of the formal and informal economies. Because poverty was closely linked to the informal economy, economic and social inclusion policies for vulnerable groups, including the informal sector, were needed. He hoped that the Committee's discussion would reflect the diversity of national situations and policies to be developed through social dialogue.
49. The Government member of Brazil said that his Government had adopted legislation to make it easier for workers to transition from the informal to the formal economy, as well as inclusive policies aimed at economic growth and job creation. Because such progress was not automatic, training and other programmes were being provided. In the previous ten years, the percentage of informal workers had been reduced from 55 per cent to 39 per

cent; however, his Government considered that through social dialogue, labour inspection, tripartite discussion and policy coordination, full transition to the formal economy could be achieved. Having achieved economic growth and created 20 million jobs in the formal sector, Brazil could serve as a model for other countries and stood ready to assist them in their efforts.

50. The representative of Women in Informal Employment: Globalizing and Organizing (WIEGO), also representing HomeNet Thailand, a home-based workers' organization which also included own-account and subcontracted workers, stressed that social protection was extremely important for her members. She recounted that 20 years of advocating and negotiating with the Government had produced results in Thailand. Informal workers now benefited from a social security scheme and were covered by a universal health-care law. Homeworkers also now enjoyed legal protection through the Homeworkers Protection Act. WIEGO believed that an international standard was important as it would help to facilitate and accelerate the provision of social and legal protection for own-account informal workers around the world.
51. The representative of the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) recalled the contribution domestic workers had made to the development of the Domestic Workers Convention, 2011 (No. 189), and that the present period had also seen the formation of the first international domestic workers' organization. Recognition should be given to domestic workers, the vast majority of whom worked in the informal economy. The domestic worker situation highlighted the strong need to formalize the informal economy.
52. The representative of the International Transport Workers' Federation (ITF), also representing the 18,000-member New York Taxi Workers Alliance, regretted that taxi drivers were not adequately protected by labour law as they were often considered to be independent contractors. He recalled that two historic strikes had precipitated negotiations between taxi drivers and the city government, and that process had led to advances in benefits, including disability and life insurance, as well as an increase in wages.
53. The representative of the International Co-operative Alliance (ICA) recalled that cooperatives, which employed, at a conservative estimate, over 50 million people worldwide, were key to maintaining the jobs and incomes of over 500 million individual producers, such as farmers, fishers, domestic workers, home-based workers, street vendors and waste pickers. Cooperatives were building on two centuries of experience in transitions from the informal to the formal economy. For instance, rural credit cooperatives in nineteenth-century France and Germany had lifted many farmers out of poverty. Cooperatives played, and would continue to play, a key role in transitions to formality because they satisfied ordinary citizens' needs, were democratically controlled and community-based. Strong references to cooperatives should be made in the instrument to be developed.
54. The representative of International Young Christian Workers (IYCW) said that the proposed instrument should have a strong focus on human rights. Governments should respect, protect and further the fundamental human rights of all people, without discrimination and with particular concern for vulnerable groups. Workers in the informal economy needed to enjoy freedom of association and the right to collective bargaining and social protection, and good public services were essential. Recommendation No. 202 could provide countries with concrete tools in that regard.
55. The representative of StreetNet International, also representing its affiliate La Fédération nationale des syndicats de l'économie informelle du Niger, an organization representing many transport workers, artisans, domestic workers, carpenters and street vendors in her

country, described her organization's efforts to have informal workers' issues considered in local and national policy-making. Informal workers faced a range of problems. Street vendors, for example, were particularly vulnerable as they worked in public places. Informal workers needed to be part of the process, negotiate with government institutions and benefit from the extension of social protection floors. The Committee needed to reflect that in the proposed instrument.

- 56.** The Worker Vice-Chairperson stressed that governance was a crucial area that needed to be addressed, and expressed the desire to collaborate with governments on issues of governance and macroeconomic policies. He praised the willingness of governments' to develop social protection systems and floors as an essential factor in facilitating transition from the informal to the formal economy. The Workers' group also supported the Government members' position that informality was normally not a choice, and that decent work deficits were widespread. The Workers' group would like to see amendments reflecting that. Regarding the comments of the Employers' group, there was agreement that incentives must be sought to make formality more attractive to enterprises by improving business services, ensuring property rights and facilitating access to capital. Compliance with laws should not be about non-application or lowering of standards. While the Workers' group welcomed the Employers' group's endorsement of a rights-based approach to formalization, they reiterated that it should not be considered as a gradual process. Social protection needed to be implemented progressively, but workers' rights, OSH, working time, freedom of association and collective bargaining were all needed now. Agreement was needed that immediate action was necessary. Regarding the statements by the international non-governmental organizations (NGOs), the Workers' group believed that cooperatives should be part of the new economic policy decisions and they supported the statement of the ICA.
- 57.** The Employer Vice-Chairperson noted that there had been many points of convergence, such as governance, the macroeconomic environment, property rights and a stronger legal environment for the informal economy. Regarding the rights-based approach, the view of the Employers' group was that a stable environment and established businesses were needed for rights to be protected. Only then could employers and workers work together effectively. He noted that many Government members had highlighted the great diversity present in their various countries, as well as the need to have a progressive, gradual approach to formalization. Transition from informality to formality was not an event, it was a process. Therefore, a progressive approach would be best.

Consideration of the proposed Conclusions concerning facilitating transitions from the informal to the formal economy

A. Form of the instrument

Points 1 and 2

- 58.** As no amendments had been submitted to points 1 and 2, the points were adopted without amendment.

B. Content of the instrument

Preamble

Point 3

Point 3(a)

- 59.** The Worker Vice-Chairperson introduced an amendment to insert “the Declaration of Philadelphia, 1944, the Universal Declaration of Human Rights, 1948” at the beginning of the clause, as the Declaration of Philadelphia in particular was an essential reference included in other recent ILO instruments.
- 60.** The Employer Vice-Chairperson had no objection to the amendment.
- 61.** The amendment was adopted.

Point 3(b)

- 62.** The Government member of Switzerland, speaking also on behalf of the Government members of Belgium, Canada, Japan and New Zealand, introduced an amendment to delete “and” after “1973 (No. 138)” and, after “Worst Forms of Child Labour Convention, 1999 (No. 182),” to insert “and the Employment Policy Convention, 1964 (No. 122), one of the governance Conventions,”. She explained that Convention No. 122 had been ratified by many member States and helped them to formulate their employment policies. It also promoted formal employment and decent work conditions in many countries.
- 63.** The Employer Vice-Chairperson had no objection to the amendment.
- 64.** The Worker Vice-Chairperson supported the amendment.
- 65.** The amendment was adopted.
- 66.** The Government member of Switzerland, speaking also on behalf of the Government members of Belgium, Canada, Japan and the United States, introduced a further amendment to insert “and the Social Protection Floors Recommendation, 2012 (No. 202),” after “Worst Forms of Child Labour Convention, 1999 (No. 182),”. She stressed that Recommendation No. 202 was an important new instrument and mentioned several times in the text under discussion. It was important to ensure coherence throughout the text.
- 67.** The Worker Vice-Chairperson and the Employer Vice-Chairperson agreed to the amendment.
- 68.** The Government member of Chad requested a clarification as to whether Convention No. 122 and Recommendation No. 202 were considered ILO fundamental Conventions; if not, the beginning of the clause should be revised. The Chairperson explained that the wording would be aligned by the Committee Drafting Committee.
- 69.** The amendment was adopted.

New clause after point 3(b)

- 70.** The Employer Vice-Chairperson introduced an amendment to add “the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and the ILO Conclusions concerning the promotion of sustainable enterprises, 2007;” after clause (b).
- 71.** The Worker Vice-Chairperson and the Government member of Zimbabwe, on behalf of the Africa group, supported the amendment.
- 72.** The amendment was adopted.

Point 3(c)

- 73.** The Government member of Greece, on behalf of the EU Member States, presented an amendment to insert “in all its aspects” after “informal economy” as it was important to express the diversity of the informal economy.
- 74.** The Employer Vice-Chairperson and the Worker Vice-Chairperson agreed to the amendment.
- 75.** The Government member of the United States asked for clarification as to what was meant by “in all its aspects”.
- 76.** The Government member of Niger believed that the proposed amendment would dilute the definition of “informal economy”.
- 77.** The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment. He stated that the concept of “informal economy” was sufficiently elaborated later in the text.
- 78.** The Government member of India agreed with the Government members of Niger and the United States that the amendment would make the text less clear.
- 79.** The Government member of Lebanon supported the proposed amendment as the purpose of the instrument was the transition of all aspects of the informal economy to the formal economy.
- 80.** The Government member of Greece, speaking on behalf of the EU Member States, clarified that the amendment aimed to reflect the multidimensional nature of the informal economy.
- 81.** The amendment was adopted.
- 82.** Following agreement from the Chairperson that two amendments could be discussed together, the Worker Vice-Chairperson explained that the first amendment proposed to insert “the most fundamental rights of workers, including non-discrimination, social protection and decent working conditions,” after “is a major challenge for”. The second amendment proposed to delete “the social protection of workers and their working conditions,” after “sustainability of enterprises”. Together, the amendments prioritized the matter of fundamental rights at work and non-discrimination, while adding language consistent with the Decent Work Agenda. Many workers in the informal economy lacked legal and social protection and faced decent work deficits. While some countries had made progress in recent decades, coverage for many workers was still limited and much remained to be done, as outlined in paragraph 88 of Report V(1). Those circumstances justified putting greater emphasis on the protection of workers’ rights in the text.

-
83. The Employer Vice-Chairperson expressed the view that earlier references in the text to the Declaration of Philadelphia, the Universal Declaration of Human Rights, the Social Protection Floors Recommendation and the ILO Declaration on Fundamental Principles and Rights at Work adequately covered the need to reflect rights at work. The Employers' group therefore did not support the two jointly proposed amendments.
84. The Government member of Norway voiced support for the two amendments.
85. The Government member of Lebanon supported the amendments, noting that they would add clarity to the text. He added that globalization had had an impact on workers' rights, and the eventual Recommendation should be very clear on that point so as not to leave the text open to misinterpretation.
86. The Government member of the United States supported the intention of the two amendments. However, the phrase "fundamental rights of workers" could be confused with the more common ILO formulation "fundamental principles and rights at work". He therefore proposed a subamendment, seconded by the Government member of Canada, for the text to read "the most basic rights of workers including the fundamental principles and rights at work, social protection and decent work".
87. The Employer Vice-Chairperson did not support the subamendment, asserting that the existing references to core labour standards and social protection floors were sufficient and that it would be better to leave the text as it stood.
88. The Worker Vice-Chairperson proposed a further subamendment to delete the words "most basic" before the words "rights of workers".
89. The Employer Vice-Chairperson reiterated his group's position that the original text should not be changed and that the proposed subamendments were superfluous, as they only reinforced content already covered elsewhere in the text.
90. The Government members of Argentina, Lebanon, United States, Bolivarian Republic of Venezuela, and Greece, speaking on behalf of the EU Member States, endorsed the Worker members' subamendment.
91. The Employer Vice-Chairperson acknowledged the agreement among the Workers' group and several Government members that the text should be modified to make it more explanatory. In a spirit of consensus, the Employers' group agreed to accept the proposed subamendment.
92. The subamendment was adopted.
93. The amendments were adopted as subamended.
94. The Government member of India, speaking also on behalf of the Government members of China and Sri Lanka, introduced an amendment to delete "rule of law, and has a negative impact on the development and". The concept of "rule of law" was too wide and the wording "negative impact" was too strong, bringing into question the issue of national sovereignty, which was beyond the scope of the present discussion.
95. The Employer Vice-Chairperson did not support the amendment, noting that the rule of law was critical in aiding transitions from the informal to the formal economy.
96. The Worker Vice-Chairperson echoed the Employers' group's position and did not support the amendment. He recalled his opening statement in which he had underlined the

importance of governance, compliance, enforcement and effective regulatory frameworks for ensuring transitions from informality to formality.

97. The Government member of Greece, speaking on behalf of the EU Member States, opposed the amendment. In their view, there was no formality outside of the rule of law, which provided a legal basis for transitions to formality as well as a sound basis for enforcement.
98. The Government member of Canada did not support the amendment, citing her preference for the original text and its reference to the rule of law.
99. The amendment was not adopted.
100. The Government member of Zimbabwe, speaking on behalf of the Africa group, introduced an amendment to replace the reference to “rule of law” by “enforcement of law”, since “rule of law” had political connotations and the text should be neutral.
101. The Worker Vice-Chairperson, the Employer Vice-Chairperson, the Government members of Argentina, Lebanon, United States, and Greece, speaking on behalf of the EU Member States, did not support the amendment in view of the fact that “rule of law” encompassed “law enforcement”.
102. The amendment was not adopted.
103. The Employer Vice-Chairperson presented an amendment to replace “and sustainability of” by “of sustainable”, which the Employer members had submitted in an effort to increase the comprehensiveness of the text.
104. The Worker Vice-Chairperson expressed his group’s support for the proposed amendment.
105. The amendment was adopted.
106. The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert “the State’s scope of action, particularly with regard to the economic, social and structural policies,” after “government revenues” in the interest of clarity.
107. The Employer Vice-Chairperson supported the proposed amendment, noting that structural policies were critical for transitioning to formality and that the term “government revenues” was too narrow.
108. The Worker Vice-Chairperson said that while his group supported the amendment in principle, it wished to propose a subamendment, to insert “, environmental, developmental” after “social”.
109. The Employer Vice-Chairperson said that, although his group could support the addition of “environmental”, it would prefer not to include “developmental”.
110. The Worker Vice-Chairperson accepted the Employers’ group’s proposed subamendment, in view of the fact that “inclusive development” appeared earlier in the clause.
111. The Government member of Brazil proposed a further subamendment, seconded by the Government member of the United States and supported by the Employer Vice-Chairperson, to replace “economic, social and structural” with “public”. He reasoned that that would be preferable to listing all the potential types of relevant policies.

-
- 112.** The Worker Vice-Chairperson did not support the subamendment. All state policies were by definition public and he considered that a reference to public policy in general was too broad. In his view, some public policies, such as military policy, were not relevant to transitioning from the informal to the formal economy.
- 113.** The subamendment was not adopted.
- 114.** The Worker Vice-Chairperson, echoed by the Government members of Greece, on behalf of the EU Member States, and Zimbabwe, on behalf of the Africa group, reiterated his support for the original amendment as subamended by the Workers' group and further subamended by the Employers' group.
- 115.** The subamendment was adopted as subamended.
- 116.** The amendment was adopted as subamended.
- 117.** Point 3(c) was adopted as amended.

Point 3(d)

- 118.** The Government member of Mexico, speaking also on behalf of the Government members of Argentina and Brazil, introduced an amendment to replace clause (d) by the following two clauses:

- that most people enter the informal economy not by choice but as a consequence of a lack of opportunities in the formal economy and in the absence of other means of livelihood;
- that some economic units operate in the informal economy to evade laws;

He pointed out that the English text of the proposed amendment should read “workers” rather than “people” in order to bring it into line with the Spanish original. The rationale for the amendment was that the clause contained two distinct parts which should be separated and made more specific. One part referred to workers who had no alternative to informal employment, while the other referred to a legal issue, the evasion of laws. Moreover, in the second clause, the word “workers” should not be coupled with “economic units” as in the original text.

- 119.** Consensus was reached between the Workers' and Employers' groups to support partial adoption of the proposed amendment, setting aside discussion of the term “economic units” until discussion on the scope of the instrument under point 8 of the proposed Conclusions. Prior to that, the secretariat would clarify the meaning of the term “economic units”.
- 120.** Referring to the issue raised by the Government member of Mexico on the use of the word “people” rather than “workers” in the first sentence of the English text of the amendment, the Worker Vice-Chairperson noted that it had been agreed to use “people” instead of “workers” in the proposed amendment under discussion.
- 121.** The Government member of Lebanon restated the point that the secretariat should clarify what was meant by “economic units”.
- 122.** As no other Government members intervened, full adoption of the amendment was postponed. Subamendments to the clause that did not relate to the bracketed text “economic units”, however, were discussed.

-
123. The Government member of Poland requested that the Committee bring forward the discussion of an amendment, submitted by the EU Member States on the original wording of the first line of clause (d), to replace “most” by “a significant number of”, as that amendment did not relate to the term “economic units”.
124. The Government member of Greece, on behalf of the EU Member States, suggested subamending the consensus text to replace “most” by “a significant number of” in the first sentence, citing the lack of information on the actual proportion of people who chose to enter the informal economy.
125. The Worker Vice-Chairperson requested that the Committee abide by the consensus reached, and that Government members align themselves with that consensus. The Workers’ group did not support the subamendment proposed by the EU Member States. The word “most” clearly referred to a proportion of people entering the informal economy that was above 50 per cent. The expression “significant number” was not quantifiable.
126. The Employer Vice-Chairperson concurred with the position of the Workers’ group, also reminding the Committee of the consensus that had been reached on the text of the amendment, and called upon Government members to support that consensus.
127. The Government members of Brazil, Norway, United States, and Zimbabwe, on behalf of the Africa group, also preferred to retain the consensus wording of the amendment and therefore did not support the proposed subamendment.
128. The subamendment was not adopted.
129. The Government member of Zimbabwe, speaking on behalf of the Africa group, proposed an amendment to replace “to” by “and” in the first line of point 3(d), in order to clarify that the main reason that businesses were started in the informal economy was not to evade laws and regulations.
130. The Employer Vice-Chairperson reiterated his group’s position that the consensus text as agreed with the Workers’ group should remain. He therefore could not support the amendment.
131. The Worker Vice-Chairperson also did not support the amendment.
132. The amendment was not adopted.
133. The Chairperson recalled earlier requests from Committee members for an explanation of the meaning of “economic units” in the context of the future Recommendation. He called on the secretariat to provide clarification on the meaning.
134. The deputy representative of the Secretary-General, Mr P. Marcadent, Chief of the Inclusive Labour Markets, Labour Relations and Working Conditions Branch (INWORK), explained that the Office’s use of the term “economic units” was based on the 2002 resolution and conclusions concerning decent work and the informal economy. The Office had considered it appropriate to use the document most recently adopted by the Conference. A similar expression had also been used in Report III, *Statistics of employment in the informal sector*, Fifteenth International Conference of Labour Statisticians (15th ICLS), 1993.
135. Point 8 of the proposed Conclusions referred to two types of economic units: production units that employed hired labour; and production units that were owned and operated by individuals working on their own account, either alone or with the help of unpaid family

members. The “Guidelines concerning a statistical definition of informal employment” (ICLS Guidelines), adopted at the Seventeenth International Conference of Labour Statisticians (17th ICLS), 2003, had added a third category: households engaged in the production of goods exclusively for their own final use and employing paid domestic workers, which could be considered as economic units in the broad sense of the word.

- 136.** Economic units could be formal or informal. At the 15th ICLS, the informal sector had been defined as comprising unincorporated enterprises owned by households whose production had been for sale or barter and who did not have a complete set of accounts. Two additional criteria had been considered: the first referred to the size of the unit measured by the number of workers employed; and the second used registration as a defining characteristic. While some member States used only one of those additional criteria, others used both.
- 137.** The expression “economic units” was more commonly used than the term “enterprises” because it included production units such as households employing domestic workers that were not generally considered as enterprises. Another reason was that many economic units in the informal economy did not correspond to the conventional understanding of the word “enterprises”; they included, for example, production activities undertaken in unidentifiable premises without fixed location, such as “street vendors”.
- 138.** The Committee resumed its discussion on point 3(d) and the amendment proposed by the Government member of Mexico, on behalf also of the Government members of Argentina and Brazil, which had been postponed due to the divergent views regarding the meaning of the term “economic units”.
- 139.** The Employer Vice-Chairperson noted that in his opening statement he had stressed the need to identify the key actors in the informal economy, namely households, enterprises and entrepreneurs. For several decades, the term “economic units” had been used in literature, yet the term had not been clearly defined. The Employers’ group was of the view that to provide a path out of the informal economy, a Recommendation would need to identify the actors. If there were workers, there must be employers, and if there were employers, there must be enterprises. He noted that there had been agreement on the importance of promoting sustainable enterprises. It was essential that the key economic actors affected by the instrument should be identified in it, and that related policy interventions and adaptation measures should reflect all groups. He acknowledged the Office’s explanation that a footnote could not be used in the text of the Conclusions but urged the Committee to agree on a clear explanation of what “economic units” covered.
- 140.** The Worker Vice-Chairperson acknowledged that that was a key point of the discussion. However, his group found the proposal to refer only to “households, enterprises and entrepreneurs” too restrictive. The 2002 conclusions concerning decent work and the informal economy did not define “economic units” but contained clear passages that could help identify the units listed by the Employers’ group and other units. In the very diverse area of the informal economy, it was difficult to impose a single definition. It had been attempted at the ICLS in 2003 and also at the September 2013 Meeting of Experts, which had endeavoured to include additional units, such as domestic workers. It was not simply a matter of wage workers but, as point 9 of the proposed Conclusions indicated, of many different types of workers. The Workers’ group thus advocated retaining the term “economic units”. Hence, it would be best for the Committee to concentrate on points 8 and 9, which focused on scope. The Workers’ group believed that an attempt to define “economic units” would be restrictive and that it could prevent some missed categories from being taken into account in the following year’s discussion.

-
- 141.** The Government member of Lebanon stated that the term was universal and comprehensive, particularly as it covered small and medium-sized enterprises. However, distinctions could be made between urban and rural sectors; for instance, cities did not favour informal units, whereas agriculture and construction were often part of the informal economy in rural areas. He therefore advocated the use of the term “economic activities”.
- 142.** The Government member of Switzerland supported the viewpoint of the Employers’ group as it sought to deliver the necessary clarity to the text. She favoured defining the term “economic unit” in point 3(d).
- 143.** The Government member of the Philippines expressed support for the Workers’ group’s position to retain the term “economic units”.
- 144.** The Government member of the United States acknowledged the valid points made by both the Employers’ and Workers’ groups, and concluded that it would be preferable to retain the broader scope, however, with some definition to help readers who were unfamiliar with the concept.
- 145.** The Government member of Uruguay preferred the term “economic units” on the basis that it was more comprehensive.
- 146.** The Employer Vice-Chairperson maintained that the issue had not been settled. In response to some of the concerns of the Workers’ group, the Employers’ group would be willing to identify and add more categories of economic actors to the proposed list, if necessary. It was imperative, however, for the instrument to include a clear definition of the actors concerned. Given the inclusion of “enterprises” in the scope of the discussions held in 2002 and 2007, he saw no reason why enterprises should not be explicitly identified as economic units of the informal economy. That was especially so when the objective was transitioning to formality, where formality meant that enterprises were registered and able to ensure respect for workers’ rights and participate in social dialogue.
- 147.** The Worker Vice-Chairperson restated his group’s position to keep the term “economic units”. He referred to the tripartite agreement from the 2002 Conference discussion, which provided a much more inclusive list than the one currently proposed by the Employers’ group. He was agreeable to defining it clearly, but questioned why the Committee should restrict the definition, as that could unnecessarily bar certain economic units from benefiting from the instrument both at the present time and in the future. He recalled that the guidelines concerning a statistical definition of informal employment from the ICLS in 2003 included a conceptual framework that should serve as a reference, complicated as it might be. With that in mind, he maintained the position that the Committee should not attempt to include in point 3(d) every type of economic unit in the informal economy.
- 148.** In view of the lack of agreement on the issue, the Chairperson proposed the addition of the words “enterprises and other” so that the amendment would read “enterprises and other economic units”. If adopted, the amendment would allow the Committee to take up the issue again during the discussion on the scope (points 5–9 of the proposed Conclusions). As there was no immediate consensus between the Workers’ and Employers’ groups on the Chairperson’s proposal, a small working group was formed to reach a consensus based on the Chairperson’s proposal. The small working group comprised representatives of the Employers’ and Workers’ groups and interested Government members, including the Government members of the Plurinational State of Bolivia, Jamaica, Switzerland, Austria, on behalf of the EU Member States, and Zimbabwe, on behalf of the Africa group.

-
- 149.** As a result of the consultations, the Government member of Switzerland proposed a subamendment to add a new clause after point 3(d) to read “that economic units include enterprises, entrepreneurs and households.”
- 150.** The Worker Vice-Chairperson said that the proposal did not accurately reflect the compromise reached during the consultations, in particular regarding the term “include”.
- 151.** The Worker Vice-Chairperson proposed a further subamendment to replace “include” by “including”.
- 152.** The Employer Vice-Chairperson expressed his group’s support for the subamendment, and thanked all those who had participated in the small working group consultations for their goodwill and spirit of compromise.
- 153.** The further subamendment was adopted.
- 154.** The amendment was adopted as subamended.
- 155.** The Worker Vice-Chairperson requested that the Committee Drafting Committee identify the appropriate place to insert the first instance of the formulation “economic units, including enterprises, entrepreneurs and households” in the proposed Conclusions.
- 156.** The Employer Vice-Chairperson supported the request and stressed that there should be a separate provision that clarified what “economic units” meant.
- 157.** The Chairperson referred the matter to the Committee Drafting Committee. It would review the text to find the appropriate place to introduce the new formulation.
- 158.** In view of the adoption of the amendment, five remaining amendments on point 3(d) fell, namely: two identical amendments submitted by the Government member of Egypt and the Workers’ group to delete “while some workers and economic units operate in the informal economy to evade laws and regulations”; and three by the Employers’ members to replace “economic units” by “households, enterprises and entrepreneurs”, to delete “most” before “people” in the second line and to insert “obstacles to enter the formal economy,” in the third line of the point before “a lack of opportunities”.
- 159.** Point 3(d) was adopted as amended.

Point 3(e)

- 160.** The Government member of Mexico, speaking also on behalf of the Government members of Argentina and Brazil, introduced an amendment to replace the entire clause with “that informality has multiple causes, including those related to structural and governance issues, and that public policies can speed up the process of transition to the formal economy;”. He believed the amendment would help to broaden the scope of the text.
- 161.** The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government members of Norway, and Zimbabwe, speaking on behalf of the Africa group, did not support the proposed amendment.
- 162.** The amendment was not adopted.
- 163.** The Employer Vice-Chairperson introduced an amendment to replace the words “governance issue” by “lack of a conducive environment for formalization” as there were many issues to consider in addition to governance.

-
- 164.** The Worker Vice-Chairperson reiterated that governance was one of the three areas of critical importance underpinning transition from the informal to the formal economy cited in his opening statement, and he therefore could not support the amendment.
- 165.** The Government members of Lebanon, Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, did not support the proposal.
- 166.** The amendment was not adopted.
- 167.** The Government member of India, speaking also on behalf of the Government members of China and Sri Lanka, presented an amendment to replace “governance” by “structural and developmental”, since informality was primarily a structural and developmental issue among the multiple causes as recognized by the Committee.
- 168.** The Employer Vice-Chairperson, the Worker Vice-Chairperson, the Government members of Norway, United States, and Greece, speaking on behalf of the EU Member States, did not support the proposed amendment.
- 169.** The amendment was not adopted.
- 170.** The Government member of Zimbabwe, speaking on behalf of the Africa group, proposed an amendment to replace “but, in many contexts, it is principally a governance issue” by “which include governance issues and poverty”, since poverty was also a cause of informality and had been mentioned in many previous discussions.
- 171.** The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government member of Norway did not support the proposed amendment. The Government member of Argentina said that her delegation did not support the proposal because it stated that poverty was a cause of informality whereas, in reality, it was one of the principal consequences thereof.
- 172.** The amendment was not adopted.
- 173.** The Government member of New Zealand, speaking also on behalf of the Government members of Canada, Japan and Switzerland, introduced an amendment which proposed to replace “but, in many contexts, it is principally a governance issue” by “including governance issues”, since the causes of informality were many and varied. A more general statement was more appropriate, particularly in a preambular point.
- 174.** The Employer Vice-Chairperson and the Worker Vice-Chairperson did not support the proposed amendment.
- 175.** The Government member of Norway did not support the amendment. In her view, governments bore the main responsibility for reducing informality.
- 176.** The Government members of Brazil, Colombia, Egypt, India, United States, Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, expressed support for the proposed amendment.
- 177.** The Worker Vice-Chairperson proposed a subamendment to replace “it is principally a governance issue” by “principally governance and structural issues, reflected through misguided or badly implemented macroeconomic and social policies, often developed without tripartite consultations”.

-
- 178.** The Employer Vice-Chairperson, the Government members of the United States, Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, did not support the proposed subamendment.
- 179.** The subamendment was not adopted.
- 180.** The Government member of Brazil did not support the subamendment and suggested a further subamendment to change the wording to “that informality has multiple causes, including governance and structural issues, and that public policies can speed up the process of transition to the formal economy, in a context of social dialogue”.
- 181.** The Worker Vice-Chairperson supported the subamendment as introduced by the Government member of Brazil and consequently withdrew the subamendment originally proposed by his group.
- 182.** The Employer Vice-Chairperson and the Government members of Argentina, India, Lebanon, Philippines, Sudan, and Greece, on behalf of the EU Member States, supported the subamendment as introduced by the Government member of Brazil.
- 183.** The subamendment was adopted.
- 184.** As a consequence, an amendment submitted by the Government members of the EU fell. It had sought to replace “principally” by “also”.
- 185.** The amendment was adopted as subamended.
- 186.** In view of the lack of support for their earlier subamendment, the Workers’ group withdrew their amendment to add “reflected through misguided or badly implemented macroeconomic and social policies, often developed without tripartite consultations” after “issue”.
- 187.** Point 3(e) was adopted as amended.

Point 3(f)

- 188.** The Employer Vice-Chairperson introduced an amendment to replace “decent work deficits are most pronounced in the informal economy” by “the objective of formalization is to promote decent work for all”. Decent work deficits were most pronounced in the informal economy and the objective of formalization was to promote decent work for all. The purpose of the amendment was to overcome any notion that decent work objectives only applied to the formal economy.
- 189.** The Worker Vice-Chairperson did not support the amendment and suggested a subamendment to add “and one of the objectives of formalization is to promote decent work for all;” at the end of clause (f).
- 190.** The Employer Vice-Chairperson and the Government members of Argentina, Brazil, India, Norway and Sudan supported the Workers’ group’s subamendment.
- 191.** The Government members of the United States, and Zimbabwe, speaking on behalf of the Africa group, did not object in principle to the subamendment but suggested it would fit better in the section dealing with objectives and principles rather than in the Preamble.
- 192.** The amendment was adopted as subamended.

-
- 193.** The Government member of the United States, speaking also on behalf of the Government members of Japan and Switzerland, introduced an amendment to insert “– the denial of rights at work, the absence of sufficient quality employment opportunities, inadequate social protection, and the absence of recognized social dialogue –” after “that decent work deficits”. The intention was to assist readers unfamiliar with ILO concepts to understand better what was meant by decent work deficits.
- 194.** The Worker Vice-Chairperson and the Government members of Brazil, Canada, Norway, and Greece, on behalf of the EU Member States, supported the amendment.
- 195.** The Employer Vice-Chairperson and the Government member of India appreciated the intention of the amendment but wished to see such definitions dealt with in a separate section or possibly even a footnote.
- 196.** The amendment was adopted.
- 197.** Point 3(f) was adopted as amended.

Point 3(g)

- 198.** The Employer Vice-Chairperson introduced an amendment to delete the entire clause. He understood the intention of clause (g) but did not consider it necessary to distinguish categories of vulnerable workers.
- 199.** The Worker Vice-Chairperson and the Government members of Canada, Philippines, Greece, on behalf of the EU Member States, and Zimbabwe, on behalf of the Africa group, did not support the amendment.
- 200.** The Government member of Argentina did not support the amendment, saying that different categories of vulnerable workers required different policies to address their specific needs and that should thus be highlighted.
- 201.** The Employer Vice-Chairperson withdrew the amendment.
- 202.** The Government member of Canada introduced an amendment on behalf also of the Government members of Japan, Norway, Switzerland and the United States, to replace “young persons, migrants, older workers, indigenous and tribal peoples, persons affected by HIV and AIDS and persons with disabilities are especially vulnerable” by “and other vulnerable groups are especially susceptible”. The aim was to retain a reference to vulnerable groups, but without an iterative list, as groups could vary across countries and over time and there was the potential for exclusion. A broad, inclusive formulation was preferable.
- 203.** The Worker Vice-Chairperson did not support the amendment, as the existing text encapsulated vulnerable groups well.
- 204.** The Employer Vice-Chairperson supported the amendment on the ground that the original text was exclusive and the amendment would be more inclusive.
- 205.** The Government member of Brazil, noting the valid concerns about avoiding an exclusive formulation, proposed a subamendment, seconded by the Worker Vice-Chairperson, to insert “and other vulnerable groups that” after “persons with disabilities”, and to replace “vulnerable” by “susceptible”.

-
- 206.** The Employer Vice-Chairperson, together with the Government members of Argentina, and Zimbabwe, on behalf of the Africa group, supported the subamendment.
- 207.** The subamendment was adopted.
- 208.** The amendment was adopted as subamended.
- 209.** The Government member of Zimbabwe, on behalf of the Africa group, presented an amendment to replace “indigenous and tribal peoples” by “the rural poor and their families”, with the aim of introducing more appropriate terminology.
- 210.** The Worker Vice-Chairperson was of the view that retaining the original text was preferable, especially as it would reflect wording in the Indigenous and Tribal Peoples Convention, 1989 (No. 169).
- 211.** The Employer Vice-Chairperson preferred to retain the original text, but proposed a subamendment to retain both references to “indigenous and tribal peoples” and “the rural poor and their families” because they were different categories of vulnerable workers.
- 212.** The Worker Vice-Chairperson, along with the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.
- 213.** The subamendment was adopted.
- 214.** The amendment was adopted as subamended.
- 215.** Point 3(g) was adopted as amended.

New clauses after point 3(g)

- 216.** The Government member of Greece, on behalf of the EU Member States, introduced an amendment to insert a new clause after clause (g) to read “that a proper assessment of the informal economy in each country helps design more appropriate transition strategies;”.
- 217.** The Worker Vice-Chairperson voiced support for the addition of national plans, and thus supported the proposed amendment.
- 218.** The Employer Vice-Chairperson, noting that the amendment would reflect the multifaceted nature of the informal economy and that country-specific challenges were paramount, supported the amendment.
- 219.** The Government member of Mexico supported the proposed amendment.
- 220.** While agreeing with the content of the proposal, the Government member of the United States did not support the amendment since, as a point for action, it would be better situated under point 10. That view was echoed by the Government member of Zimbabwe, speaking on behalf of the Africa group.
- 221.** The amendment was adopted.
- 222.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert a new clause to read “that the informal economy is often characterized by low income;”. Given the serious aspect of low income in the informal economy, its inclusion in the Preamble was justified and would anticipate certain points that would appear later in the Recommendation.

-
- 223.** The Employer Vice-Chairperson supported the proposed amendment in principle, but noted that not all the actors in the informal economy were poor.
- 224.** The Worker Vice-Chairperson supported the proposed amendment.
- 225.** The Government member of the United States proposed a subamendment, seconded by the Government member of Japan, to replace “low income” by “poverty”, since low income was a feature of the formal economy as well.
- 226.** The Worker Vice-Chairperson was willing to support the subamendment, but with a further subamendment to add “and low and insecure income” after the word “poverty”.
- 227.** The Employer Vice-Chairperson did not support the subamendment, stating that the original text should be maintained, since the phrase “insecure income” was not meaningful.
- 228.** The Government member of Namibia, supported by the Government members of Egypt and Sudan, did not support the initial proposed amendment since there was no evidence for the prevalence of low income in the informal economy as distinct from the formal economy. Income insecurity was also a feature of the formal economy, as evidenced by the global financial crisis. Furthermore, the proposed amendment would not align with the proposed Conclusions emphasizing the entrepreneurial potential of workers and economic units in the informal economy.
- 229.** The Worker Vice-Chairperson withdrew the subamendment as there appeared to be no consensus on the subamendment put forward by the Government member of the United States. He therefore proposed a return to the original text of the amendment, a solution supported by the Employer Vice-Chairperson.
- 230.** The Government member of Brazil likewise supported the initial amendment, without the subamendment proposed by the Government member of the United States, since the informal economy in Brazil was not necessarily characterized by poverty.
- 231.** The subamendment of the Government member of the United States was not adopted.
- 232.** The amendment was adopted.
- 233.** The new clauses after point 3(g) were adopted.

Point 3(h)

- 234.** The Employer Vice-Chairperson withdrew an amendment to replace “economic units” by “households, enterprises and entrepreneurs”.
- 235.** The Government member of Egypt introduced an amendment that was identical to one proposed by the Worker members to insert “some” after “that” in the first line of clause (h).
- 236.** The Employer Vice-Chairperson and the Worker Vice-Chairperson expressed their groups’ support for the proposed amendment.
- 237.** The amendments were adopted.
- 238.** The Worker Vice-Chairperson introduced an amendment to replace “can have a large” by “have” in the first line of the clause.

-
- 239.** The Employer Vice-Chairperson said that his group could not support the proposal, since it undermined the reasoning to draw attention to entrepreneurial potential.
- 240.** The Government member of Norway proposed a subamendment to delete “large”.
- 241.** The Worker Vice-Chairperson expressed his group’s support for the subamendment.
- 242.** The Employer Vice-Chairperson did not support the subamendment.
- 243.** The Government members of Argentina and Egypt did not support the subamendment.
- 244.** The subamendment was not adopted.
- 245.** The Employer Vice-Chairperson requested that the clause remain without amendment.
- 246.** In a spirit of compromise, given the general lack of support for the proposed amendment, the Worker Vice-Chairperson withdrew it.
- 247.** The Government member of the United States, speaking also on behalf of the Government members of Canada, Japan, Norway and Switzerland, introduced an amendment to insert “productivity” after “dynamism” in the second line.
- 248.** The Employer Vice-Chairperson, the Worker Vice-Chairperson and the Government members of the Philippines, Greece, on behalf of the EU Member States, and Zimbabwe, on behalf of the Africa group, supported the amendment.
- 249.** The amendment was adopted.
- 250.** The Worker Vice-Chairperson introduced an amendment to replace “fully develop” by “be developed”.
- 251.** The Employer Vice-Chairperson opposed the amendment because the words “be developed” suggested that the creativity, dynamism, skills and innovation of workers and economic units could not develop without outside assistance.
- 252.** The amendment was withdrawn.
- 253.** The Employer Vice-Chairperson introduced an amendment to replace “transition to the formal economy is facilitated” by “they entered the formal economy” so as to indicate that, in order for workers and economic units in the informal economy to reap the benefits mentioned in the clause, they must enter the formal economy. He explained that the purpose of the proposed amendment was to make it clear that workers and economic units that entered the formal economy would be able to fulfil their potential.
- 254.** The Worker Vice-Chairperson opposed the amendment.
- 255.** The Government member of Zimbabwe, speaking on behalf of the Africa group, and the Government members of Egypt, Indonesia and the Philippines opposed the amendment on the ground that the amendment would suggest that the formal economy could simply be “entered” in a single act.
- 256.** The Government member of Jamaica agreed with the previous Government members, stressing that the transition to the formal sector was a process that took time.
- 257.** As there was no support for the amendment, it was withdrawn.

258. Point 3(h) was adopted as amended.

259. Point 3 was adopted as amended.

Point 4

260. The Government member of Egypt, seconded by the Government member of Zimbabwe, on behalf of the Africa group, introduced an amendment to replace “to take urgent measures to enable” by “for” in order to eliminate the apparent contradiction between “urgent measures” and “gradual transitions”.

261. The Employer Vice-Chairperson opposed the amendment, stressing that it was indeed urgent to begin the transition; in fact, it should already be under way.

262. The Worker Vice-Chairperson also opposed the amendment as the Workers’ group had submitted its own amendment on point 4.

263. The Government member of Peru preferred to retain the sense of urgency of the original text.

264. The Government member of Norway did not support the amendment.

265. The amendment was not adopted.

266. The Employer Vice-Chairperson introduced an amendment to insert “for member States” after “the need”, to ensure coherence with point 3(e) which stated that informality was principally a governance issue.

267. The Worker Vice-Chairperson and the Government members of Norway, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.

268. The amendment was adopted.

269. The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert “and appropriate” after “urgent” to make it clear that, despite the urgency of the situation, the measures taken must be well thought out.

270. The Worker Vice-Chairperson supported the amendment.

271. The Employer Vice-Chairperson supported the amendment, adding that he would withdraw an amendment proposed by his group to insert “and provide appropriate support” after “measures”.

272. The Worker Vice-Chairperson proposed a subamendment to add “and provide support” after “appropriate measures”.

273. The Employer Vice-Chairperson supported the subamendment.

274. The Government member of the United States did not support the subamendment because “appropriate measures” implied the provision of support.

275. The Government members of Argentina, Brazil, and Zimbabwe, speaking on behalf of the Africa group, did not support the subamendment.

-
- 276.** The subamendment was withdrawn.
- 277.** The amendment was adopted.
- 278.** The Government member of India, speaking also on behalf of the Government members of China and Sri Lanka, withdrew an amendment as the amendment that had just been adopted adequately reflected their viewpoint. Their amendment had sought to replace “urgent” by “necessary”.
- 279.** The Worker Vice-Chairperson presented an amendment to delete “gradual” after “enable”, emphasizing that there was an established consensus on the notion of urgency in the transition from informality to formality. In his view, “transition” already implied a process and therefore placing “gradual” before “transition” implied a “slow process”.
- 280.** The Employer Vice-Chairperson did not support the amendment because he believed that, even if the transition was a process, it was important to retain the notion of gradualism, especially in view of the need for each country to move at its own pace. In his opinion, there was no conflict between the words “urgent” and “gradual”.
- 281.** The Government members of Algeria, India, Kenya, Namibia, Swaziland, and Zambia, speaking on behalf of the Africa group, did not support the amendment on the grounds that it was essential to take differing country capacities, needs and experiences into consideration, and the reference to a “gradual transition” did not necessarily preclude a faster pace of transition.
- 282.** The Government member of Egypt also opposed the amendment. She noted that, as the informal economy was a large part of the economies of some countries, a gradual transition could help reduce any negative impacts of the transition.
- 283.** The Government members of Argentina, Brazil and Chile supported the amendment as it would reflect the possibility that countries might choose to take measures to facilitate the transition to the formal economy either at a gradual or accelerated pace, depending on their needs and the characteristics of the informal economy in their countries. Both Argentina and Brazil had chosen an accelerated pace to promote transition to formality.
- 284.** The Government members of New Zealand, Norway, Peru, United States, Uruguay, Bolivarian Republic of Venezuela, and Greece, on behalf of the EU Member States, also supported the amendment.
- 285.** The Worker Vice-Chairperson clarified that the purpose of the amendment was not to question national specificities. However, the Meeting of Experts held in September 2013 had arrived at a consensus on some immediate measures to be taken, such as in the area of OSH.
- 286.** The Employer Vice-Chairperson observed that there had been a general consensus in the discussion on the critical need for the process of transition to the formal economy to start. On that basis, he could agree that the notion of gradualism was implicit. Therefore, the Employers’ group would support the amendment.
- 287.** The amendment was adopted as amended.
- 288.** An amendment submitted by the Employer members to replace “economic units” by “households, enterprises and entrepreneurs” was withdrawn, in view of the earlier discussion under point 3.

-
- 289.** The Employer Vice-Chairperson introduced an amendment to add “, recognizing both the large diversity of the informal economy and different national circumstances” at the end of the point. He explained that the purpose of the amendment was to recognize the diversity of the informal economy in different countries.
- 290.** The Worker Vice-Chairperson noted that, although the informal economy was indeed diverse and there were differing national circumstances, the proposal did not belong in the Preamble but was more suited to later parts of the text. Consequently, he did not support the amendment.
- 291.** The Government member of Greece, speaking on behalf of the EU Member States, expressed support for the amendment, as did the Government members of Brazil, Indonesia, Jamaica, and Zimbabwe, on behalf of the Africa group.
- 292.** The amendment was adopted.
- 293.** Point 4 was adopted as amended.
- 294.** The Preamble was adopted as amended.

I. Scope

Title

- 295.** The title was adopted.

Point 5

- 296.** As a consequence of the earlier discussion and clarification from the secretariat on what was meant by the term “economic units”, the Employer Vice-Chairperson withdrew an amendment which had sought to replace the words “and economic units” by “, households, enterprises and entrepreneurs”.
- 297.** The Employer Vice-Chairperson introduced an amendment to insert “, as well as to land and property that is held informally” at the end of the point. He recalled that in his opening statement that was highlighted. For the Employers’ group, land and property were critical to economic development and transitioning to formality, given that capital accumulation was difficult in the informal economy.
- 298.** The Worker Vice-Chairperson recalled that point 5 dealt with the scope of the instrument and applied to all the actors in the informal economy. He did not deny the importance of the issue raised by the Employers’ group as part of an integrated policy framework, but the matters were better addressed under point 16. Moreover, member States and the social partners were expected to address the issue of land and property in their national planning activities. If the Committee included land and property in point 5, there was no reason not to include other important policy matters, such as access to credit and markets, as well as labour and social rights. None of those subjects was appropriate under point 5 but the Workers’ group was open to discussing the issue again under point 16.
- 299.** The Government member of the United States agreed with the position of the Workers’ group, noting that point 5 was not the appropriate place to consider the important issues of property rights and access to capital. The scope of the instrument applied to ILO

constituents. Land and property rights, however, were the object and not the subject of discussion.

- 300.** The Government member of Iraq echoed the view of the Government member of the United States, noting that the subject matter of the instrument was workers and economic units, not goods.
- 301.** The Government member of Egypt, together with the Government members of Peru, the Bolivarian Republic of Venezuela, and Zimbabwe, on behalf of the Africa group, supported the position of the Workers' group; it was not the appropriate place to address the issue.
- 302.** The amendment was not adopted.
- 303.** Point 5 was adopted.

Point 6

- 304.** The Government member of Mexico, speaking also on behalf of the Government members of Argentina, Brazil, Chile, Colombia, Uruguay, and the Bolivarian Republic of Venezuela, introduced an amendment to replace point 6 as follows: "The proposed instrument should provide that work in the informal economy can be carried out in formal sector economic units, in informal sector economic units or households." Doing so would clarify the general scope of work in the informal economy, drawing on the definition established by the ICLS in 2003. It was expected that it would eliminate the need for further debate on the same question in the remaining parts of the proposed Conclusions.
- 305.** The Employer Vice-Chairperson opposed the amendment.
- 306.** The Worker Vice-Chairperson stated that the Workers' group had difficulty understanding the purpose of the amendment, given that the text of point 6(a) came from the conclusions of the Meeting of Experts held in September 2013. He did not support the amendment.
- 307.** The Government member of Greece, speaking on behalf of the EU Member States, and the Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment.
- 308.** The Government member of the United States did not support the amendment as it deleted the core outline of the informal economy and replaced it with a description of where it was found and not what it was.
- 309.** The Government member of Peru supported the amendment, saying that incorporating the decision of the 2003 ICLS, which itself was the result of lengthy debates, would clarify the rest of the discussion.
- 310.** The amendment was not adopted.

Point 6(a)

- 311.** An amendment submitted by the Employer members was withdrawn. It had sought to replace "and economic units" by "households, enterprises and entrepreneurs".
- 312.** In line with an earlier amendment that had not been adopted, the Employer Vice-Chairperson introduced an amendment to insert " , as well as property that is" in the second

line after “that are”. Land and property were of critical importance to the informal economy.

- 313.** The Worker Vice-Chairperson recalled his earlier statement that point 16(b) was a better place to address the issue, and the Committee could discuss the matter at that point in the discussion.
- 314.** The Government member of the United States opposed the amendment, repeating his concern that point 6 should pertain to workers and economic units. The issue of property could be introduced later in the text, for instance in point 15 or 16.
- 315.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment.
- 316.** The amendment was not adopted.
- 317.** Point 6(a) was adopted.

Point 6(b)

- 318.** The Worker Vice-Chairperson presented an amendment to replace clause (b) with the following text: “informal work is carried out across the economy in the public and private sectors, in formal and informal enterprises, public spaces and households”. The amendment sought to clarify the existing text, by using agreed language – informal economy as opposed to informal sector – and by introducing the idea that informal work was carried out across the entire economy. A reference to “public spaces” was also needed because securing access to public spaces was important for individuals in the informal economy, such as market vendors. The question of where informal work was carried out needed more specificity and clarity.
- 319.** The Employer Vice-Chairperson did not support the amendment, as it did not meaningfully explain the additional elements clarifying where informal work was carried out.
- 320.** The Government member of Chile supported the amendment, saying that it correctly included the public and private sectors in characterizing the scope of informal work.
- 321.** The Government member of Greece, speaking on behalf of the EU Member States, did not support the amendment.
- 322.** The Government member of Iraq, in support of the amendment, agreed with the notion that the informal economy was not limited to a single sector.
- 323.** The Government member of Zimbabwe, speaking on behalf of the Africa group, stated his preference to keep the original text as it was and did not support the amendment.
- 324.** The Government member of India endorsed the view expressed by the Government member of Zimbabwe, adding that she did not find the elaboration necessary, pointing out that public spaces were not a technically appropriate description for the purpose of definition and that they, including vendors, were covered in household enterprises.
- 325.** The Government member of Norway supported the amendment since it brought clarity to the text, especially considering that undeclared work was a feature of informality and that there was extensive informality in the public sector.

-
326. The Worker Vice-Chairperson recalled that millions of workers in the informal economy found access to public spaces difficult. If the issue of public spaces was a point of contention, a subamendment might be needed. However, reference to the scope of the informal economy in the public and private sectors was important and should remain. He therefore proposed a subamendment to his group's amendment to replace "public spaces and households" by "and public spaces".
327. The Employer Vice-Chairperson indicated that the Workers' group's subamendment did not substantially change the proposal, and he could not support it.
328. The Government member of Uruguay proposed a further subamendment to replace "across the economy in the public and private sectors, in formal and informal enterprises, public spaces and households" by "in economic units of the formal economy, in economic units of the informal economy, in public spaces and in households".
329. The Worker Vice-Chairperson, while expressing preference for his earlier subamendment, agreed to support the subamendment proposed by the Government member of Uruguay, in the interest of consensus.
330. The Employer Vice-Chairperson expressed the view that the subamendment did not change the text substantially, and therefore he did not support it.
331. The Government member of Greece, speaking on behalf of the EU Member States, did not support the subamendment.
332. The Government member of Chile argued that the subamendment did not have the same meaning as the earlier amendment and did not support it.
333. The Government member of Zimbabwe, speaking on behalf of the Africa group, preferred to keep the original text and did not support the subamendment.
334. Others, including the Government members of Argentina, Brazil, India, Mexico, South Africa and the United States, voiced support for the subamendment.
335. The Government member of Algeria echoed the view of the Africa group, preferring to return to the original text and noting the need to harmonize clauses (a) and (b) of point 6.
336. The Government member of Trinidad and Tobago, speaking also on behalf of the Government member of Jamaica, did not support the subamendment on the ground that the purpose for including the term "public spaces" remained unclear. She also preferred to keep the original phrase "work in the informal economy" as opposed to the term "informal work".
337. Given the preceding interventions, the Chairperson was of the view that the subamendment did not enjoy sufficient support in the Committee to warrant adoption.
338. The Worker Vice-Chairperson reiterated the importance of public spaces for people around the world in the informal economy and voiced concern about the Chairperson's assessment of Government support for the subamendment. He noted that many Government members had in fact supported the subamendment and that millions of workers sought work in public spaces but were denied access, citing the example of India.
339. The Employer Vice-Chairperson recalled that the rules of engagement had been clearly established by the Chairperson, and that there was significant Government opposition to the subamendment, including from the Government members of the EU Member States

and Africa group. The proposed instrument should not be based on country-specific circumstances, but should cover all countries. Therefore, the subamendment should not be upheld.

- 340.** Following consultations between the Officers of the Committee, it was agreed that a small working group would be established to discuss proposals for resolving the issue before the Committee. The group was composed of three Employer delegates, three Worker delegates and a number of interested Government members.
- 341.** There was no consensus within the small working group on the subamendment proposed by the Government member of Uruguay. Discussion of all other proposed amendments to point 6(b) was suspended until such time as a compromise proposal could be made to the Committee.
- 342.** The Employer Vice-Chairperson agreed to the suggested procedure.
- 343.** The Worker Vice-Chairperson emphasized that it was essential to define the scope of the instrument. In particular, clause (b) should include a comprehensive definition of the locations and sectors where informal work took place. For instance, there was an established consensus around the fact that the instrument should cover informal work in formal enterprises. The instrument should also cover informal workers in the public sector. Furthermore, it was important to address the issue of “public space”, as it was the workplace of many informal workers in sectors such as small-scale trade, construction and transport.
- 344.** A consensus was reached by the social partners on a new proposal. The proposed subamendment would read “Informal work can be carried out across all the sectors of the economy, both in public and private spaces.”
- 345.** Both the Employer Vice-Chairperson and the Worker Vice-Chairperson acknowledged the detailed discussions and extensive negotiations that had taken place and expressed their respective groups’ support for the compromise text, as proposed.
- 346.** The Government member of Switzerland pointed out a linguistic issue with the French version of the text, in particular the translation of “public spaces” in French.
- 347.** The Government member of Greece, speaking on behalf of the EU Member States, requested clarification on the meaning of “public spaces”.
- 348.** The Worker Vice-Chairperson explained that people employed in the informal economy, such as recycling workers, transport workers, street vendors and other service providers, often worked, or in some cases such as construction workers, awaited recruitment, in public areas. Informal employment, however, was also known to occur in private spaces.
- 349.** The Government member of Greece, speaking on behalf of the EU Member States, expressed support for the proposed subamendment.
- 350.** The Government member of Brazil wished to know whether the Workers’ group considered the new wording sufficiently clear with regard to the fact that informal work was also found in formal enterprises.
- 351.** The Worker Vice-Chairperson confirmed that his group considered the wording to be more inclusive than previous versions, since “all sectors of the economy” implicitly encompassed formal, informal, public and private.

-
352. The Government member of India cautioned that the introduction in the draft of a new concept of public and private spaces might have implications for other points of the proposed Conclusions.
353. The Government member of Argentina felt that the proposed Conclusions should specify what was meant by “public and private spaces” and thought that more time would be needed to discuss that.
354. The Government member of Peru expressed concern that “public spaces” could be understood to include the public sector. A clear definition was therefore required.
355. The Government member of Mexico, speaking on behalf of the Government members of the Group of Latin America and Caribbean Countries (GRULAC), also expressed concern about the meaning of “public spaces” and the addition of a new concept in the text.
356. The Government member of Iraq expressed support for the proposed text.
357. The Government member of Lebanon did not support the subamendment on the ground that it was inappropriate to refer to the public and governmental sector as a place where informal work could occur. Furthermore, there was no need to make a distinction between public and private sectors.
358. The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the subamendment. He wished to clarify that the concept of “public spaces” did not refer to state-run institutions, but to the locations, or workplaces, where informal work took place.
359. The Government member of the United States supported the subamendment.
360. Despite reservations expressed by several Government members, the amendment was adopted as subamended as it had received majority support.
361. As a consequence, two amendments fell: one amendment submitted by the Employers’ group to replace “formal sector enterprises, informal sector” by “informal”; and another submitted by the EU Member States to replace “enterprises” by “entities”, both in the first line.
362. Point 6 was adopted as amended.

Point 7

363. The Worker Vice-Chairperson introduced the amendment to replace “illicit activities, as defined in relevant international treaties” by “activities that are defined as illicit in international treaties such as conventions concerning production of and trafficking in drugs and firearms”. He further requested clarification from the secretariat on the difference between “illegal”, “illicit” and “criminal”.
364. The Legal Adviser indicated that the term “illicit activities” was used in Article 3 of the Worst Forms of Child Labour Convention, 1999 (No. 182), and Paragraph 12 of the Worst Forms of Child Labour Recommendation, 1999 (No. 190), which referred to “illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties”. He pointed out that point 7, as currently drafted, suggested that there were international treaties in which the notion of illicit activities was defined as such. That was not in fact the case. Several international Conventions, however, dealt with specific types of transnational illicit activities such as the illicit manufacturing of and trafficking in firearms, the illicit traffic in narcotic drugs and the illicit trade in tobacco

products. The Legal Adviser further explained that the term “illegal” referred to any activity that contravened the law whereas the term “illicit” denoted an activity that was probably illegal but also morally disapproved or unacceptable. As regards the term “criminal”, or criminal offence, it was understood as any violation of law that was punishable by fine or imprisonment. He also noted that “illegal” was a broader notion than “criminal” as any criminal act was necessarily illegal but not all illegal acts were necessarily criminal. Finally, he recalled that point 7 sought to exclude from measures facilitating transition to the formal economy not all workers involved in undeclared activities (even though they may not be in compliance with national laws or regulations) but rather those engaged in particularly serious transnational criminal activities, such as those covered by the relevant international treaties.

- 365.** The Worker Vice-Chairperson proposed a subamendment to insert “, such as the production of and trafficking in drugs and firearms” after “illicit activities”. He said that point 7 should refer only to international treaties and not to national laws.
- 366.** The Employer Vice-Chairperson proposed a further subamendment to insert “by national laws and” before “in relevant international treaties”, since not all member States had ratified the relevant international treaties. National laws empowered national authorities to prosecute. In order to ensure that the draft instrument was all-encompassing, it should also refer to national legislation.
- 367.** The Worker Vice-Chairperson did not agree to the proposed subamendment. When considering the national context, many activities might be classified as illegal under national laws even though they were not illegal under international law. That could lead to the exclusion of a large proportion of activities in the informal economy from the scope of the instrument. Therefore, the text should contain only a reference to international treaties and not to national legislation.
- 368.** The Government member of Lebanon expressed the view that the text should remain as simple as possible. In the formal economy, a system of laws applied, whereas in the informal economy some activities were in conformity with the law and others were not. Certain illicit activities might later become licit, and what was informal could become formal. He added that the subamendment could be acceptable but, for the sake of clarity, might require a reference to activities being in conformity with “public order”.
- 369.** The Government member of Greece, speaking on behalf of the EU Member States, recalled that undeclared work was of great concern to many countries as its persistence had detrimental effects on national revenue, the funding of social security and other critical health and social services. The situation whereby economic units gained an advantage by evading taxes and ultimately formalization needed to be avoided. For those reasons, she proposed a further subamendment to add at the end of the point “, as well as illegal activities that deliberately avoid taxes, social and labour regulations and laws”.
- 370.** The Employer Vice-Chairperson said the Employers’ group could not support the EU subamendment as it confused issues and introduced elements that should not be dealt with under point 7. He reiterated that the term “illicit” encompassed “illegal” and “immoral”, but that, when it came to the implementation and enforcement of ratified international treaties at the country level, national legislation was crucial.
- 371.** The Worker Vice-Chairperson stressed that what was most relevant to point 7 was the scope of the work not covered by the term “informal economy”. Undeclared work was a matter of enforcement and non-compliance and, as such, would be more appropriately covered later in the text. The Workers’ group therefore did not support the EU subamendment.

-
- 372.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the subamendment.
- 373.** The subamendment proposed by the Government member of Greece, on behalf of the EU Member States, was not adopted.
- 374.** The Government member of Iraq opposed the subamendment introduced earlier by the Employer Vice-Chairperson. He was of the view that examples of illicit activities should be provided in order to be clear that not all informal activities were illegal.
- 375.** The Government member of Brazil, speaking on behalf of GRULAC, proposed a further subamendment to add “and national legislation” to the original wording of the point after “international treaties”. Illicit activities, by their very nature, could not be formalized, although incentives could be provided to encourage workers involved in such activities to enter the formal economy by engaging in other types of work. He preferred not to mention any specific illicit activity since many activities that were illegal under national legislation were not covered by international treaties, and the reverse could also be true; for example, certain types of drugs that were widely considered to be illicit could legally be traded in certain countries.
- 376.** The Worker Vice-Chairperson stressed that, by banning certain activities, the national laws of some countries might exclude informal workers from the scope of the future instrument. In the interest of inclusiveness, he preferred to mention only acts that were illicit under the relevant international treaties and he, therefore, did not support the subamendment.
- 377.** The Employer Vice-Chairperson supported the subamendment in view of the fact that a member State that had ratified an international treaty was obliged to adopt national legislation giving effect to it as a basis for enforcement, including prosecution and sanctions.
- 378.** The Government member of India said that, as international treaties were applicable only in States that had ratified them, the law of the land was also important. He therefore supported the subamendment.
- 379.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the subamendment.
- 380.** The Government member of Greece, speaking on behalf of the EU Member States, supported the subamendment.
- 381.** The Government member of Egypt supported the subamendment as it would avoid the need for an explanation of what was meant by “illicit activities”.
- 382.** The Government member of Uruguay favoured the inclusion of a reference to national law. She provided the example of her country, where marijuana production, trade and consumption would be legalized.
- 383.** The Government member of Algeria supported the subamendment as national law might prohibit activities that were not covered under international treaties.
- 384.** The Government member of South Sudan also supported the subamendment.
- 385.** The Government member of the United States opposed the subamendment for two reasons. First, while the meaning of the term “illicit” was generally understood, the proposed listing did not take into account other illicit activities such as prostitution, gambling or activities

hazardous to children. Second, it was not clear whether the words “relevant international treaties” referred to all such treaties, the treaties ratified by the country in question or the treaties listed in the annex to the future instrument. He therefore proposed a further subamendment, seconded by the Government member of Canada, for the point to read “The proposed instrument should provide that the term ‘informal economy’ does not cover illicit activities.”

- 386.** The Worker Vice-Chairperson, the Employer Vice-Chairperson, the Government members of Iraq, Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.
- 387.** The subamendment proposed by the Government member of the United States was adopted.
- 388.** The amendment was adopted as subamended.
- 389.** As a consequence, the following amendments fell: two amendments proposed by the Government member of Greece, on behalf of the EU Member States, to replace “illicit” by “criminal and illegal” and delete “, as defined in relevant international treaties”; an amendment proposed by the Employer members to insert “by national laws and” after “as defined”; an amendment proposed by the Government members of India and Sri Lanka, and an identical amendment proposed by the Government members of Argentina, Brazil, Chile, Colombia, Mexico, Uruguay and the Bolivarian Republic of Venezuela, to add “and national legislation” at the end of the point.
- 390.** Point 7 was adopted as amended.

Point 8

Chapeau

- 391.** The Government member of the United States, on behalf of the Government members of Canada, Japan, New Zealand and Switzerland, introduced an amendment to replace the text of point 8 by “The proposed instrument should cover economic units in the informal economy that employ hired labour.” He justified the amendment by drawing the Committee’s attention to the fact that the original text of point 8(b) included in its scope a definition of economic units “production units that are owned and operated by individuals working on own account either alone or with the help of unpaid family members”. However, those same own-account workers were covered again in point 9(a), which stated that the proposed instrument should cover “own-account workers employed in their own informal sector enterprises”. Including own-account workers in both points would lead to confusion as to their status. In order to eliminate that duplication, the amendment would merge clauses (a) and (b) of point 8. Individual own-account workers would still be explicitly mentioned under point 9(a), ensuring that they were not excluded from the scope of the instrument.
- 392.** The Employer Vice-Chairperson supported the proposed amendment. Considering that agreement had been reached on the meaning of “economic units”, he withdrew a subsequent amendment to point 8 submitted by the Employers’ group that had sought to replace “economic units” by “households, enterprises and entrepreneurs”.
- 393.** The Worker Vice-Chairperson clarified that points 8 and 9 dealt with economic units and workers, respectively. He preferred the original text of point 8, noting that the Workers’ group had submitted some minor subsequent amendments to the same point. He explained his group’s position that point 8(b) was the appropriate place to ensure that the scope of the

instrument included individual or own-account economic units, as distinct from workers. He noted that later sections of the proposed Conclusions made reference to the scope, as stated in points 8 and 9, for instance, where constituents would be asked to develop integrated policy frameworks referring to economic units and workers, respectively. The scope of each group needed to be clearly stated in points 8 and 9, and own-account workers should be included in both. He therefore did not support the amendment.

- 394.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment, as he felt that the various units were properly covered in point 8(a) and (b).
- 395.** The Government member of the Philippines did not support the amendment.
- 396.** The Government member of Egypt did not support the amendment and argued that, as it stood, the point would help clarify who did what in the informal economy.
- 397.** The Government member of Argentina, speaking on behalf of GRULAC, did not support the amendment. Aligning themselves with the position of the Workers' group, she noted that production units would necessarily include own-account workers, in so far as they were self-owned production units. She further noted that GRULAC had submitted an amendment in that vein and, therefore, did not support the amendment under discussion.
- 398.** Taking account of the positions of the Committee members on the amendment thus far, the Employer Vice-Chairperson stated that the Employers' group no longer supported the amendment.
- 399.** The amendment was not adopted.

Point 8(a)

- 400.** The Worker Vice-Chairperson presented an amendment to delete the word "production", pointing out that, during earlier discussions, the Committee had agreed on the use of the term "economic units", which was more inclusive than "production units". He expressed concern that production units would exclude "service units", for example.
- 401.** The Employer Vice-Chairperson recalled that, as the chapeau of point 8 already mentioned "economic units", there was no risk of excluding other units by referring to "production units" in clauses (a) and (b). On that basis, his group did not support the amendment.
- 402.** The Government members of New Zealand, United States, Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 403.** The amendment was adopted.
- 404.** Point 8(a) was adopted as amended.

Point 8(b)

- 405.** The Worker Vice-Chairperson introduced an amendment to delete the word "production" for the same reasons given in his presentation of the previous amendment to point 8(a).
- 406.** The Employer Vice-Chairperson and the Government member of Greece, speaking on behalf of the EU Member States, supported the amendment.

-
- 407.** The amendment was adopted.
- 408.** The Government member of Zimbabwe, speaking on behalf of the Africa group, introduced an amendment to insert “or underpaid” after “unpaid”, so that the proposed text would also reflect the situation of underpaid family members.
- 409.** The Worker Vice-Chairperson supported the amendment.
- 410.** The Employer Vice-Chairperson did not support the amendment because it would be difficult to define how underpayment would be determined.
- 411.** The Government member of Greece, speaking on behalf of the EU Member States, supported the amendment.
- 412.** The amendment was adopted.
- 413.** The Worker Vice-Chairperson introduced an amendment to correct the Spanish translation of the word “operated” by replacing “explotadas” by “gestionadas”.
- 414.** The Chairperson deemed it to be a linguistic issue to be referred to the Committee Drafting Committee. The Employer Vice-Chairperson agreed.
- 415.** The Government member of Colombia suggested that the Committee first consider an amendment submitted by GRULAC, which sought to delete the words “and operated”.
- 416.** The Government member of Mexico, speaking on behalf of GRULAC, presented the amendment, explaining that the words were not necessary in order to understand the meaning of the clause.
- 417.** The Worker Vice-Chairperson and the Employer Vice-Chairperson supported the amendment.
- 418.** The amendment was adopted.
- 419.** As a consequence, the linguistic amendment previously put forward by the Worker members fell.

New clause under point 8

- 420.** The Government member of Brazil, speaking on behalf of GRULAC, introduced an amendment to insert a new clause to read “cooperative and solidarity economy units”.
- 421.** The Employer Vice-Chairperson did not support the amendment because the term “economic units” in the chapeau of point 8 included enterprises, which in turn implied the inclusion of cooperatives.
- 422.** The Worker Vice-Chairperson proposed a subamendment to add “social and” between “cooperative” and “and solidarity”.
- 423.** The Employer Vice-Chairperson opposed the proposed subamendment because the focus of point 8 was on types of businesses, whereas the terms “cooperative”, “social” and “solidarity” referred to types of business ownership. Moreover, those terms were not inclusive; such a list might also include partnerships, for example.

-
424. The Government member of the United States agreed with the Employer Vice-Chairperson that the point focused on types of economic units. He therefore supported neither the amendment nor the subamendment.
425. The Government member of Brazil, speaking on behalf of GRULAC, pointed out that not all cooperatives were enterprises; both social and solidarity economy units were protective in nature and would not fall within the framework of production cooperatives. He therefore supported the subamendment.
426. The Chairperson reminded the Committee members that the word “production” before “units” had been deleted from the original text through the adoption of a prior amendment, thereby expanding the scope of the point.
427. The Government member of Japan did not support the subamendment.
428. The Government members of India, and Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.
429. The Government member of Iraq also supported the subamendment on the ground that cooperatives were based on solidarity in all economic systems.
430. The amendment was adopted as subamended.
431. Point 8 was adopted as amended.

Point 9

Chapeau

432. The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert “Depending on national circumstances and laws,” before “The proposed instrument” at the beginning of the chapeau, in order to reflect the diversity of the informal economy and to stress that, in some countries, certain types of employment, such as own-account work, would not be covered by the future instrument.
433. The Employer Vice-Chairperson said that the purpose of point 9 was to give an indication of the types of work performed in the informal economy. The future instrument should set a global standard and should not be subject to interpretation by member States. He therefore opposed the amendment.
434. The Worker Vice-Chairperson requested the Government member of Greece to further clarify the proposed amendment.
435. The Government member of Greece, speaking on behalf of the EU Member States, said that the EU had submitted another related amendment to insert “the following persons” after “should cover” in the chapeau in order to clarify that, whereas point 8 focused on production units, point 9 focused on persons. She reiterated that, under the legislation in some member States, certain persons such as own-account workers would not be covered by the future instrument.
436. The Worker Vice-Chairperson said that while it was true that point 9 provided a more specific definition of the types of workers in the informal economy, the list did not necessarily reflect the categories of workers established by the ILO. The arguments put forward by the Government member of Greece, on behalf of the EU Member States, were not sufficient to support the amendment.

-
437. The Government member of Zimbabwe, speaking on behalf of the Africa group, pointed out that, if the amendment were adopted, it would be necessary to revisit other points of the proposed Conclusions that also used the formulation “the proposed instrument”. He opposed the amendment.
438. The amendment was withdrawn.
439. The Government member of Zimbabwe, speaking on behalf of the Africa group, presented an amendment to insert the phrase “informal employment which includes” after “cover” in the chapeau.
440. The Worker Vice-Chairperson supported the amendment.
441. The Employer Vice-Chairperson said that point 9(a) to (f) included a mixture of own-account workers and entrepreneurs, not all of whom could be considered to be engaged in informal employment. He therefore opposed the amendment.
442. The Government member of Peru supported the amendment because it would bring the text of point 9 into line with the statistical definition adopted by the 17th ICLS in 2003.
443. The Government member of Zambia supported the amendment because its wording was identical to that used in his country’s 2012 Labour Force Survey.
444. The amendment was adopted.
445. As a result, an amendment to insert “the following persons” after “should cover”, submitted by the EU Member States, fell.
446. The chapeau of point 9 was adopted as amended.

Point 9(a)

447. The Employer Vice-Chairperson introduced an amendment to replace “own-account workers employed” by the word “entrepreneurs”. He was uncertain about the use of the term “own-account workers” in the report of the Meeting of Experts in September 2013. The more commonly understood, and thus appropriate, term to use for persons who were self-employed was “entrepreneurs”.
448. The Worker Vice-Chairperson commented that, in light of the adoption of the chapeau, point 9 addressed the various forms of employment in the informal economy. In that context, it was more accurate to speak of own-account workers rather than entrepreneurs, who were already included under point 8 and within the meaning of economic units. For that reason, he did not support the amendment.
449. The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment and preferred to retain the original text.
450. The Employer Vice-Chairperson acknowledged the Worker Vice-Chairperson’s point of view and agreed that entrepreneurs should fall under the category of economic units. He proposed a subamendment to replace the term “own-account workers” with the term “self-employed”.
451. The Worker Vice-Chairperson preferred to keep the original text as proposed by the Office on the basis that the term “own-account workers” was more appropriate when referring to

workers in the informal economy, and because that had been the agreed view for many years.

- 452.** The Government member of Switzerland supported the original wording as proposed by the Office, noting that in French it was more understandable to use the equivalent of the term “own-account worker” as opposed to “self-employed”.
- 453.** The Government member of Brazil supported the original text as proposed by the Office, as did the Government members of Norway, and Zimbabwe, on behalf of the Africa group.
- 454.** The Government member of Peru added that it was redundant in the original text to include the phrase “in their own informal sector enterprises”.
- 455.** The Government member of India pointed out that clauses (a), (b) and (c) of point 9 all included examples of self-employed workers and that own-account workers represented only one component of self-employed workers.
- 456.** The subamendment was not adopted.
- 457.** The amendment was not adopted.
- 458.** The Worker Vice-Chairperson introduced an amendment to replace the words “informal sector enterprises” by “economic units in the informal economy.” He drew attention to the fact that the amendment applied equally to clauses (a), (b) and (e) of point 9, in order to ensure coherence. The amendment would unify the text of the instrument, using current terminology rather than the outdated term “informal sector”.
- 459.** The Employer Vice-Chairperson did not support the amendment. Own-account workers referred only to persons with their own enterprise and, as such, the clause should not be extended to cover all economic units.
- 460.** The Government member of Greece, speaking on behalf of the EU Member States, supported the amendment, as did the Government member of Zimbabwe, speaking on behalf of the Africa group.
- 461.** The Government member of Peru preferred the original text. Point 9, including its list of clauses, was based on the already agreed text from the 17th ICLS in 2003 and the Committee should not undermine the prior consensus that had been reached. He did not support the amendment.
- 462.** The Government member of Egypt supported the amendment.
- 463.** The Government member of Brazil supported the amendment, but, in an effort to address the concerns of the Employers’ group, proposed a subamendment to replace “in their own informal enterprises” with “own-account workers in the informal economy”.
- 464.** The Government member of Argentina seconded the subamendment.
- 465.** The Worker Vice-Chairperson supported the subamendment.
- 466.** The Employer Vice-Chairperson did not support the subamendment, noting that the term “enterprise” was being eliminated too frequently from the text. He asked why it was that the Committee could discuss own-account workers, but not enterprises, when enterprises were key to transitions to formality and to the creation of employment.

-
467. The Government members of Malawi, Mexico, Uruguay, and Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.
468. The Government member of Iraq supported the subamendment and recalled that the Committee was discussing transitions to formality, and not the creation of employment.
469. The Government member of Peru supported the original text, reiterating his position that the Committee should keep the wording of the conclusions of the 17th ICLS.
470. The Government member of Jamaica endorsed the sentiment of the subamendment and proposed a further subamendment to replace the text of point 9(a) with “own-account workers employed in their own enterprises in the informal economy”.
471. The Employer Vice-Chairperson seconded the subamendment.
472. The Worker Vice-Chairperson said that the Workers’ group had originally intended to propose a further subamendment but that, given the support of the Employers’ group for the subamendment proposed by the Government member of Jamaica, they would also support the subamendment.
473. The Government member of Brazil did not support the subamendment, and urged the Committee to revert to his subamendment, which had been heading towards consensus.
474. The Government member of Argentina agreed with the Government member of Brazil, and felt that the subamendment by the Government member of Jamaica was taking the Committee away from an emerging consensus. She argued that not all own-account workers would fall into the category, giving by way of example the case of own-account taxi drivers in her country who were entitled to social security benefits and the protection of their labour rights.
475. The deputy representative of the Secretary-General clarified that, according to the 1993 resolution concerning statistics of employment in the informal sector, adopted by the 15th ICLS, own-account workers were considered as operating own-account enterprises. For that reason, there was no contradiction as such between the “taxi driver” example from the Government member of Argentina and the subamendment by the Government member of Jamaica, seconded by the Employers’ group.
476. Noting the complexity of the discussion, the Worker Vice-Chairperson suggested returning to the amendment originally proposed by his group, which used the broader term “economic units”. The Workers’ group consequently withdrew its support for the subamendment proposed by the Government member of Jamaica.
477. The Government member of Brazil noted that in his country, there was a more narrow understanding of what an enterprise was, giving the example of domestic workers. A more general approach was needed that encompassed both those workers and those who owned their own companies. If the subamendment he had proposed was not adopted, he would support the subamendment proposed by the Workers’ group.
478. The Government member of Namibia stated that distinctions could be made among own-account workers, as some operated as companies while others only drew salaries. Therefore, he preferred the Workers’ group’s proposal to use the term “economic units”.
479. The Government member of Norway did not support the subamendment proposed by the Government member of Jamaica and preferred the initial amendment from the Workers’ group.

-
- 480.** The Government member of South Sudan supported the subamendment proposed by the Government member of Brazil, but not the one proposed by the Government member of Jamaica.
- 481.** The Government member of India considered that it was unnecessary to replace “informal sector enterprises” with the term “informal economy” under point 9(a), which included formal enterprises and household enterprises as well as the elements identified under point 9(f). He therefore stressed that changes under point 9(a) were not essential, but he nonetheless gave conditional support to the subamendment proposed by the Government member of Jamaica if point 9(f) was merged with point 9(a) to avoid duplicity and for better clarity.
- 482.** The Government member of Zambia supported the subamendment proposed by the Government member of Brazil, adding that it was preferable to use the term “own-account workers in the informal economy” rather than using redundant wording describing what those workers did.
- 483.** The subamendment proposed by the Government member of Jamaica was not adopted.
- 484.** Following consultations between the Officers of the Committee, the Chairperson announced that the subamendment proposed by the Government member of Brazil was adopted.
- 485.** The Employer Vice-Chairperson added that the Committee should be mindful of the terms it used, particularly considering that the ILO’s own definition of own-account workers included the term “enterprises”. He argued that the term “enterprise” needed to be used under point 9(a). He further pointed out that, in the earlier difficult discussion concerning the term “public places” under point 6(b), a small working group had been convened in an effort to reach consensus on the matter through social dialogue, and that the same procedure should be considered in the present case in the interest of fairness.
- 486.** Point 9(a) was adopted as amended.

Point 9(b)

- 487.** The Government member of New Zealand, speaking also on behalf of the Government members of Canada, Japan, Switzerland and United States, introduced an amendment to delete the entire clause. He stressed that points 8(b) and 9(a) as previously amended provided ample coverage of the concepts under discussion.
- 488.** The Employer Vice-Chairperson requested clarification on the definition of informal employment as agreed at the 17th ICLS in 2003, in particular with reference to the Conceptual Framework proposed for defining the informal economy.
- 489.** The deputy representative of the Secretary-General recalled the Conceptual Framework that appeared as an annex to the guidelines concerning a statistical definition of informal employment, adopted at the 17th ICLS in 2003. Following the adoption of the resolution concerning decent work and the informal economy at the 90th Session of the Conference in 2002, the guidelines aimed to provide practical guidance on the definition of the informal employment. The Conceptual Framework identified the situations in which formal and informal employment could be found.
- 490.** The Employer Vice-Chairperson questioned the need to amend point 9, in view of the clarification provided by the secretariat on the Conceptual Framework. As the categorization of own-account workers, family workers and employers had already been

agreed by tripartite consensus, he believed that the Committee should support the work accomplished to date and reflected in the 2003 and 2002 conclusions. Therefore, the Employers' group did not support the amendment. He reiterated that, for his group, reference in the text to enterprises was critical.

491. The Worker Vice-Chairperson stated that the explanation of job types and economic units should be comprehensive, and therefore the Workers' group did not support the deletion of point 9(b). A key purpose of clauses (a) and (b) was to help member States identify the measures required to transition from the informal to the formal economy, and to frame the requisite policies to do so. The Workers' group wanted to preserve clause (b) and was prepared to withdraw a subsequent amendment to point 9(b) to replace "informal sector enterprises" by "economic units in the informal economy" if the secretariat considered that 9(b) sufficiently captured economic units of employers.

492. The deputy representative of the Secretary-General confirmed that that was the case.

493. The Worker Vice-Chairperson withdrew the amendment.

494. The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment submitted by the Government members of Canada, Japan, New Zealand, Switzerland and United States.

495. The Government member of New Zealand withdrew the amendment.

496. The Employer Vice-Chairperson withdrew an amendment to delete the word "employed".

497. Point 9(b) was adopted.

Point 9(c)

498. An amendment submitted by the Workers' group to replace "enterprise" by "economic unit in the informal economy" was withdrawn.

499. Point 9(c) was adopted.

New clause after point 9(c)

500. The Worker Vice-Chairperson introduced an amendment to add a new clause after clause (c) to read "home-based workers as defined by the Home Work Convention, 1996 (No. 177);". The Workers' group considered that homeworkers, who numbered over 300 million worldwide, needed stronger protection and inclusion in the proposed Conclusions.

501. The Employer Vice-Chairperson asked for further clarification on the categorization of homeworkers in the context of the Conceptual Framework.

502. The deputy representative of the Secretary-General clarified that homeworkers could be self-employed or wage earners and that both types of homeworkers were covered, whether as own-account workers or employees.

503. The Employer Vice-Chairperson indicated that, because the Conceptual Framework was seen as already covering homeworkers, his group did not support the amendment.

-
- 504.** The Worker Vice-Chairperson reiterated his group’s position that homeworkers should be specifically identified in the proposed Conclusions with specific reference to Convention No. 177, as that was an important Convention.
- 505.** The Government member of Namibia pointed out that Convention No. 177 was already listed in the annex to the proposed Conclusions, and that point 3(b) would be an appropriate place to reference it.
- 506.** The Government member of Peru felt that the Committee should not add more detail to the current categorization of employment status and economic units, and should stick to a straightforward approach offered by the Conceptual Framework. He therefore did not support the amendment.
- 507.** The Government member of Greece, speaking on behalf of the EU Member States, supported the amendment.
- 508.** The Government member of India referred to an earlier discussion on point 7 about the importance of national laws. The goal was to get countries to incorporate international labour standards into domestic legislation but he noted that, at present, Convention No. 177 had only been ratified by ten countries. He said that home-based workers had already been included under point 9(a) as part of own-account workers. He also said that reference to Convention No. 177 under point 9 was not required, as it had already been referenced in the annex to the proposed Conclusions and was better suited to point 3(b). He did not therefore support the amendment.
- 509.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not favour adding new references to Conventions in the proposed Conclusions, noting that the annex was the appropriate place. He therefore did not support the amendment.
- 510.** The Worker Vice-Chairperson clarified that the amendment was intended to ensure coverage of home-based workers, not highlight the instrument. He proposed a subamendment to delete “as defined by the Home Work Convention, 1996 (No. 177)”.
- 511.** The Employer Vice-Chairperson did not support the proposed subamendment on the ground that deleting reference to Convention No. 177 did not change their views on the acceptability of the amendment under discussion.
- 512.** The Government member of Argentina said it was her understanding that homeworkers were already covered by the Conceptual Framework and asked for confirmation in that regard.
- 513.** The deputy representative of the Secretary-General confirmed that homeworkers were covered by the Conceptual Framework, regardless of whether they were own-account workers or employees.
- 514.** The Government member of Argentina, supported by the Government members of Kenya, Colombia, on behalf of GRULAC, and Zimbabwe, on behalf of the Africa group, agreed that the issue of homeworkers was important. However, in light of the explanation provided by the secretariat, she opposed the proposed subamendment.
- 515.** The Government member of India said that while it was true that homeworkers were covered by the 2003 Conceptual Framework and by Convention No. 177, they represented a significant and often forgotten group. He therefore proposed a further subamendment reading “contributing family workers and homeworkers, irrespective of the type of enterprise”.

-
- 516.** The Chairperson said that the proposed subamendment might cause confusion by combining two unrelated groups: homeworkers, who could be own-account workers or employees, and contributing family members.
- 517.** As it was not seconded, the proposed subamendment fell.
- 518.** The Worker Vice-Chairperson proposed a further subamendment to change the word order of the subamendment proposed by the Government member of India. The new subamendment would read “homeworkers and contributing family members, irrespective of the type of enterprise”.
- 519.** The Employer Vice-Chairperson did not support the subamendment. He recalled that the secretariat had clearly indicated that homeworkers constituted either own-account workers or employees and were thus already covered by the Conceptual Framework.
- 520.** The Government member of Japan agreed that the Conceptual Framework was sufficient to cover homeworkers and that there was no need for a detailed list of worker categories. She did not support the subamendment.
- 521.** The deputy representative of the Secretary-General further clarified that, according to the Conceptual Framework, all contributing family members were considered informal because they had no contractual employment relationship, and that was why the words “irrespective of their enterprise” were inserted in the clause; that insertion would not necessarily apply to homeworkers because they could be in the formal economy.
- 522.** The Worker Vice-Chairperson stressed that homeworkers fell into a “grey area”, given that they could be either own-account workers or wage workers. He wondered whether it might be possible to include the Conceptual Framework somewhere in the proposed Conclusions.
- 523.** The Employer Vice-Chairperson said that the purpose of the Conceptual Framework was to provide a structure for the discussion. While the Employers’ group was not fully satisfied with the Framework, they were prepared to accept it in a spirit of cooperation. In the case at hand, however, the Conceptual Framework clarified beyond doubt the question raised by the Workers’ group: homeworkers might be employees, employers, own-account workers or contributing family members. He was opposed to any departure from the Conceptual Framework and therefore did not support the proposed subamendment.
- 524.** The Worker Vice-Chairperson said none of the categories represented in the Conceptual Framework corresponded to the world’s 300 million homeworkers, many of them women, who should be expressly mentioned in the proposed Conclusions.
- 525.** The Government member of Zimbabwe, speaking on behalf of the Africa group, said that, as the secretariat’s guidance on the matter had been clear, his group did not support the subamendment.
- 526.** The Government member of Peru considered that the Conceptual Framework as presented by the secretariat covered all workers, even categories not specifically mentioned. He was confident that no workers would be excluded and therefore did not support the subamendment.
- 527.** The Government member of India said that the information provided by the secretariat had allayed his concerns and he did not therefore support the subamendment.
- 528.** The Government members of Brazil, Norway, and Jamaica, speaking also on behalf of the Government member of Trinidad and Tobago, did not support the subamendment.

-
- 529.** The subamendment was not adopted.
- 530.** Due to a lack of support, the subamendment that sought to delete the words “as defined by the Home Work Convention, 1996 (No.177)” was not adopted.
- 531.** In view of the lack of support in the Committee and given the assurances of the secretariat that homeworkers were covered by the Conceptual Framework, the Worker Vice-Chairperson withdrew the amendment.

Point 9(d)

- 532.** The Government member of Brazil, speaking on behalf of GRULAC, introduced an amendment to replace point 9(d) by “members of informal cooperative units and of the informal solidarity economy;”. He noted that the amendment was similar to the amendment that had been adopted in relation to point 8, inserting a new clause on “cooperative, social, and solidarity economy units”. The Conceptual Framework had been useful for the discussion on point 9; however, cooperatives and members of the solidarity economy had not taken part in the 2003 ICLS deliberations, and thus were not reflected in the Conceptual Framework. Cooperatives and members of the solidarity economy, whose numbers had been increasing in Latin America, deserved to be added to the list, and possibly to the Conceptual Framework, in order to reflect current realities and ensure their protection.
- 533.** The Employer Vice-Chairperson argued that the proposal was not consistent with the Conceptual Framework, which had been developed on the basis of extensive research conducted by the ILO and the ICLS. He therefore did not support the amendment.
- 534.** The Worker Vice-Chairperson noted that although the Conceptual Framework was helpful, it needed revision to ensure that all units of the informal economy were covered. The category of “producers’ cooperatives”, for example, did not include other types of cooperatives. The proposed amendment identified one of the remaining gaps. He therefore supported the amendment, and proposed a subamendment to harmonize the text with the chapeau of point 9 by deleting “informal” before “cooperative” and “units” before “solidarity”, as the clause was now discussing people, and adding “social and” before “solidarity”. The text of point 9(d) would therefore read “members of cooperatives and of the social and solidarity economy;”.
- 535.** The Employer Vice-Chairperson countered that the “producers’ cooperatives” category in the Conceptual Framework did indeed include all cooperatives, both present and future. He therefore felt the subamendment would not help discussions, and could not support it.
- 536.** The Government member of the United States appreciated the arguments advanced by the Government member of Brazil and the Workers’ group, but could not support the subamendment as it replaced the broader meaning of point 9(d) with a more restrictive list.
- 537.** The Government member of Zimbabwe, speaking on behalf of the Africa group, recalled that a similar change had been proposed and agreed upon when discussing point 8. He therefore supported the subamendment.
- 538.** The Government member of Mexico, on behalf of GRULAC, supported the subamendment proposed by the Workers’ group.
- 539.** The Government member of Peru affirmed the position of GRULAC, pointing out that members of cooperatives and of the social and solidarity economy appeared to fall outside the scope of the Conceptual Framework and deserved consideration as possible members

of the informal economy. As the proposed changes would not disrupt the Conceptual Framework, he supported the subamendment.

- 540.** The Government member of the Philippines, speaking also on behalf of the Government members of Malaysia and Thailand, supported the subamendment.
- 541.** Given the lack of clear consensus in the Committee, the Employer Vice-Chairperson agreed to support the subamendment in the interest of moving the discussion forward.
- 542.** The subamendment proposed by the Workers' group was adopted.
- 543.** The amendment was adopted as subamended.
- 544.** An amendment submitted by the Worker members to delete the words "informal producers" consequently fell.
- 545.** Point 9(d) was adopted as amended.

Point 9(e)

- 546.** The Employer Vice-Chairperson withdrew an amendment, which would have replaced the words "in formal sector enterprises, informal sector enterprises, or as paid domestic workers employed by households", by "in households as paid domestic workers, in informal sector enterprises or in formal enterprises".
- 547.** The Worker Vice-Chairperson, introducing an amendment to replace "formal sector enterprises, informal sector enterprises," by "or for formal enterprises and economic units in the informal economy, including in subcontracting and supply chains," evoked the tragedy of the garment factory in Bangladesh that had collapsed in 2013, which had become a global symbol of informality in supply chains. Many of those who had died in the tragedy had not had proper contracts. Workers were employed daily, with no agreement on hours of work, overtime pay, sick leave or compensation for injury or death. Others who had died had been wage workers, but had not been covered by any labour laws. The factory authorities had been unable to account for the dead as they did not have a record of persons who had been employed in the factory at the time. The victims' families had been unable to claim any compensation for the loss of their breadwinners. That daily reality for workers in the informal economy was unacceptable. They must be afforded proper protection. His group wished to propose a subamendment to insert "including homeworkers" after "informal jobs". He asked for confirmation that such an addition would not be contradictory to the clause.
- 548.** The deputy representative of the Secretary-General said that the addition could be considered as not contradictory since it referred to wage homeworkers.
- 549.** The Employer Vice-Chairperson said that his group could support neither the amendment nor the subamendment. The issue of homeworkers had already been discussed and should not be revisited. Moreover, the question of supply chains was scheduled for discussion at the Conference in 2016. He also noted that supply chains and subcontracting were separate issues and that the instrument currently under discussion must be globally applicable and one that all could support.
- 550.** The Government members of Iraq, and Mexico, speaking on behalf of GRULAC, expressed support for the proposed subamendment.
- 551.** The Government member of Peru did not support the subamendment.

-
- 552.** The Government member of India, emphasizing the importance of keeping the clause's scope as broad as possible, said that his delegation could not support the proposed subamendment.
- 553.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the proposed amendment, preferring to include a separate clause on subcontracting and supply chains.
- 554.** The Government members of Brazil, Norway, and Greece, speaking on behalf of the EU Member States, expressed support for the subamendment.
- 555.** The Employer Vice-Chairperson reiterated his group's stance on the issues of subcontracting and the supply chain, and on the inclusion of a reference to homeworkers. He underscored that his group could not support either the amendment or the subamendment.
- 556.** The Worker Vice-Chairperson said that a failure to include homeworkers in the clause would mean that homeworkers who were wage workers or pieceworkers would be excluded from the scope of the text. He also emphasized the importance of addressing the issue of subcontracting and supply chains immediately, rather than waiting until 2016.
- 557.** The Government member of Argentina agreed that it was important to include a reference to subcontracting and supply chains in the clause. The ILO had conducted valuable studies on outsourcing and supply chains that had raised the issue of informal work. Governments could intervene in those supply chains, which had an impact on their national economies.
- 558.** The Government member of Zimbabwe reiterated the Africa group's position that while they supported the inclusion of subcontracting and supply chains, those issues should stand alone in a separate clause.
- 559.** The Worker Vice-Chairperson withdrew the subamendment, as it was now understood that paid homeworkers were covered by the wording proposed in the Workers' group's original amendment to point 9(e).
- 560.** The Employer Vice-Chairperson did not support the initial amendment. He reiterated that the issue of supply chains would be on the agenda of the Conference in 2016 and that the present Committee did not have the necessary information and data for an in-depth discussion on the matter.
- 561.** The Chairperson recalled that the Africa group and GRULAC had already voiced their support for the amendment.
- 562.** The Government member of Greece, speaking on behalf of the EU Member States, supported the amendment.
- 563.** Recalling his group's position, the Employer Vice-Chairperson stressed that he did not wish to pursue the discussion on supply chains further.
- 564.** Although the amendment had gathered support from Government members, the Chairperson deemed that the views of the social partners were, at the present time, irreconcilable. The Committee therefore decided to establish a working group comprising the two Vice-Chairpersons and interested Government members and to suspend the discussion on point 9(e).

-
- 565.** The Chairperson informed the Committee that the informal consultations between the social partners on the question of whether to include in point 9(e) a reference to supply chains and subcontractors had not been successful. The stalemate placed the Committee in an invidious position since only the Employers' group was opposed to the proposed amendment; the Workers' group, the Africa group, the EU Member States, GRULAC and various other Government members supported the inclusion of the reference. He stated that such a polarization of positions could potentially threaten the adoption of the proposed Conclusions. In light of the critical situation, the discussion was again suspended in order for the President of the Conference to meet with the Officers of the Committee.
- 566.** When the discussion resumed, the Chairperson informed the Committee that, during the consultations, it had been agreed that the Secretary-General of the International Organisation of Employers (IOE) and the General Secretary of the International Trade Union Confederation (ITUC) would consult on the issues underlying the proposed subamendment to point 9(e), and would try to find a compromise solution for submission to the Committee. The text would remain in brackets until a compromise could be proposed. He invited the Vice-Chairpersons of the Committee to comment on the process, without reopening the substance of the debate.
- 567.** The Employer Vice-Chairperson said that the Chairperson had accurately summarized the outcome of the meeting with the President of the Conference.
- 568.** The Worker Vice-Chairperson said that the debate on the amendment recalled a similar situation that had arisen earlier in the Committee discussions, when an amendment proposed by the Employer members on property rights that had been strongly opposed by the Workers' group had been adopted because it had had the majority support of the Committee.
- 569.** When the discussion resumed at a later sitting, the Chairperson requested the Vice-Chairpersons to report on the results of the further consultations with the President of the Conference and the leadership of the IOE and ITUC on the subamendment to point 9(e), which proposed to replace "formal sector enterprises, informal sector enterprises," by "or for formal enterprises and economic units in the informal economy, including in subcontracting and supply chains,".
- 570.** The Worker Vice-Chairperson reported that, after long discussions in the Committee and within their respective groups, the Vice-Chairpersons had met with the Officers of the Conference, the Secretary-General of the IOE and the General Secretary of the ITUC to discuss the issues that had arisen concerning the inclusion of economic units in subcontracting and supply chains in the subamendment, as well as a number of other critical areas for both parties. In view of a lack of consensus, the agreement was to bracket the phrase "including in subcontracting and supply chains" and postpone further Committee debate on point 9(e) until the Committee discussion on the proposed instrument at the Conference in 2015. The Worker Vice-Chairperson underscored the critical and continued importance of the issue to the Worker members, who remained gravely concerned about workers at the bottom of supply chains; they wished to ensure that the future instrument properly addressed the issue. He pointed out that the majority of Government members had supported the inclusion of subcontract and supply-chain workers in point 9(e). He hoped that their support would be preserved until the following year, when the draft instrument would be discussed. He stressed that the Workers' group would continue to seek the appropriate inclusion of those groups into the instrument and thanked the Chairperson for his patience and efforts to facilitate the discussion.
- 571.** The Employer Vice-Chairperson confirmed that the informal consultations between the Committee Vice-Chairpersons and the IOE and ITUC leadership had reached an agreement

to hold further discussions on the matter after the Conference. He reiterated his group's position not to include the subcontracting and supply chain in the text of point 9(e). He expressed the support of the Employers' group for continued dialogue on the issue, but insisted that the matter had not yet been fully and adequately discussed within the ILO. Therefore, the implications of their inclusion in an instrument on the transition from the informal economy were not yet clear. He felt it would be unwise to pre-empt the discussion on supply chains scheduled for the 105th Session of the Conference in 2016 and wished that the outcomes of that Conference would bring new elements to the matter. He expressed appreciation for the roles played by the secretariat and the Chairperson.

- 572.** The Worker Vice-Chairperson sought to clarify to the Committee that the text in question would be reopened for a second discussion by the Committee on Transitioning from the Informal to the Formal Economy during the 104th Session of the Conference in June 2015, and that that would be independent of the discussion on supply chains scheduled for the 105th Session of the Conference.
- 573.** The Chairperson affirmed that “including in subcontracting and supply chains,” would be placed in brackets in the amendment under discussion and that the entire amendment would be on the table for discussion in 2015.
- 574.** The Government member of Brazil endorsed the proposed solution, deeming it necessary for a decision to be made on the issue that had the support of the social partners. He hoped that the Employers' group might be persuaded that it was crucial to include supply chains and subcontracting into the clause, not only to protect workers but also to guarantee fair competition for employers in supply chains. He noted that, in his country, the supply chains approach was indeed crucial in the efforts to achieve the transition from the informal to the formal economy.
- 575.** The Chairperson noted that there was no opposition to the agreement made between the social partners.
- 576.** The amendment was adopted with “including in subcontracting and supply chains,” placed within brackets.
- 577.** As a consequence, an amendment, submitted by the EU Member States, to insert “or receiving undeclared wages” after “formal sector enterprises” fell. An amendment, submitted by the Worker members, to insert “and agencies” at the end of the clause, also fell.
- 578.** Point 9(e) was adopted as amended.

New clause after point 9(e)

- 579.** The Government member of the United States, speaking also on behalf of the Government members of Canada and New Zealand, introduced an amendment to add, after point 9(e), a new clause to read “workers in unrecognized or unregulated employment relationships”. The proposed amendment was a logical extension of point 6(a) from the worker's point of view; a worker who did not have a recognized or regulated employment relationship was, by definition, working in the informal economy.
- 580.** The Employer Vice-Chairperson proposed a subamendment to replace “unrecognized or” by “undeclared work and”.
- 581.** The Worker Vice-Chairperson proposed a further subamendment for the clause to read “workers in unrecognized, undeclared and unregulated employment relationships”.

-
- 582.** The Employer Vice-Chairperson said that he saw no difference between unrecognized work and undeclared work.
- 583.** The Worker Vice-Chairperson considered that “unrecognized or unregulated” would suffice to cover all the situations included in the Conceptual Framework.
- 584.** The Employer Vice-Chairperson further subamended his group’s previous subamendment to read “unrecognized, undeclared work and unregulated employment relationships” in order to improve its readability.
- 585.** The Worker Vice-Chairperson did not support the further subamendment and withdrew his group’s subamendment, preferring to revert to the initial amendment introduced by the Government member of the United States.
- 586.** The Government member of India said that point 6(a) adequately defined the term “informal economy” and that there was no need to complicate the issue. He opposed the subamendment proposed by the Employer Vice-Chairperson and supported the amendment as originally proposed.
- 587.** The Government member of Brazil opposed both the amendment and subamendment, which would only confuse the situation since the workers mentioned therein were already covered by point 8(e).
- 588.** The Government members of Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, did not support the subamendment.
- 589.** The Government member of Egypt opposed the subamendment as “undeclared work” might be interpreted as including criminal or otherwise unacceptable activities.
- 590.** The Employer Vice-Chairperson withdrew his subamendment and confirmed his group’s support for the amendment.
- 591.** The amendment was adopted.
- 592.** The new clause after point 9(e) was adopted.

Point 9(f)

- 593.** Three identical amendments to delete point 9(f) had been submitted, respectively, by the Employer members, the Government members of Japan, New Zealand, Switzerland and United States, and the Government members of India and Sri Lanka.
- 594.** The Employer Vice-Chairperson, referring to the rationale for his group’s amendment, asked the secretariat to explain what was understood by the category of workers referred to in point 9(f). He wondered whether or not a family farm engaged in the production of goods for home consumption would be an example of that category.
- 595.** The deputy representative of the Secretary-General briefly described the category concerned and confirmed that farms engaged in self-subsistence belonged to it.
- 596.** The Employer Vice-Chairperson said that since the category was included in the Conceptual Framework, he would withdraw his group’s amendment.
- 597.** The Worker Vice-Chairperson said that he did not support the amendments of the two groups of Government members.

-
- 598.** The Government member of Zimbabwe, speaking on behalf of the Africa group, questioned whether it was really appropriate to include a family that kept a few chickens and grew vegetables in a garden plot behind the family home as part of the informal economy.
- 599.** The deputy representative of the Secretary-General said that, according to the usual practice, assessment of whether someone was in informal employment was done based on the main job, and eventually on the secondary job. This would exclude the case mentioned by the Government member of Zimbabwe.
- 600.** The Worker Vice-Chairperson said that although he shared the concern expressed by the Government member of Zimbabwe, he would prefer to retain the clause since the social protection floor might be applicable to their situation.
- 601.** The Government member of Switzerland was not convinced by the secretariat's explanation. She shared the concern expressed by the Government member of Zimbabwe and did not wish to withdraw the amendment that she had co-sponsored.
- 602.** The Government member of the United States echoed the Government member of Zimbabwe's concern regarding families that produced small quantities of food for their own consumption. He recalled that in 2013 the UN Economic Commission for Africa had specifically deleted that category in its discussion on the informal economy.
- 603.** The Government members of India, and Greece, speaking on behalf of the EU Member States, supported the amendment, pointing out that the content of the clause was covered under point 9(a).
- 604.** The Chairperson recalled that the Worker Vice-Chairperson had not supported the deletion of the clause during the earlier discussion on an identical amendment.
- 605.** The Employer Vice-Chairperson indicated that, after considering the further views of Government members and following additional consultations with the Workers' group and his Employer colleagues, he supported the amendment to delete point 9(f).
- 606.** The Worker Vice-Chairperson gave further examples in support of retaining the clause. He asked the Committee members to reconsider their positions, and not to undermine the efforts of households to make a sufficient living, including a basic income to support their children's education and health-care needs.
- 607.** The Government member of Peru noted that the clause in fact completed the Conceptual Framework, and ensured protection for farmers, homeworkers and those small food producers working for their own consumption. He reiterated that the Committee should follow the Conceptual Framework, and therefore did not support the amendment.
- 608.** The Government member of Egypt supported the amendment, arguing that those who produced goods for their own consumption were not part of the informal economy, and should not be treated as people who were producing goods for sale.
- 609.** The Government member of Indonesia supported the amendment on the basis that if the goods were produced for own consumption, then the person would not be a worker, although, in her country, they would still benefit from social protection.
- 610.** The Government member of Norway supported the amendment.

-
- 611.** The Government member of Iraq noted that a distinction should be made between those who produced food as a secondary activity for their own consumption, and those who produced food for their daily subsistence and survival. He did not support the amendment.
- 612.** The Government member of the Russian Federation supported the amendment, as the clause did not fit the aim of the text.
- 613.** The Government member of Brazil requested clarification on the categories various types of domestic workers would fall into, including paid domestic workers working for multiple employers, who, under Brazilian law, were considered own-account workers.
- 614.** The deputy representative of the Secretary-General took the opportunity first to clarify that point 9(f) did not, by definition, include those households that conducted marginal production activities, but only those whose production activities constituted a substantial contribution to the household consumption. He then explained how the different categories of domestic workers would fit into the matrix.
- 615.** The Chairperson summarized that point 9(f) did not include marginal family activities; rather, it intended to cover subsistence farming for a household's own consumption, which had always been considered as part of the informal economy.
- 616.** The Government member of Peru requested that the Conceptual Framework be projected again for all to see, stating that it would help clarify the discussion.
- 617.** The Government member of Brazil requested further clarification as to where own-account workers who worked for multiple households would fit into the Conceptual Framework.
- 618.** The Government member of Greece, speaking on behalf of the EU Member States, advanced the argument that those covered by point 9(f) should be counted for statistical reasons, but that it would not be correct to regulate those actors or include them in the formalization process.
- 619.** The deputy representative of the Secretary-General provided a further explanation of the status of various categories of domestic workers.
- 620.** The Government member of Brazil requested further clarification, asking specifically in which clause of point 9 domestic workers with multiple employers would be included.
- 621.** The deputy representative of the Secretary-General stated that domestic workers working for multiple employers and who were classified as self-employed would be covered under point 9(a). Those domestic workers working for multiple employers as wage workers would fall under point 9(e).
- 622.** The Chairperson noted that there was majority support for the adoption of the amendment.
- 623.** The amendment was adopted.
- 624.** The identical amendment submitted by the Government members of India and Sri Lanka to delete point 9(f) was also adopted.
- 625.** Point 9(f) was deleted.

New point after point 9

- 626.** The Employer Vice-Chairperson presented an amendment to insert a new point after point 9 to read as follows:

The proposed instrument should cover land and property held informally, including:

- (a) agricultural, commercial, residential and other land held informally;
- (b) buildings held informally, including homes, agricultural, commercial and industrial buildings; and
- (c) other property held informally, including livestock, inventory, machinery, transportation and retail equipment.

He explained that the amendment was a matter for consultation with the Workers' group and requested the Chairperson's permission for the Committee to suspend discussion of the amendment, pending further dialogue with the Workers' group.

- 627.** The Worker Vice-Chairperson agreed to the request.
- 628.** The Chairperson agreed to the request on the basis that there was majority support for the motion and discussion of the amendment was suspended.
- 629.** Discussion resumed after the consultations, with the Employer Vice-Chairperson proposing to subamend the amendment to read "The proposed instrument should recognize the importance of land and other property held informally by workers and economic units, in order to provide opportunities for income security in transitioning from the informal to the formal economy."
- 630.** The Worker Vice-Chairperson believed that the issue of property and land rights did not have its place in the section dealing with the scope of the proposed Conclusions, but recognized the importance of the matter for the Employers' group. In a spirit of compromise, he supported the subamendment and introduced a further subamendment to replace "provide" by "safeguard their".
- 631.** The Employer Vice-Chairperson supported the subamendment.
- 632.** The Government members of Argentina and Brazil did not support the subamendment on the basis that informally held property was a sensitive issue often associated with illicit activities and/or illegal ownership. The matter did not belong in the present discussion.
- 633.** The Government member of Japan did not support the subamendment, pointing out that the question of land rights and property was outside the remit of the ILO.
- 634.** The Employer Vice-Chairperson stated that a strong link existed between land and capital, and quoted an ILO document highlighting the importance of land and property in the informal economy. He emphasized that the eventual Recommendation should provide global guidelines on transitions to the formal economy in which the role of land and property had an important place.
- 635.** The Government member of Mexico did not support the subamendment. While recognizing the importance of land rights to ensure sustainable livelihoods for informal agricultural workers, in the absence of an appropriate legal framework or faced with conflicting legislation, the issue would be difficult to justify at the national level.

-
- 636.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the subamendment. He could not conceive of informally held land beyond examples of squatters or the illegal use of government-owned public land. Any transfer of land to actors in the informal economy would, in any case, have to be a legal process initiated by the Government.
- 637.** The Government member of Jamaica supported the subamendment as the issue of land and access to property was critical in contributing to the transition from the informal to the formal economy, particularly in the case of inner-city dwellers in his country who contributed to economic activity using land that they did not own. Some kind of recognition was required for those working on such property.
- 638.** The Chairperson clarified that the text did not entail a legal obligation for governments, only recognition of the importance of land and property in the transition from the informal to the formal economy.
- 639.** The Government member of India, while acknowledging the importance of land rights and property, recalled that there were other essential factors, such as access to credit, or skills building, which should also be taken into consideration but were not listed. He opposed the amendment.
- 640.** The Chairperson invited the Employer Vice-Chairperson to address Government members' concerns regarding the broader issue of land and other property in the context of transitioning to the formal economy.
- 641.** The Employer Vice-Chairperson appreciated the concerns expressed by several Government members and explained that the purpose of introducing the issue of land and property was not to infringe on matters of national sovereignty, but rather to facilitate the acquisition by workers in the informal economy of informally held land that they could use to secure capital in order to establish and sustain businesses in the formal economy.
- 642.** The Government member of Namibia suggested that the difficulty encountered in this debate was because the proposed amendment did not identify the reason for including informally held land and property in the proposed Conclusions. It would be helpful to mention explicitly that capital accumulation was a problem in the informal economy and that informally held land and other property could help secure capital for building businesses.
- 643.** The Government member of Trinidad and Tobago said that while she agreed that the challenge posed by informally held land in the context of the transition to the formal economy should be recognized, the issue would be better addressed in section III on legal and policy frameworks.
- 644.** In light of the points raised by the Employer Vice-Chairperson, the Government member of Zimbabwe, speaking on behalf of the Africa group, wished to propose a further subamendment for the new point to read "The proposed instrument should recognize the importance of land and property in safeguarding workers' and economic units' opportunities for income security in transitioning from the informal to the formal economy."
- 645.** The Employer Vice-Chairperson said that land was a sensitive issue in many parts of the world, including his own continent, Africa. He supported the subamendment proposed by the Africa group because it recognized the principle that the question of land and other property would be crucial during the transition process.

-
- 646.** The Worker Vice-Chairperson and the Government member of Jamaica supported the amendment as subamended by the Africa group.
- 647.** The Government member of Brazil reiterated his position that any mention of the issue of informally held land and other property in the future instrument would create confusion in his country. However, in light of the general support for the inclusion of such a point, he suggested that the Committee should agree to include it in section III, under point 15, and to discuss it in due course.
- 648.** The Government member of the United States supported the amendment as subamended by the Africa group but would prefer to place it in another section of the proposed Conclusions.
- 649.** The Government member of South Africa supported the suggestion that the amendment, as subamended, should be placed under point 15, thereby addressing the concern raised by the Government member of India; thus, informally held land and other property would not be presented as a stand-alone issue, but in the context of other factors important to the transition to the formal economy.
- 650.** The Employer Vice-Chairperson, as sponsor of the original amendment, said that the Employers' group strongly believed that the amendment should be included in section I on scope because it dealt with the broader issue of how the question of informally held land and other property should be addressed during the transition process.
- 651.** The Worker Vice-Chairperson reiterated his position that section I of the proposed Conclusions should cover only economic units and workers in the informal economy. He preferred to place the proposed amendment in section III. However, in the interest of reaching consensus on a matter of great importance to the Employers' group, he would agree to include it in section I with the proviso that the Committee Drafting Committee could, if deemed necessary, move it to another part of the proposed Conclusions.
- 652.** The amendment, as subamended by the Africa group, was adopted.
- 653.** The new point after point 9 was adopted.

Point 10

- 654.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert "as defined in this Recommendation" after "nature and extent of the informal economy", for the purpose of clarifying the terms "nature" and "extent".
- 655.** The Employer Vice-Chairperson expressed his group's support for the proposed amendment.
- 656.** The Worker Vice-Chairperson requested clarification on the possible implications of the amendment, if adopted.
- 657.** The deputy representative of the Secretary-General said that his understanding of the purpose of the amendment was that the Recommendation would guide member States in their understanding of the "nature" and "extent" of the informal economy, rather than leaving those terms open to interpretation.

-
- 658.** The Worker Vice-Chairperson said that, based on the explanation that national-level understanding of the characteristics of the informal economy depended on the eventual instrument, his group could support the proposed amendment.
- 659.** The amendment was adopted.
- 660.** The Worker Vice-Chairperson presented an amendment to replace “in consultation with the representative employers’ and workers’ organizations and, where they exist, representative organizations of those in the informal economy” by “and its relationship to the formal economy. This should be done through tripartite mechanisms with the full participation of the most representative employers’ and workers’ organizations, encompassing the views of membership-based and representative organizations of workers and economic units in the informal economy”. He subamended the proposal by replacing “encompassing the views” by “, which should include, according to national practice, representatives” and adding “in their ranks” at the end of the sentence. The views of informal workers’ organizations and the organizations of economic units in the informal economy should be incorporated into the most representative existing workers’ and employers’ organizations, as allowed for in national practice. That would take into consideration the different national realities, while ensuring respect for the rights of informal workers to freedom of association and collective bargaining in line with the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98).
- 661.** The Employer Vice-Chairperson expressed his group’s support for the subamendment, which presented an opportunity to deepen tripartism by assuring the engagement of informal economy actors in discussions to facilitate the transition to formalization.
- 662.** The Government member of Zimbabwe, speaking on behalf of the Africa group, said that while he supported the subamendment in spirit, the group wished to propose a further subamendment to delete the word “most” before “representative”, since it introduced an element of discrimination. Many countries had multiple central trade unions and workers and employers should have the freedom to join “less” representative organizations and still engage in social dialogue.
- 663.** Both the Worker Vice-Chairperson and the Employer Vice-Chairperson said that their groups could not support the subamendment proposed by the Government member of Zimbabwe as it was accepted practice in the ILO for Employers’ and Workers’ delegates to be selected or elected from the most representative organizations. It was also the predominant term found in many ILO Conventions and Recommendations.
- 664.** The Government member of Namibia wished to point out that the transition from the informal to the formal economy was not a matter of standard practice. Drawing on an example from his country’s constitution, failure to allow lesser representative organizations to take part in social dialogue could be tantamount to a breach of freedom of association. His delegation therefore supported the subamendment proposed by the Africa group.
- 665.** The Government member of Norway disagreed, saying that although there were large numbers of workers’ and employers’ organizations in Norway, her Government tended to dialogue with the most representative ones. That practice, which was in line with ILO practice, should be maintained. She did not support the subamendment proposed by the Africa group.
- 666.** The Worker Vice-Chairperson cautioned against bringing tripartism into question. He drew attention to the Tripartite Consultation (International Labour Standards) Convention, 1976

(No. 144), which stated, in Article 1, that “the term ‘representative organisations’ means the most representative organisations of employers and workers enjoying the right of freedom of association”. He echoed the view of the Government member of Norway that the criteria for determining the most representative organizations were a national prerogative.

- 667.** The subamendment to delete the word “most” was not adopted.
- 668.** The Government member of the United States did not support the subamendment proposed by the Workers’ group, stressing that the intention of point 10 was for the competent authority to identify the nature and extent of the informal economy. That would rather require in-depth research and gathering of evidence by governments while also drawing on inputs from the social partners. It was not to be understood, however, as a social dialogue exercise with political implications.
- 669.** The Government members of Brazil, Canada, Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, agreed with the views expressed by the Government member of the United States and did not support the subamendment.
- 670.** The Worker Vice-Chairperson underlined that the social dialogue in point 10 was not part of an academic exercise. Governments should rely on political consultations and tripartite social dialogue at the national level to identify the nature and extent of the informal economy in order to design the relevant policies and programmes and ensure that the voices of informal workers were heard.
- 671.** The Government member of New Zealand did not support the subamendment, emphasizing that policy design should primarily build upon fact-finding, not political discussions.
- 672.** The subamendment was adopted.
- 673.** The amendment was adopted as subamended.
- 674.** The Government member of the United States asked for the voting procedures and the weight of Government votes to be clarified.
- 675.** The Chairperson, after consulting the representative of the Legal Adviser, responded that the Government group, the Workers’ group and the Employers’ group had equal voting weight in the Committee.
- 676.** An amendment submitted by the Africa group fell. It had sought to delete the phrase “, where they exist,” after “workers’ organizations and”.
- 677.** Point 10 was adopted as amended.

II. Objectives and general principles

Title

- 678.** The title was adopted.

Point 11

Chapeau

- 679.** The Government member of Greece, speaking on behalf of the EU Member States, presented an amendment to insert “taking into consideration national circumstances and laws” after “guidance” in the chapeau. She emphasized that such matters would be important to member States in their implementation of the future instrument.
- 680.** The Worker Vice-Chairperson opposed the amendment; the Preamble of the proposed Conclusions had already been amended to include, in point 4, the words “recognizing ... national circumstances”.
- 681.** The Employer Vice-Chairperson supported the amendment on the ground that the Preamble did not state that “recognizing ... national circumstances” represented an overriding principle that applied to all subsequent points of the proposed Conclusions.
- 682.** The Government members of Argentina, Brazil, Japan and Peru, as well as the Government member of Zambia, speaking on behalf of the Africa group, supported the amendment.
- 683.** The amendment was adopted.
- 684.** The chapeau was adopted as amended.

Point 11(a)

- 685.** The Worker Vice-Chairperson introduced an amendment to replace “gradual” by “just” in the first line of the clause. Recalling the agreement reached on the wording of point 4 of the Preamble to delete the word “gradual”, he noted that the amendment would ensure coherence. He further stressed that member States, as well as employers and workers, must take urgent and appropriate action, as agreed in point 4. Moreover, he explained the choice of the term “just” by referring to paragraph 14 of the conclusions adopted by the Committee on Sustainable Development, Decent Work and Green Jobs at the Conference in 2013.
- 686.** The Employer Vice-Chairperson acknowledged that consensus was reached on point 4 of the Preamble. However, he requested clarification on the expression “just transition” and, pending that clarification, proposed a subamendment to delete “just” such that the text simply read “facilitate transitions”.
- 687.** The Worker Vice-Chairperson read the text of paragraph 14 of the conclusions adopted by the Committee on Sustainable Development, Decent Work and Green Jobs at the Conference in 2013, emphasizing that the concept of a just transition should also apply to the transition from the informal to the formal economy.
- 688.** The Government member of the United States supported the subamendment proposed by the Employer Vice-Chairperson, noting that the word “transitions” did not need to be modified. Regarding the expression “just transition”, he noted that it seemed to be an expression used only within the context of discussions about the green economy. He further suggested that the word “transition” could imply any pace. Taking those considerations into account, he supported the Employers’ group’s subamendment.
- 689.** The Government member of Zambia, speaking on behalf of the Africa group, echoed the intervention of the Government member of the United States.

-
- 690.** The Worker Vice-Chairperson supported the subamendment proposed by the Employer Vice-Chairperson and clarified, for the record, that the concept of a just transition applied to “sustainable development”, which encompassed social, economic and environmental development, and not just green jobs.
- 691.** The amendment was adopted as subamended.
- 692.** An amendment to replace “and economic units” by “households, enterprises and entrepreneurs” was withdrawn by the Employer Vice-Chairperson.
- 693.** The Worker Vice-Chairperson introduced an amendment to replace “economy to the formal economy while ensuring that opportunities for livelihood and entrepreneurship are not destroyed” by “to the formal economy, respecting workers’ fundamental rights and ensuring opportunities for income security, access to natural resources and entrepreneurship”. He explained that the amendment consisted of three intended changes: first, to underline the importance of the fundamental rights of workers in the transition from the informal to the formal economy; second, to use more positive wording than that used in the Office text; and, third, to introduce the subject of access to natural resources. On the latter point, he elaborated that many activities in the informal economy, such as sea-salt extraction and fishing, required access to natural resources.
- 694.** The Employer Vice-Chairperson argued that the only point of departure from the original text was the inclusion of respect for workers’ fundamental rights. He therefore proposed to keep the original text, and introduced a subamendment to add “as well as respect for workers’ fundamental rights” before “are not destroyed; and”. The text of the clause would then read “facilitate transitions of workers and economic units from the informal economy to the formal economy while ensuring that opportunities for livelihood and entrepreneurship, as well as respect for workers’ fundamental rights, are not destroyed; and”.
- 695.** The Worker Vice-Chairperson replied that the proposed subamendment confused rather than clarified the text and did not respect the three components of the proposed amendment. He therefore could not support the subamendment.
- 696.** The Government member of Canada preferred the original drafting of the text, although she supported the intent of the Employer Vice-Chairperson. She therefore suggested that the phrase on respect for workers’ fundamental rights be moved to point 11(b).
- 697.** The Government member of the United States echoed the Government member of Canada’s preference, stressing that the intention of the original text was clear: that the facilitation of transitions should ensure that the activities of various economic units and workers should not be destroyed. He therefore did not support the subamendment or the amendment.
- 698.** The Worker Vice-Chairperson proposed a further subamendment to introduce “, respecting workers’ fundamental rights” after “formal economy” and replace “that opportunities for livelihood and entrepreneurship, as well as respect for workers’ fundamental rights, are not destroyed;” by “opportunities for economic security;”. The subamended text would then read “facilitate transitions of workers and economic units from the informal economy to the formal economy, respecting workers’ fundamental rights while ensuring opportunities for economic security”.
- 699.** The Employer Vice-Chairperson replied that the text needed to recognize the entrepreneurial potential of the informal economy. He therefore proposed a further subamendment to insert “, livelihoods and entrepreneurship” after “economic security”.

The subamended text would read “facilitate transitions of workers and economic units from the informal economy to the formal economy, respecting workers’ fundamental rights while ensuring opportunities for economic security, livelihoods and entrepreneurship”.

- 700.** The Worker Vice-Chairperson supported the subamendment.
- 701.** The Government member of Namibia maintained that the proposed amendments and subamendments distorted the text’s original intent and logic and disrupted its flow. He remarked that many points of view had been taken into consideration in the framework of the proposed Conclusions, but were also being reintroduced repeatedly in subsequent points and clauses. He urged the Committee to respect the framework and original intent of the text.
- 702.** The Government member of the United States shared the views of the Government member of Namibia; while he generally agreed with the subamendment, he felt that it deviated from the original intent of point 11(a).
- 703.** The Government member of Zambia, speaking on behalf of the Africa group, concurred with the Government members of Namibia and the United States that the original text should be retained. He further noted that the phrase on fundamental rights would fit well into point 11(b). He therefore did not support the amendment.
- 704.** The Government member of Argentina also preferred the initial formulation of the text, and agreed that the phrase on fundamental rights could be included in a further clause.
- 705.** The Chairperson noted that the subamended text enjoyed majority support.
- 706.** The amendment was adopted as subamended.
- 707.** Point 11(a) was adopted as amended.

Point 11(b)

- 708.** The Worker Vice-Chairperson introduced an amendment to insert “and preservation” after “creation”, as the clause did not make it clear that both job preservation and job creation were necessary, and preservation in particular was needed to combat the expansion of informality.
- 709.** The Employer Vice-Chairperson stated that the amendment introduced a new dimension that was difficult to understand. He queried the meaning of “job preservation” and the prospect of guaranteeing it in an instrument. He preferred the original text, noting that it captured the aspirations of a well-established tripartite consensus.
- 710.** The Worker Vice-Chairperson remarked that the Worker members had submitted a set of proposed amendments which aimed to add positive wording emphasizing the coherence of macroeconomic policies, skills development and the need to prevent the spread of the informal economy in the formal economy. In that vein, the amendment under discussion sought to promote the creation and preservation of jobs.
- 711.** The Employer Vice-Chairperson stated that preservation of jobs was the function of many factors, including the survival of enterprises, the economic environment and the skills of workers. He therefore did not support the amendment.
- 712.** The Government member of Argentina supported the amendment. In her country, the Government had pursued policies of job creation as well as job preservation. Regarding the

latter, in the 2008 crisis, strategies had been used to preserve decent jobs, including industrial policies, credit and subsidies.

- 713.** The Government member of the United States concurred with the Government member of Argentina and supported the amendment.
- 714.** The Government member of Greece, speaking on behalf of the EU Member States, supported the amendment.
- 715.** The Government member of Colombia supported the amendment, noting that the need to preserve jobs during transitions was essential.
- 716.** The Government member of Zambia, speaking on behalf of the Africa group, supported the logic of the amendment, but proposed to subamend it by replacing “preservation” by “sustainability”.
- 717.** The Government member of Namibia stated that no government was in a position to guarantee the preservation of jobs, and the global economic crisis had made that clear. However, one could speak of sustainability in that regard.
- 718.** The Government member of India remarked that the same messages were clearly expressed in point 14(b) of the proposed text. He therefore advocated retaining the original text and did not support the amendment or subamendment.
- 719.** The Employer Vice-Chairperson indicated support for the subamendment proposed by the Africa group.
- 720.** The Worker Vice-Chairperson noted that certain Government members had responded favourably to the amendment, while others favoured replacing or adding to the text. He proposed a further subamendment to insert “, sustainability and preservation” after “creation”.
- 721.** The Employer Vice-Chairperson, noting that the Employers’ group had preferred the original text, indicated that they could support the further subamendment.
- 722.** The Government member of Zambia, speaking on behalf of the Africa group, expressed concern that there would be pressure on governments to preserve jobs. He was therefore only comfortable with “sustainability” and could not support the subamendment.
- 723.** The Government member of India reiterated that the original text was better, as the focus was clearly on macroeconomic policy and job creation; he therefore did not support the amendment or subamendments.
- 724.** The Government members of Argentina and Brazil supported the text as subamended.
- 725.** The amendment was adopted as subamended.
- 726.** The Employer Vice-Chairperson withdrew an amendment to replace “decent” by “sustainable enterprises and decent and productive” in the first line of point 11(b).
- 727.** The Worker Vice-Chairperson wished to combine three amendments, submitted by his group, into a single subamended text: in the first line, to insert “ensure” after “formal economy and”; in the second line, to insert “industrial, development” after “macroeconomic”; and, replace “social protection and other policies” by “environment, social protection and education policies”.

-
- 728.** The Employer Vice-Chairperson opposed the subamendment.
- 729.** The Government member of the United States said that governments could not ensure the coherence of macroeconomic and development policies; they could only promote such coherence. Moreover, environment and education policies were implied by “other social policies” in the original text. He did not support the subamendment.
- 730.** The Government members of India, and Zimbabwe, speaking on behalf of the Africa group, also opposed the subamendment.
- 731.** The Worker Vice-Chairperson said that while he was not convinced that education policy was included in the broader term “social policies”, he withdrew his group’s amendment, as subamended, and the two subsequent amendments.
- 732.** The Government member of Greece, speaking on behalf of the EU Member States, withdrew an amendment to insert “wage” after “employment”.
- 733.** Point 11(b) was adopted as amended.

New clause after point 11(b)

- 734.** The Worker Vice-Chairperson introduced an amendment to add, after point 11(b), a new clause to read “prevent informalization of formal economy jobs”.
- 735.** The Employer Vice-Chairperson opposed the subamendment, noting that the original text dealt appropriately with the issue.
- 736.** The Government member of the United States and the Government members of Greece, speaking on behalf of the EU Member States, and Mexico, speaking on behalf of GRULAC, supported the amendment.
- 737.** The Government member of Zimbabwe, speaking on behalf of the Africa group, opposed the amendment because the subject of the proposed Conclusions was the transition from the informal to the formal economy, not the other way around.
- 738.** The Government member of Norway supported the amendment, noting that some economies were already suffering the effects of the informalization of formal economy jobs.
- 739.** The amendment was adopted.
- 740.** The new clause after point 11(b) was adopted.
- 741.** Point 11 was adopted as amended.

Point 12

Chapeau

- 742.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert “coherent and integrated” after “in designing” in the chapeau of point 12.
- 743.** The Employer Vice-Chairperson, the Worker Vice-Chairperson and the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment.

744. The amendment was adopted.

745. The Worker Vice-Chairperson withdrew an amendment to the chapeau of point 12 that sought to replace “take into account the following principles” by “incorporate”.

746. The chapeau of point 12 was adopted as amended.

New clause before point 12(a)

747. The Worker Vice-Chairperson proposed an amendment to add a new clause before point 12(a): “the fulfilment of decent work for all through respecting, in law and practice, the fundamental principles and rights at work;”. He explained that the overall purpose of point 12 was to introduce the main ILO principles, but that the principles proposed in the amendment were not reflected. He added that clauses (a) and (c) were not suited to point 12 and should be deleted as they were not in fact principles.

748. The Employer Vice-Chairperson did not disagree with the amendment in principle, but questioned its placement. He recalled that several ILO instruments had been referenced in the Preamble and that section V addressed rights at work. He preferred the original text, and did not support the amendment.

749. The Government member of Lebanon supported the amendment, but asked what would happen if there was a difference between the Recommendation and implementation at the national level.

750. The Chairperson clarified that the Recommendation would not create obligations for member States, as it only gave orientations and policy guidance on transition to formality. At most, countries would likely have certain reporting requirements about its application at the national level.

751. The Government member of the United States did not object to the mention of the fundamental principles and rights at work, although referenced earlier in the proposed Conclusions. He proposed a subamendment to insert the amendment in the chapeau but did not support the deletion of points 12(a) and 12(c).

752. The Government member of Colombia considered that the mention of the fundamental principles and rights at work would be appropriate under point 12 and he supported the amendment.

753. The Worker Vice-Chairperson agreed with the suggestion of the Government member of the United States to include the amendment in the chapeau of point 12.

754. The Chairperson informed the Committee that the chapeau had already been adopted but that the discussion on it could be reopened for amendment if there was agreement in the Committee to do so.

755. The Government member of the United States proposed an additional subamendment to insert after “should” in the first line: “respect, promote and realize the fundamental principles and rights at work, and”.

756. The Employer Vice-Chairperson stated that despite the inclusion of a reference to the fundamental principles and rights at work elsewhere in the proposed Conclusions, there appeared to be a consensus to include it under point 12. That being the case, he preferred not to include it in the chapeau and proposed a further subamendment to introduce the amendment as a new clause after point 12(d).

-
- 757.** The Worker Vice-Chairperson reaffirmed the importance of the fundamental principles and rights at work for the Workers' group, indicating that he could support the additional subamendment proposed by the Government member of the United States, irrespective of whether it appeared in the chapeau or as a new clause under point 12.
- 758.** The Employer Vice-Chairperson remarked that, out of respect for Committee procedure, the chapeau should not be amended as it had already been adopted but it should be left to the Committee Drafting Committee to determine the proper place for the reference.
- 759.** Having considered the discussion thus far, the Worker Vice-Chairperson indicated that he preferred to keep the original text of the amendment.
- 760.** The subamendments were not adopted.
- 761.** The amendment was adopted.
- 762.** The new clause before point 12(a) was adopted, with the Chairperson indicating that the positioning of the text would be referred to the Committee Drafting Committee.

Point 12(a)

- 763.** The Worker Vice-Chairperson introduced an amendment to delete point 12(a). He recognized the importance of the point, but said it did not identify a principle as such, which was the overall purpose of the point. He explained that the Workers' group had submitted a subsequent amendment to delete clause (c) for the same reason.
- 764.** The Employer Vice-Chairperson did not support the amendment, arguing that clauses (a) and (c) did in fact reflect principles.
- 765.** The Government member of Norway did not support the amendment, and noted in particular that the need for tailored approaches must be included in the text.
- 766.** The Government member of Canada shared the view of the Government member of Norway, drawing attention to the fact that a Recommendation was designed to provide guidance and that the clause was important.
- 767.** The Worker Vice-Chairperson withdrew the amendment.
- 768.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert "causes, characteristics, and" after "the diversity of" in the first line because it clarified the rational sequence for addressing the diversity of the informal economy.
- 769.** The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 770.** The amendment was adopted.
- 771.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert "their different need of protection" after "the informal economy". She argued that various categories of workers, including employees, self-employed, freelancers and others, required different types of protections.
- 772.** The Employer Vice-Chairperson and the Worker Vice-Chairperson supported the amendment.

773. The Government members had no objection to the amendment.

774. The amendment was adopted.

775. Point 12(a) was adopted as amended.

New clause after point 12

776. The Government member of Greece speaking on behalf of the EU Member States, presented an amendment to insert a new clause after point 12(a), to read as follows:

- (.) the need to structure the instrument in:
 - a part for transitioning from the informal to the formal economy
 - and a part for preventing deliberate escapes from the formal economy to avoid taxation, social and labour regulations and laws.

Tax evasion had negative budgetary implications for member States, which resulted in lower revenues to fund social security, health care and other vital services, while also creating unequal competition between enterprises.

777. The Employer Vice-Chairperson said that while the proposal addressed an important issue, it was not related to the objectives and general principles of the proposed Conclusions and should therefore not be included under point 12. He suggested that point 24 would be a more suitable place for the proposed amendment.

778. The Worker Vice-Chairperson supported the inclusion of a clause on non-compliance with laws and regulations, but said that it should be placed elsewhere in the text, such as in a new clause under point 25 on incentives, compliance and enforcement. He proposed a subamendment to revise the amendment as follows: “recognize and address the need for effective measures to promote transition from the informal to the formal economy and to prevent and sanction deliberate evasion from the formal economy in order to avoid taxation, social and labour laws and regulations”.

779. The Employer Vice-Chairperson reiterated that point 12 was not the place to deal with substantive matters and that the Committee should avoid mixing policies and principles together under the same point. He added that the Employers’ group could accept the Workers’ group’s subamendment if it were placed under either point 24 or point 25.

780. The Government member of New Zealand suggested subamending the proposals from the EU Member States and the Workers’ group in order to address the concerns expressed by the Workers’ group and the Employers’ group. The proposed new clause in point 12 would read “the need to prevent and sanction deliberate evasion from the formal economy in order to avoid taxation and social and labour laws and regulations”.

781. The proposal was seconded by the Government member of the United States.

782. Both the Worker Vice-Chairperson and the Employer Vice-Chairperson said that their groups could not support the proposal, which concerned an issue of policy and therefore detracted from the principles and objectives of the point under consideration.

783. The Government member of Iraq did not support the subamendment, agreeing with the Employer Vice-Chairperson that it would fit better in the sections dealing, respectively, with rights at work and with implementation and follow-up, instead of in the section on objectives and general principles.

-
- 784.** The Government member of India did not support the amendment. He stressed that not only did section VI already cover incentives, compliance and enforcement, but the entire purpose of the proposed Conclusions was to address transitions from the informal to the formal economy.
- 785.** The Government of Greece, speaking on behalf of the EU Member States, did not support the subamendment introduced by the Government member of New Zealand. She preferred the subamendment suggested by the Workers' group.
- 786.** The Worker Vice-Chairperson reaffirmed his group's subamendment, despite the existence of a separate section on incentives, compliance and enforcement. In so doing, it was not his intention to dwell on details but to address the legitimate concerns of some member States about the evasion of taxes and labour laws.
- 787.** The subamendment introduced by the Government member of New Zealand was not adopted.
- 788.** The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the subamendment introduced by the Workers' group.
- 789.** The subamendment was adopted.
- 790.** The amendment was adopted as subamended.
- 791.** The new clause after point 12(a) was adopted.

Point 12(b)

- 792.** The Government member of the United States, speaking also on behalf of the Government members of Canada, Japan, New Zealand and Switzerland, introduced an amendment to replace "multiple paths to" by "different strategies to advance the". The purpose of the amendment was to introduce more policy-appropriate terminology.
- 793.** The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 794.** The amendment was adopted.
- 795.** The Worker Vice-Chairperson withdrew an amendment, which had sought to replace "and preference" by "; that the diversity of circumstances requires tailored approaches".
- 796.** Point 12(b) was adopted as amended.

New clauses after point 12(b)

- 797.** The Worker Vice-Chairperson introduced an amendment to add a new clause after point 12(b), which he immediately subamended to align it with previously agreed text under point 10. The subamended text would read: "(.) tripartite mechanisms with the full participation of the most representative employers' and workers' organizations, which should include, according to national practice, representatives of membership-based and representative organizations of workers and economic units in the informal economy in their rank; and".

-
- 798.** The Employer Vice-Chairperson recalled that the formulation had already been captured under section I on scope and, as such, applied to the entirety of the proposed Conclusions. The text should not be repeated and he did not support the amendment as subamended.
- 799.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the subamendment, agreeing with the Employers' group that the phrase had already been captured under the section dealing with the scope of the instrument.
- 800.** The Government member of India supported the subamendment.
- 801.** The Government member of the United States did not support the amendment on the grounds that the proposal did not add anything new and that the principle of tripartism was sufficiently reflected in the proposed Conclusions.
- 802.** The Government members of Brazil, New Zealand, and Jamaica, speaking also on behalf of the Government members of Suriname, and Trinidad and Tobago, did not support the amendment.
- 803.** The subamendment was not adopted.
- 804.** The amendment was not adopted.
- 805.** The Employer's Vice-Chairperson withdrew an amendment to insert, after clause 12(b) and before clause 12(c), a new clause to read "the diversity of the types of land and other property that is held informally and the need to address such diversity by tailored approaches; and".

Point 12(c)

- 806.** The Worker Vice-Chairperson said that his group considered it preferable to include the issues mentioned in point 12(c) in section VI on incentives, compliance and enforcement. However, in the interest of progressing the Committee's work, he withdrew an amendment to delete the clause.
- 807.** The Employer Vice Chairperson withdrew an amendment to replace "combining incentives with" by "that combines removing barriers to formalization, providing incentives to formalization and avoiding incentives to remain informal, and is supported by appropriate".
- 808.** The Government member of Greece, speaking on behalf of the EU Member States, withdrew an amendment to insert "appropriate" after "approach combining".
- 809.** Point 12(c) was adopted.

New clause after point 12(c)

- 810.** The Worker Vice-Chairperson withdrew an amendment to add a new clause after point 12(c) to read "a human rights-based approach to action on the informal economy".
- 811.** Point 12 was adopted.

III. Legal and policy frameworks

Title

812. The title was adopted.

Point 13

813. The Government member of New Zealand, speaking also on behalf of the Government members of Canada, Japan, Norway, Switzerland and United States, introduced an amendment to replace “should adopt or review” by “adopt, review and enforce”. As the sponsors had emphasized earlier in the discussion, enforcement was an essential element of legal and policy frameworks.

814. The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government member of Greece, speaking on behalf of the EU Member States, supported the amendment.

815. The amendment was adopted.

816. Consequently, an amendment proposed by the Employers’ group, to insert in the first line “relevant” after “review”, fell.

817. The Worker Vice-Chairperson introduced an amendment to insert “and local” after “national”.

818. The Employer Vice-Chairperson supported the amendment.

819. The Government member of Canada said it was her understanding that, in ILO instruments, the word “national” meant “the competent authority”; if so, there was no need to include the word “local”. She requested clarification from the secretariat.

820. After consulting with the secretariat, the Chairperson said that the Government member of Canada was correct.

821. In light of the clarification, the Worker Vice-Chairperson withdrew the amendment.

822. The Worker Vice-Chairperson withdrew an amendment to replace “or” by “and” in the second line.

823. The Worker Vice-Chairperson asked for clarification as to whether the term “coverage” implied protection.

824. The deputy representative of the Secretary-General said that that was not the case because not all forms of coverage were “protective” and not all forms of protection were provided by law.

825. The Worker Vice-Chairperson, in light of that explanation, introduced an amendment to insert “and protection” after “coverage”.

826. The Government member of Brazil requested clarification on the concept of protection as it seemed that it applied more to workers than to economic units.

827. The Worker Vice-Chairperson explained that section III, and primarily point 15, recommended that governments and the social partners should take a number of matters into account. Many of those were relevant to economic units, which should benefit from protection in their efforts to make progress towards formalization.

828. The Employer Vice-Chairperson, the Government members of India, and Greece, speaking on behalf of the EU Member States, supported the amendment.

829. The amendment was adopted.

830. The Employer Vice-Chairperson withdrew an amendment to replace “and economic units” by “, households, enterprises and entrepreneurs”.

831. The Worker Vice-Chairperson introduced an amendment to replace, at the end of the point, the full stop by the following:

with a view to:

- (.) clarifying the existence of an employment relationship so that workers are covered and protected by labour law;
- (.) reviewing the scope of existing law to ensure that workers with new or atypical forms of work are covered; and
- (.) reviewing existing exclusions of categories of workers to extend protection.

The intention of the amendment was to provide additional guidance to member States in reviewing the scope of national laws and regulations, to ensure that they covered all workers, with particular attention to those who were in an employment relationship, those who were in new or atypical forms of work and those who were excluded from protections.

832. The Employer Vice-Chairperson remarked that the Worker Vice-Chairperson had introduced many new issues into the point, including terminology that was ambiguous and as yet undefined, which complicated the text. He therefore could not support the amendment.

833. All Government members who took the floor, including those of India, Switzerland, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, believed that the original wording of the point was sufficient and agreed with the Employers’ group that the amendment would complicate the text.

834. The Chairperson concluded that there was no support for the amendment.

835. The amendment was not adopted.

836. The Employer Vice-Chairperson withdrew an amendment to insert at the end of the point “, and provision of identity documents, property rights and enterprise registration”.

837. Point 13 was adopted as amended.

Point 14

838. The Worker Vice-Chairperson introduced an amendment to replace “, where appropriate, an integrated policy framework to facilitate transitions from the informal to the formal economy” by “an integrated policy framework covering all levels of government to facilitate transitions from the informal to the formal economy”. He recalled the position of his group that local-, regional- and provincial-level authorities had a role to play within

integrated policy frameworks for transitioning to formality. Many good formalization practices came from those subnational levels, which justified why they should be specifically referred to in the integrated policy framework. Moreover, the original wording of point 14 did not refer to governments and the amendment would address that gap.

- 839.** Before taking a position, the Employer Vice-Chairperson requested first to hear the views of Government members that would be most affected by the amendment.
- 840.** The Government member of Canada recalled her earlier request for the secretariat to clarify whether “national” covered all levels of government, which would also have a bearing on the discussion of the amendment.
- 841.** The Government member of Greece pointed out that the term “Members”, as it stood in the text of point 14, should refer to governments.
- 842.** The Government member of Colombia agreed with the Government member of Greece that governments were implicitly included, as it was their mandate to develop national plans and policies.
- 843.** The Chairperson suspended discussion on the amendment pending further advice from the Legal Adviser.
- 844.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert, after the original point, the sentence “In doing so, Members should seek improving coordination at national level by improving cooperation between bodies such as tax authorities, social security institutions, labour inspectorates, customs authorities, migration bodies and employment services.” She argued that effective transitions from the informal economy to the formal economy were contingent on good governance, including coordination among various authorities.
- 845.** The Employer Vice-Chairperson felt that the amendment clarified the point and he therefore supported it.
- 846.** The Worker Vice-Chairperson generally supported the amendment, but asked the Government member of Greece to justify the reference to “customs authorities” and “migration bodies” and their role in the informal economy. He reminded the Committee that migrant workers were part of the informal economy, and that he would not want those authorities to misuse their power to expel migrant workers. He added that coordination would also have to take place at the subnational level. He therefore proposed a subamendment to add “and local” after “national”.
- 847.** The Government member of Greece, speaking on behalf of the EU Member States, replied that the authorities mentioned in the amendment were those relevant for addressing the transition from the informal to the formal economy, and that coordination among them was critical for an efficient process.
- 848.** With respect to the Workers’ group’s subamendment, the Employer Vice-Chairperson recalled the earlier consensus under point 13 that “local” was understood to be included in the term “national”. He therefore did not support the subamendment.
- 849.** The Government member of Brazil requested further explanation from the Government member of Greece on the inclusion of customs authorities, as he still felt that the mention did not belong in the point under discussion.

-
- 850.** The Government member of Greece, speaking on behalf of the EU Member States, further clarified that by “customs authorities” they meant the control and enforcement of borders and migration generally, but stated that they were prepared to remove the reference if it did not enjoy the support of the Committee.
- 851.** The Employer Vice-Chairperson observed that customs authorities were key in the transition from the informal economy to the formal economy by giving access to markets, and that point 14 was the appropriate point in which to mention them.
- 852.** In response to a request from the Chairperson, the Government member of Greece, speaking on behalf of EU Member States, confirmed that they were proposing a further subamendment to the Workers’ group’s subamendment to delete the words “customs authorities”.
- 853.** The Worker Vice-Chairperson supported the subamendment to remove the words “customs authorities”.
- 854.** The Government member of India preferred the original text, noting that the coordination of relevant authorities would vary by country and that, in any case, the issues were to be covered in point 15. He did not support the amendment.
- 855.** The Government member of Zimbabwe, speaking on behalf of the Africa group, suggested that the original amendment, as subamended, could be a stand-alone point without the risk of confusing the intended meaning of point 14. He did not support any of the subamendments.
- 856.** The Government member of Brazil supported the subamendment to delete the words “customs authorities”.
- 857.** The Chairperson noted that, as there was inadequate support for the subamendment to delete the words “customs authorities”, the subamendment proposed by the Government member of Greece, on behalf of the EU Member States, was not adopted.
- 858.** The Government member of Brazil, speaking on behalf of GRULAC, gave his support to the subamendment introduced previously by the Worker Vice-Chairperson to add “and local” after “national”. He noted that many authorities were not included in the list and that the relevance of each authority was dependent on national circumstances. The Committee should refrain from listing all of them and should instead emphasize the importance of coordination. He therefore introduced a subamendment to add “relevant bodies and authorities” after “between” and to delete “such as tax authorities, social security institutions, labour inspectorates, customs authorities, migration bodies and employment services”. The subamended text would read “In doing so, Members should seek improving coordination at national and local levels by improving cooperation between relevant bodies and authorities.”
- 859.** The Chairperson noted that the proposal from the Government member of Brazil had some merit since countries such as South Africa had various levels of government, and restricting the scope to the national level could be limiting.
- 860.** The Employer Vice-Chairperson felt that it would be appropriate to include examples of relevant bodies and authorities in the text, while indicating that it was not an exhaustive list. He therefore proposed a subamendment to add “among others, depending on national circumstances” at the end of the sentence.

-
- 861.** The Worker Vice-Chairperson supported the Employers' group's subamendment in so far as it captured the diversity of views expressed.
- 862.** The Government members had no objections to the subamendment.
- 863.** The Government member of the Plurinational State of Bolivia supported the subamendment proposed by GRULAC, adding that establishing integrated policy frameworks, adopting policies and facilitating transitions from the informal economy to the formal economy all required coordination, especially given the multidimensional scope of the issue, which had been agreed upon in the early sittings of the Committee. He supported the request to await the opinion of the Legal Adviser on the term "local", as it would be a relevant matter for all countries with decentralized governments.
- 864.** The representative of the Legal Adviser clarified that the term "national" as in "national plans" was generally understood in opposition to "international" and therefore referred to the country level. In ILO instruments, the term had always been understood as being compatible with all forms of State and government. Moreover, the ILO Constitution included specific provisions for federal States. Therefore, national development strategies or national plans could be implemented by the competent authorities at the appropriate level, in accordance with national constitutions. On the specific issue as to whether "an integrated policy framework covering all levels of government" would be compatible with any constitutional system, he quoted as an example of how doubts in that regard could be addressed Article 5 of the Labour Administration Convention, 1978 (No. 150), which read "To the extent compatible with national laws and regulations, and national practice, such arrangements shall be made at the national, regional and local levels."
- 865.** The Worker Vice-Chairperson wished to receive further clarification on three matters. First, whether under point 13 national laws implicitly covered local and municipal laws and by-laws; second, whether the amendment introducing "and local" after "national" in point 13 was necessary; and lastly, whether the amendment seeking to include "an integrated policy framework covering all levels of governments" was appropriate to cover local and municipal levels.
- 866.** The representative of the Legal Adviser replied that "national laws and regulations" had to be applied by each member State according to its constitutional system. As point 13 referred in addition to "other measures", it seemed that municipal laws and by-laws would in any event be covered.
- 867.** The Worker Vice-Chairperson wished to put on record that despite the explanation, he still felt that municipal by-laws, which affected certain categories of informal workers such as street vendors, would not be covered as such by "national laws and regulations".
- 868.** The Chairperson clarified that the term "other measures" was understood to cover all forms of laws and by-laws at national, local and municipal levels.
- 869.** The Employer Vice-Chairperson understood that in the context of point 13, national laws covered district, municipal and all other local-level legislation in a given country.
- 870.** The Worker Vice-Chairperson requested further legal advice regarding his group's subamendment, and whether adding "and local" after "national" was needed in order to include local-level laws and by-laws.
- 871.** Returning to the discussion on point 14, the Worker Vice-Chairperson recalled that there had been a request from Government members to clarify the scope of the term "all levels

of government”. He asked whether that would include the local level, noting the particularities of federal countries.

- 872.** The Government member of Colombia noted that the word “national” was ambiguous, but that a simple yet conclusive phrase could be proposed to reach an agreeable solution.
- 873.** The Government member of Greece, speaking on behalf of the EU Member States, asked the representative of the Legal Adviser if the word “Members” in point 13 meant the same thing as “Governments”.
- 874.** The representative of the Legal Adviser confirmed that “Members” referred to ILO member States as represented by their governments.
- 875.** The Worker Vice-Chairperson expressed his continued concern that municipal levels might not necessarily be covered by the wording in point 14. To improve its clarity, he proposed a subamendment to insert “that takes into account the roles that different”, after “framework”, and “play” after “levels of government”.
- 876.** The Government members of New Zealand, the United States, and Zimbabwe, speaking on behalf of the Africa group, supported the subamendment proposed by the Workers’ group.
- 877.** The Government member of Greece, speaking on behalf of the EU Member States, supported the subamendment. She proposed a further subamendment to insert “, and appropriate,” after “include”.
- 878.** The Government member of Canada, the Employer Vice-Chairperson and the Worker Vice-Chairperson supported the EU subamendment.
- 879.** The amendment was adopted as subamended.
- 880.** Discussion resumed on the amendment to point 14 that had been introduced earlier by the Government member of Greece, on behalf of the EU Member States. She supported the further subamendment proposed by GRULAC.
- 881.** The Government member of Brazil, speaking on behalf of GRULAC, stated that he was still not convinced of the importance of including “customs authorities” as part of the transition from the informal to the formal economy, and proposed to delete those words. For the GRULAC countries, they created confusion; education, agriculture and health authorities could be just as important.
- 882.** The Chairperson recalled that an earlier EU subamendment to delete “customs authorities” had been rejected because it lacked support.
- 883.** The Government member of Greece, speaking on behalf of the EU Member States, concurred, stating that the matter had been decided.
- 884.** The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the GRULAC subamendment.
- 885.** The subamendment was adopted.
- 886.** The amendment was adopted as subamended.
- 887.** Point 14 was adopted as amended.

Point 15

Chapeau

- 888.** The Employer Vice-Chairperson introduced an amendment to replace “, in formulating and implementing an integrated policy framework, should take into account the following:” by “should formulate and implement an integrated policy framework to promote sustainable enterprises in line with the ILO Conclusions concerning the promotion of sustainable enterprises (2007), and should take into account the need for the following:”. His group immediately proposed a subamendment to replace “take into account” by “address”.
- 889.** The Worker Vice-Chairperson, while recognizing the importance to the Employers’ group of the ILO Conclusions concerning the promotion of sustainable enterprises, 2007 (2007 Conclusions on sustainable enterprises), noted that they outlined 17 areas of critical importance for a conducive environment for sustainable enterprises. Six of those were already covered by point 15 of the proposed Conclusions, leaving 11 that would need to be included in order to have a comprehensive set of policies. Consequently, the Workers’ group did not support the amendment, but could agree to a new point between points 15 and 16 that would include some or all of the 17 areas, according to the choice of the Employers’ group.
- 890.** The Employer Vice-Chairperson agreed in principle to consider all 17 areas as defined in the 2007 Conclusions on sustainable enterprises, and suggested establishing a small working group between the Employers’ and Workers’ groups to propose relevant wording. However, he believed that, as sustainable enterprises were an integral part of the discussion on point 15, the amended text should not be moved into a new point.
- 891.** The Chairperson suggested introducing two separate points, one dealing with sustainable enterprises from a legal and policy perspective.
- 892.** The Worker Vice-Chairperson agreed to forming a working group and added that point 15 should be understood as referring to the elements of an integrated policy framework and not only the issue of sustainable enterprises. As such, a separate point should be created.
- 893.** The Employer Vice-Chairperson agreed to a separate list on the conducive conditions for sustainable enterprises, distinct from point 15.
- 894.** The Government member of Mexico, speaking on behalf of GRULAC, asked that Government members be allowed to participate in the working group on the matter. In addition, while recognizing that the question of sustainable enterprises was important, it was not the sole purpose of the instrument under discussion. He further noted his concern that too many amendments were being suspended for small group discussions, which delayed reaching agreement in the Committee.
- 895.** The Chairperson recalled that establishing small groups to deal with difficult amendments was one of the mechanisms to help achieve consensus. He noted that the notion of including the 2007 Conclusions on sustainable enterprises had received support from the members of the Committee, but its location in the text was being discussed.
- 896.** The Employer Vice-Chairperson indicated that, if his group could propose a new amendment, it would be in a position to withdraw a number of other amendments to help accelerate the Committee’s work.
- 897.** The Chairperson instructed that in the present situation a subamendment was possible, but not the introduction of a new amendment.

-
- 898.** The Employer Vice-Chairperson therefore proposed a subamendment to insert, after “Members”, “should promote conditions for a conducive environment for sustainable enterprises”, and take into account the ILO Conclusions concerning the promotion of sustainable enterprises, 2007, in forming an integrated framework.
- 899.** The Chairperson clarified that point 15 would remain as it was, and that the subamendment would result in the creation of a new point.
- 900.** The Worker Vice-Chairperson supported the subamendment and recalled that the Workers’ group had agreed to the adoption of a number of amendments that were important to the Employers’ group. He trusted that the Employers’ group would reciprocate in the same spirit of compromise for his group’s subsequent proposals.
- 901.** The Government member of India stated that while reference to the 2007 Conclusions on sustainable enterprises was positive, he observed that in other points such as 6(a), no specific mention was made to ILO texts such as Conference Conclusions or Conventions. He therefore did not support the subamendment.
- 902.** The Government member of Mexico agreed with the Government member of India. He felt that the Employers’ group’s subamendment should be under point 15 and not in a separate point.
- 903.** The Government member of the United States stated that the text was repetitive, and noted that the Committee was referring on several occasions to past documents in the proposed Conclusions, instead of looking to the future.
- 904.** The Employer Vice-Chairperson stated that the 2007 Conclusions on sustainable enterprises were a valuable reference framed by a tripartite discussion, and that the 17 conducive areas therein were all important for the Recommendation, which needed specific references on enterprise development.
- 905.** The Government member of Argentina found the subamendment interesting, but concurred with the Government member of Mexico that it was better suited to point 15.
- 906.** The Government member of Greece, speaking on behalf of the EU Member States, noted that reference to the 2007 Conclusions on sustainable enterprises could be integrated and she supported the subamendment.
- 907.** The Government member of Zimbabwe, speaking on behalf of the Africa group, expressed his group’s support for the subamendment as proposed by the Employers’ group.
- 908.** The Employer Vice-Chairperson sought to correct an omission in the subamendment, saying that the word “policy” was missing. The sentence should end with the words “integrated policy framework”.
- 909.** The Chairperson said that it would be referred to the Committee Drafting Committee.
- 910.** Having taken note of the concerns that had been raised by some of the Government members and the Workers’ group, the Chairperson concluded that the subamendment had received sufficient support to be adopted.
- 911.** The subamendment was adopted.
- 912.** The amendment was adopted as subamended.

-
- 913.** The Employer Vice-Chairperson said that subsequent to the adoption of that amendment, his group withdrew six further amendments that it had submitted in relation to the chapeau of point 15.
- 914.** The Worker Vice-Chairperson introduced an amendment, to replace “take into account the following:” by “address:”, which his group believed would strengthen the wording of the chapeau.
- 915.** The Employer Vice-Chairperson expressed his group’s support for the proposal.
- 916.** The Government member of Greece, speaking on behalf of the EU Member States, did not support the proposed amendment.
- 917.** The Government member of Zimbabwe, speaking on behalf of the Africa group, said he considered the issue to be one of semantics. His group would support the proposed amendment.
- 918.** The Government member of the United States, supported by the Government members of Canada and New Zealand, said that not all of the issues in the ensuing list could be “addressed”. He therefore did not support the proposed amendment.
- 919.** The Government members of India and Norway supported the amendment.
- 920.** The amendment was adopted.
- 921.** The chapeau of point 15 was adopted as amended.

New clauses before point 15(a)

- 922.** The Employer Vice-Chairperson withdrew an amendment to insert the following ten new clauses before clause (a):
- (.) peace and political stability;
 - (.) good governance;
 - (.) sound and stable macroeconomic policies;
 - (.) trade and sustainable economic integration;
 - (.) rule of law and secure property rights;
 - (.) fair competition;
 - (.) physical infrastructure;
 - (.) information and communications technology;
 - (.) social justice and social inclusion;
 - (.) responsible stewardship of the environment;

Point 15(a)

- 923.** The Government member of Trinidad and Tobago introduced an amendment, on behalf also of the Government member of Jamaica, to replace point 15 (a) by “inclusive growth strategies and the principles of decent work”, with a view to clarifying the text and adding an element on poverty reduction, which was absent from the proposed Conclusions.
- 924.** The Employer Vice-Chairperson expressed his group’s support for the proposal.

-
- 925.** The Worker Vice-Chairperson said that while he agreed with the proposal, he wished to propose a subamendment, to replace “principles” by “generation”.
- 926.** The Employer Vice-Chairperson said his group could agree to that proposal.
- 927.** The Government member of Greece, speaking on behalf of the EU Member States, also supported the subamendment.
- 928.** The Government member of the United States said that he wished to propose a further subamendment, to insert “quality jobs based on” between “generation of” and “decent work”.
- 929.** The Government member of New Zealand seconded the proposal.
- 930.** The Worker Vice-Chairperson said that while he preferred the text as subamended by his group, he would not stand in the way of a consensus and therefore supported the proposal.
- 931.** The Employer Vice-Chairperson also expressed support for the subamendment as proposed by the Government member of the United States.
- 932.** The Government member of Jamaica, speaking also on behalf of the Government member of Trinidad and Tobago, supported the proposal.
- 933.** The Government member of Greece, speaking on behalf of the EU Member States, proposed a further subamendment, to add the words “in the formal economy” at the end of the clause.
- 934.** The Government member of New Zealand recalled that the chapeau of point 15 referred to formulating and implementing an “integrated policy framework”, which could only be done for the formal economy. He therefore considered a direct reference to the formal economy in clause (a) to be redundant. Furthermore, adding that reference would set a precedent that would need to be followed throughout the proposed Conclusions. He therefore did not support the proposal.
- 935.** The Government member of India expressed support for the point raised by the Government member of New Zealand, adding that since quality jobs were a component of decent work, a separate reference to them would not be necessary. He did not support either of the subamendments proposed by the EU Member States or by the Government member of the United States.
- 936.** The Government members of the Philippines, and Zimbabwe, speaking on behalf of the Africa group, concurred with that view.
- 937.** The Government member of Greece, speaking on behalf of the EU Member States, underscored the importance of creating employment opportunities in the formal economy, as many new jobs, particularly in developing countries, were created in the informal economy.
- 938.** The Employer Vice-Chairperson said that the term “decent work” implied the formal economy. A direct reference to the formal economy was therefore not necessary. His group did not support the EU subamendment.
- 939.** The Worker Vice-Chairperson suggested a further subamendment, rewording the proposal made by the Government member of the United States so that it read “generation of quality jobs in the formal economy based on decent work”.

-
- 940.** The Employer Vice-Chairperson and the Government member of Norway expressed support for the further subamendment proposed by the Workers' group.
- 941.** The Government member of the United States said that he did not consider the two previous subamendments as proposed by the EU Member States and the Workers' group to give any added value to the text. His delegation therefore could not support either of those proposals.
- 942.** The Government member of Zimbabwe, speaking on behalf of the Africa group, preferred the original wording of the text, noting that it had been carefully drafted to avoid using the term "decent work" in order to enumerate all the characteristics of decent work in the following clauses of point 15. His group did not support any of the subamendment proposals currently before the Committee.
- 943.** The Government members of the Plurinational State of Bolivia and Colombia expressed support for the subamendment proposed by the Workers' group.
- 944.** The subamendment, as proposed by the Workers' group, was adopted.
- 945.** The amendment was adopted as subamended.
- 946.** As a result, three amendments fell. The first, proposed by the Worker members, had sought to replace "quality employment generation" by "generation of decent work"; the second, submitted by GRULAC, to replace "quality employment" by "decent work"; and the third, submitted by the EU Member States, to insert "in the formal economy" after "generation".
- 947.** Point 15 (a) was adopted as amended.

Point 15(b)

- 948.** The Employer Vice-Chairperson withdrew an amendment to replace "the" by "an enabling legal and".
- 949.** The Government member of Swaziland, speaking on behalf of the Africa group, introduced an amendment to insert "legislative and" after "the" in order to bring greater clarity to the clause.
- 950.** The Employer Vice-Chairperson expressed his group's support for the proposed amendment.
- 951.** The Worker Vice-Chairperson requested clarification as to whether "regulatory environment" encompassed the term "legislative environment".
- 952.** The deputy representative of the Secretary-General said that depending on countries' situations, the regulatory environment could be considered in some cases as fully including the legislative framework, and others as not.
- 953.** The Worker Vice-Chairperson supported the proposed amendment.
- 954.** The Government member of Greece, speaking on behalf of the EU Member States, supported the proposed amendment.
- 955.** The amendment was adopted.

-
- 956.** The Government member of Greece, speaking on behalf of the EU Member States, proposed an amendment to insert “and a favourable business and investment climate” after “environment”.
- 957.** The Employer Vice-Chairperson supported the proposed amendment.
- 958.** The Worker Vice-Chairperson said that the issue of business and investment would be addressed in the point on sustainable enterprises that would likely be added after point 15. The proposed amendment would narrow the scope of point 15(b) and his group therefore could not support it.
- 959.** The Government member of the United States proposed a subamendment, seconded by the Government member of India, to create a new clause, between clauses (b) and (c), to read “the business and investment environment”.
- 960.** The Employer Vice-Chairperson said that if the EU Member States, as sponsors of the original proposed amendment, could agree to that proposal, his group would also support it.
- 961.** The Worker Vice-Chairperson said that since there was already a clause on sustainable enterprises, his group did not support either the amendment or the subamendment.
- 962.** The Government of Greece, speaking on behalf of the EU Member States, supported the subamendment proposed by the Government member of the United States, which added an extra dimension to the context of point 15, with a view to promoting development.
- 963.** The Employer Vice-Chairperson reiterated his group’s support for the subamendment, which was also supported by the Government members of Canada and New Zealand.
- 964.** The Government member of Swaziland, speaking on behalf of the Africa group, pointed out that investment could be considered to fall under clause (h), finance, and that the business climate could be considered to come within the remit of clause (i), business services. His group therefore did not support the proposed amendment or subamendment, as they constituted repetition.
- 965.** The Chairperson said that the subamendment had received majority support.
- 966.** The subamendment was adopted.
- 967.** The amendment was adopted as subamended.
- 968.** Point 15(b) was adopted as amended.

Point 15(c)

- 969.** The Employer Vice-Chairperson withdrew an amendment to replace “the promotion of” by “respect for universal human”.
- 970.** The Worker Vice-Chairperson introduced an amendment to strengthen the clause by replacing the proposed text by “the implementation and enforcement of principles and rights at work;”.
- 971.** The Employer Vice-Chairperson could not agree with the idea of implementing or enforcing principles. He therefore proposed a subamendment, in line with the wording of

the ILO Declaration on Fundamental Principles and Rights at Work, which would read “promote, respect and realize fundamental principles and rights at work;”.

- 972.** The Worker Vice-Chairperson supported that subamendment.
- 973.** The Government member of Norway also supported the subamendment.
- 974.** The Government member of Greece, speaking on behalf of the EU Member States, agreed to the proposal but said that, for the sake of drafting consistency, the clause should begin with a noun, rather than a verb, and should therefore read “promotion, respect and realization of fundamental principles and rights at work”.
- 975.** The Government member of Swaziland, speaking on behalf of the Africa group, agreed with the subamendment, as corrected by the Government member of Greece.
- 976.** The Government member of India expressed support for the promotion of, and respect for, fundamental principles and rights at work, but disagreed with the use of the term “realization”.
- 977.** The Chairperson took note of the concerns raised by the Government member of India, and said that the wording, as suggested by the Employer Vice-Chairperson, was in line with the standard and accepted wording used by the ILO in the context of decent work.
- 978.** The subamendment was adopted.
- 979.** The amendment was adopted as subamended.
- 980.** As a result, two amendments fell. The first, submitted by the Government members of India and Sri Lanka, had sought to insert “workers” after “of”; and the second, submitted by the Africa group, had sought to insert “and responsibilities” after “rights”.
- 981.** Point 15(c) was adopted as amended.

Point 15(d)

- 982.** The Worker Vice-Chairperson introduced an amendment to replace point 15(d) by “social dialogue and effective organizing and bargaining rights in the informal economy;”. If accepted, the amendment would clarify that action needed to be taken by member States to ensure the rights to social dialogue, organizing and bargaining for workers in the informal economy, in the context of point 15(d). His group also wished to propose a subamendment, to insert the words “promotion of” before “social dialogue”.
- 983.** The Employer Vice-Chairperson stated that there was a fundamental difference between the proposed subamendment and the intention of point 15(d), which referred to the organization and representation of employers and workers. He therefore proposed a subamendment to add “(.) organization and representation of employers and workers to promote” before “social dialogue”. Point 15(c) should refer to the protection of the rights of workers, and point 15(d) should refer to social dialogue.
- 984.** The Worker Vice-Chairperson underlined that the goal of the point was to empower those in the informal economy to bargain collectively, have their rights respected, defend their positions and secure their voice. There was thus a need for the amendment, and therefore the Workers’ group did not support the subamendment.

-
- 985.** The Government member of Brazil, speaking on behalf of GRULAC, noted that it was important to reach those workers in the informal economy who were not engaged in collective bargaining and needed representation.
- 986.** The Government member of Swaziland, speaking on behalf of the Africa group, supported the subamendment proposed by the Employer Vice-Chairperson.
- 987.** The Government member of the United States found that the subamendment weakened the text. It was now too narrow, and just referenced social dialogue. He said that while social dialogue was important, workers also needed to organize and defend themselves. The issues raised in the subamendment were covered by the 1998 Declaration on Fundamental Principles and Rights at Work. Therefore, retaining the original text was the best option.
- 988.** The Government member of Norway did not support the subamendment.
- 989.** The Worker Vice-Chairperson considered proposing the deletion of the text up to “social dialogue”, and then adding “and effective organizing and bargaining rights in the informal economy.” The Worker Vice-Chairperson clarified that the current text referred only to workers and employers, while many categories in the informal economy, such as own-account workers, homeworkers, and subsistence farmers, needed also to organize and engage in bargaining.
- 990.** The Chairperson noted that there was majority support for the subamendment.
- 991.** The amendment was adopted as subamended.
- 992.** An amendment submitted by the Government member of Chad to replace “and” by “as well as” after “workers,” fell as it was not introduced.
- 993.** An amendment submitted by the Government member of Zimbabwe, on behalf of the Africa group, to insert “the promotion of” after “and workers and” fell as a consequence of the adoption of the earlier amendment.
- 994.** Point 15(d) was adopted as amended.

Point 15(e)

- 995.** The Worker Vice-Chairperson withdrew an amendment to replace clause (e) by “(.) ensuring equality and non-discrimination;”.
- 996.** Point 15(e) was adopted.

Point 15(f)

- 997.** An amendment by the Employers’ group to replace clause (f) by “(.) an entrepreneurial culture” was withdrawn.
- 998.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert “, for example start-ups as well as the promotion of micro-, small and medium-sized enterprises, in the formal sector” after “entrepreneurship”, in order to explicitly indicate the actors involved in achieving the transition from the informal to the formal economy and to recognize the development aspect of it.
- 999.** The Worker Vice-Chairperson agreed with the intent of the amendment and proposed a subamendment to merge part of a subsequent amendment proposed by his group with the

EU amendment. The subamendment would read “for example start-ups as well as the promotion of micro-, small and medium-sized enterprises, in the formal economy, and other forms of business models and economic activity such as cooperatives and other social and solidarity economy entities;”.

- 1000.** The Employer Vice-Chairperson agreed with the intent of the proposed amendment and subamendment but wished to have them adopted separately so as not to distort their respective meanings.
- 1001.** The Worker Vice-Chairperson, recalling that point 15 concerned formulating and implementing an integrated policy framework, pointed out that it was important to group together all economic units that would qualify under the entrepreneurship category.
- 1002.** The Employer Vice-Chairperson supported the subamendment introduced by the Workers’ group.
- 1003.** The Government member of Zimbabwe, speaking on behalf of the Africa group, opposed both the amendment and subamendment, on the ground that the Committee was meant to be discussing the structure of a proposed instrument and not the instrument itself and, therefore, it should not be adding such detail at the present stage.
- 1004.** The Government members of Canada, Norway and the United States did not support the amendment and subamendment for the same reason.
- 1005.** The Government member of Iraq supported both the amendment and subamendment as he believed that such details would be needed in order to ensure a proper legal and juridical application of the instrument.
- 1006.** The Government member of Greece, speaking on behalf of the EU Member States, supported the subamendment introduced by the Workers’ group.
- 1007.** The Government member of Brazil supported the subamendment by the Workers’ group, but proposed a further subamendment, to replace “activity” by “units”.
- 1008.** The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government member of Greece, speaking on behalf of the EU Member States, supported the subamendment.
- 1009.** The subamendment was adopted.
- 1010.** The amendment was adopted as subamended.
- 1011.** The Worker Vice-Chairperson withdrew an amendment to add “and other forms of business models and economic activity such as cooperatives and other social economy entities” after “entrepreneurship”.
- 1012.** Point 15(f) was adopted as amended.

Point 15(g)

- 1013.** The Employer Vice-Chairperson withdrew an amendment to replace clause (g) by “(.) education, skills development and lifelong learning”.
- 1014.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert “education, lifelong learning and” before “skills”. The

intention was to make the clause more complete. EU Member States had put in place policies in those areas, which aimed to address unemployment among other issues.

- 1015.** The Worker Vice-Chairperson supported the amendment and proposed a subamendment to insert “access to” before “education”.
- 1016.** The Employer Vice-Chairperson supported the subamendment.
- 1017.** The Government member of Greece, speaking on behalf of the EU Member States, supported the subamendment.
- 1018.** The Government member of Brazil, speaking on behalf of GRULAC, supported the amendment and subamendment.
- 1019.** The Government member of Norway supported the subamendment. On behalf also of the Government members of Canada, New Zealand, Switzerland and United States, she withdrew an amendment to insert “education and” before “skills development”.
- 1020.** The subamendment was adopted.
- 1021.** The amendment was adopted as subamended.
- 1022.** As a consequence, an amendment proposed by the Worker members to replace the clause by “(.) access to skills development, education and training;” fell.
- 1023.** Point 15(g) was adopted as amended.

Point 15(h)

- 1024.** The Worker Vice-Chairperson introduced an amendment to replace the clause by “(.) access to finance and credit;”. He noted that “finance” was close to “financing” and “financial services”, two other terms proposed, and that the addition of “access to” was important.
- 1025.** The Employer Vice-Chairperson, the Government members of Iraq, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 1026.** The amendment was adopted.
- 1027.** As a consequence an amendment submitted by the EU Member States to replace “finance” by “access to financing” fell.
- 1028.** An amendment submitted by the Employer members to replace “finance” by “access to financial services” was withdrawn.
- 1029.** Point 15(h) was adopted as amended.

Point 15(i)

- 1030.** The Worker Vice-Chairperson introduced an amendment to insert “access to” before “business services;”.

1031. The Employer Vice-Chairperson, the Government members of Greece, speaking on behalf of the EU Member States, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.

1032. The amendment was adopted.

1033. Point 15(i) was adopted.

Point 15(j)

1034. As no amendments had been submitted to point 15(j), it was adopted without amendment.

New clause after point 15(j)

1035. The Government member of Zimbabwe, speaking on behalf of the Africa group, introduced an amendment to insert a new clause after point 15(j) to read “access to infrastructure and technology”.

1036. The Employer Vice-Chairperson, the Government members of Greece, speaking on behalf of the EU Member States, and Mexico, speaking on behalf of GRULAC, supported the amendment.

1037. The Worker Vice-Chairperson also supported the amendment, noting that the need for access to both infrastructure and technology had been mentioned in the 2007 Conclusions on sustainable enterprises.

1038. The amendment was adopted.

1039. The new clause after point 15(j) was adopted.

Point 15(k)

1040. The Worker Vice-Chairperson asked the secretariat to clarify whether the term “social protection” included, by implication, social protection floors.

1041. The deputy representative of the Secretary-General said that while Recommendation No. 202 included social protection floors as part of an extension of social security strategies, not all members would follow the Recommendation. In practice, most developing countries that had social protection schemes in place had yet to establish a social protection floor.

1042. In light of that clarification, the Worker Vice-Chairperson, introduced an amendment to insert “establishing social protection floors where they do not exist, and increasing social security coverage through the” before “extension of social protection;”.

1043. The Employer Vice-Chairperson and the Government members of Iraq, Russian Federation, Sudan, and Greece, speaking on behalf of the EU Member States, supported the amendment.

1044. The Government member of Namibia, speaking on behalf of the Africa group, did not support the amendment on the ground that the Workers’ group was seeking to require implementation of an existing instrument, the Social Protection Floors Recommendation, 2012 (No. 202), as part of the proposed Conclusions. He recalled a statement made earlier by the Government member of Zimbabwe, on behalf of the Africa group, that the clauses

of point 15 should be thought of as chapter headings of the future instrument, and therefore the Committee should refrain from adding constraining detail.

- 1045.** The Government member of Brazil said that while he supported the amendment, it might be preferable to reword it along the lines of “establishing social protection floors through an increase in social security coverage”.
- 1046.** The Worker Vice-Chairperson said that his group was prepared to leave the wording of the amendment to the Committee Drafting Committee.
- 1047.** The amendment was adopted.
- 1048.** Consequently, an amendment, submitted by the EU Member States to insert “establishment and” before “extension of”, fell.
- 1049.** Point 15(k) was adopted as amended.

Point 15(l)

- 1050.** The Worker Vice-Chairperson introduced an amendment to insert at the end of the clause “, including access to infrastructure, public space and natural resources”, subamending it to delete the word “infrastructure” in view of the earlier adoption of a new clause under point 15 that referred to access to infrastructure. Mentioning access to public space was a necessary reference to highlight the needs of informal workers who operated in parks, streets and public squares, while access to natural resources, including bodies of water, was an important issue for indigenous peoples and rural dwellers who depended on land, forests, rivers or oceans for their subsistence.
- 1051.** The Employer Vice-Chairperson was concerned that the term “natural resources” could also be interpreted as a reference to privately owned natural resources and mineral resources. He therefore proposed subamending it to read “including access to public space and public natural resources for subsistence livelihoods”.
- 1052.** The Government member of Mexico said that while his delegation agreed with the spirit of the text, he would suggest a further subamendment to insert “regulated” before “access”.
- 1053.** The Government member of Namibia, speaking on behalf of the Africa group, said that the proposed amendment touched on a sensitive issue in that each member State had its own legislation in that regard. His group therefore could not support the amendment, or any of the further subamendments proposed.
- 1054.** The Government member of the Russian Federation agreed with the Africa group. His delegation did not support the amendment.
- 1055.** The Employer Vice-Chairperson said that his group supported the subamendment as proposed by Mexico.
- 1056.** The Worker Vice-Chairperson said that his group did not understand the need to include the word “regulated”, as the text already included a reference to the regulatory framework. The addition of “regulated” would therefore not add any value to the amendment. His group would support the inclusion of a reference to “subsistence livelihoods” as proposed by the Employers’ group, but required further clarification on the reasons for adding “public” before “natural resources”.

-
- 1057.** The Employer Vice-Chairperson stressed that natural resources could only be used for the purposes for which they had been designated. For example, small-scale mining or other commercial activities on public or private land using resources that had not been allocated for that purpose by the authorities were prohibited. The inclusion of the words “regulated” and “public” was particularly important in order to emphasize that.
- 1058.** The Government member of New Zealand, supported by the Government members of South Sudan and Switzerland, said that the original text had sufficient scope and flexibility to allow member States to take account of their national circumstances in the development of integrated strategies. Increasing the degree of specificity in the clause would be restrictive. He therefore could not accept the proposed amendment, in any form.
- 1059.** The Government member of Brazil said that while he preferred to keep the original text of point 15(l), his delegation would support the subamendment proposed by the Government member of Mexico.
- 1060.** The Worker Vice-Chairperson could not agree to qualify natural resources as “public” or “private” in the amendment. His group’s intention was to secure land access for those indigenous peoples who had been living and subsisting, undocumented, on land for generations, without regard for whether it was public or private.
- 1061.** The Chairperson said that there was not sufficient support for the subamendment as proposed by the Government member of Mexico.
- 1062.** The subamendment was not adopted.
- 1063.** The Worker Vice-Chairperson informed the Committee members that the Vice-Chairpersons had consulted during the break between sittings on a compromise subamended text for point 15(l). He introduced a further subamendment on that basis to reinsert “regulated” before “access” and delete “public” before the “natural resources”.
- 1064.** The Employer Vice-Chairperson confirmed that the Worker Vice-Chairperson’s proposed subamendment had been the result of their consultation, but he nonetheless requested to hear the views of Government members before taking a position.
- 1065.** The Government member of Canada, in view of the earlier discussions, continued to support the original text, indicating that the subamended text was too prescriptive.
- 1066.** The Government member of Namibia, speaking on behalf of the Africa group, also supported the original text, noting that natural resources were generally owned by the government, and were usually governed by specific legislation. He wondered whether the Government members of the Committee had the mandate to subscribe to such a subamended text. As it was a sensitive issue, he requested that the point remain broad, allowing for each government to decide how to approach the issue.
- 1067.** The Government members of the United States, and Greece, speaking on behalf of the EU Member States, did not support any of the subamendments.
- 1068.** The Chairperson recalled that the Government members of New Zealand, the Russian Federation and Switzerland also did not support any of the subamendments.
- 1069.** The Employer Vice-Chairperson declared that they found themselves in a very difficult situation: while their primary concern about private natural resources had been resolved, the Government members’ concerns about access to public ones had not. After conferring with the Workers’ group, the Employer Vice-Chairperson understood that the issue of

access to natural resources was very important to the Workers' group. He therefore recommended that the Committee place the text "natural resources" in brackets and adopt the remainder of the amendment.

- 1070.** The Government member of Switzerland stressed that the remaining subamended text should also be placed in brackets for discussion in 2015.
- 1071.** The Government members of Greece, speaking on behalf of the EU Member States, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the proposal of the Government member of Switzerland.
- 1072.** The Employer Vice-Chairperson responded to the Government member of Switzerland's proposal to place brackets around the full text of the amendment by noting that the issue of public spaces had already been resolved during the discussion on scope. In view of that, and given the understanding that the scope would continue to apply throughout the text, the Employer Vice-Chairperson reiterated his support for the amendment as subamended by the Workers' group, and did not support the proposal to place the whole text of the clause in brackets.
- 1073.** The Worker Vice-Chairperson again called the attention of Government members to point 6(b) which, as adopted, accounted for informal work carried out in both public and private spaces. It should therefore not have been an issue to include it in policy frameworks, and he expected Government members to address it appropriately.
- 1074.** As both the Workers' group and Employers' group supported the amendment as subamended, placing the words "natural resources" in brackets, the Chairperson declared the amendment was adopted as subamended.
- 1075.** The Government member of Namibia questioned the decision in view of the strong views of the majority of Government members to place the full text of the clause in brackets, and not just the words "natural resources".
- 1076.** The Chairperson acknowledged the Government members' preference to place the whole text of the clause in brackets, and assured them that that would be recorded in the Committee report.
- 1077.** Point 15(l) was adopted as subamended, with "natural resources" in brackets.

New clauses after point 15(l)

- 1078.** The Government member of the United States, speaking also on behalf of the Government members of Canada, New Zealand, Norway and Switzerland, introduced an amendment to add a clause after point 15(l) to read "(.) oversight of occupational safety and health". She argued that OSH was a crucial component that should be included in an integrated policy framework, given that informal economy workers often lacked a healthy and safe working environment.
- 1079.** The Employer Vice-Chairperson supported the amendment.
- 1080.** The Worker Vice-Chairperson supported the amendment fully, but pointed out that the issue was covered later in the proposed Conclusions.
- 1081.** The Government member of Greece, speaking on behalf of the EU Member States, supported the amendment.

-
- 1082.** The amendment was adopted.
- 1083.** The Government member of New Zealand, speaking also on behalf of the Government members of Canada, Norway and the United States, introduced an amendment to add a new clause after point 15(l) to read “(.) effective labour inspections”. Effective labour inspections were key to ensuring safe working environments and should therefore be part of the integrated policy frameworks.
- 1084.** The Worker Vice-Chairperson pointed out that labour inspections would also be discussed under section VI of the proposed Conclusions, but nonetheless supported the amendment.
- 1085.** The Employer Vice-Chairperson subamended the text by adding “efficient and” before “effective”.
- 1086.** The Worker Vice-Chairperson observed that the Committee could easily add other qualifiers, such as “well-funded” or “well-staffed”, but nonetheless supported the Employers’ subamendment.
- 1087.** The Government members of Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 1088.** The amendment was adopted.
- 1089.** The Worker Vice-Chairperson introduced an amendment to add the following new clauses after point 15(l): “(.) income security, including minimum wages and working conditions; (.) access to justice; (.) a just transition to environmentally sustainable economies and societies;”. He immediately subamended his proposal by deleting “(.) a just transition to environmentally sustainable economies and societies;”. With respect to the two proposed new clauses, he argued that income security and minimum wages and decent working conditions were key priorities for transitioning to formality. Including them among the legal and policy frameworks would give guidance to constituents when designing policies and actions at the national level. For many in the informal economy, especially those living in remote areas, justice was not affordable or accessible. It was necessary to raise public awareness and understanding of the law and, in some countries, set up dispute resolution mechanisms.
- 1090.** The Employer Vice-Chairperson introduced a further subamendment to insert “applicable” before “minimum wages”. The application of minimum wages depended on national and/or sectoral circumstances. He did not object to the insertion of “access to justice”.
- 1091.** The Worker Vice-Chairperson preferred to retain the wording of his group’s subamendment. Minimum wages had to be living wages. He quoted the Preamble of the ILO Constitution which stated that the improvement of working conditions required, among other things, “the provision of an adequate living wage”.
- 1092.** The Employer Vice-Chairperson reiterated that the minimum wage was not universally applied and that adding the word “applicable” would take into account regional and sectoral differences.
- 1093.** The Worker Vice-Chairperson stressed that as the word “wages” in the plural was understood to cover all national laws and collective agreements, it was not necessary to add any further qualification. If the Committee wished to do so however, it should be in line with article III(d) of the Declaration of Philadelphia, which read “policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of

the fruits of progress to all, and a minimum living wage to all employed and in need of such protection”.

- 1094.** The Government member of Canada, supported by the Government members of Iraq, Switzerland, and Zimbabwe, speaking on behalf of the Africa group, pointed out that the notions of income security, minimum wage and decent work conditions were already captured in point 21, and should therefore be addressed at a later point in the discussion.
- 1095.** The Worker Vice-Chairperson referred to the draft conclusions of the Committee for the Recurrent Discussion on Employment, at the present Conference, and suggested a further subamendment to replace “applicable” with “appropriately designed” and to delete “and working conditions”.
- 1096.** The Employer Vice-Chairperson agreed to the new wording but supported the proposal by the Government member of Canada to address it under point 21.
- 1097.** The Government member of the United States, seconded by the Government member of Switzerland and in line with the proposal by the Government member of Canada, introduced a further subamendment to delete the entire first line that read “income security, including minimum wages and working conditions” and keep only “access to justice”.
- 1098.** The Worker Vice-Chairperson recalled that point 21 did not include any reference to income security, which was essential for all informal workers who were not wage workers. Moreover, although references to labour inspection and OSH already existed elsewhere in the text, amendments had just been adopted to include them also under the legal and policy frameworks section.
- 1099.** The Employer Vice-Chairperson restated that his group agreed to the formulation suggested by the Workers’ group and wished to entrust the appropriate placement of the text in the proposed Conclusions to the Committee Drafting Committee.
- 1100.** The Worker Vice-Chairperson and the Employer Vice-Chairperson did not support the subamendment introduced by the Government member of the United States.
- 1101.** The subamendment introduced by the Government member of the United States was not adopted.
- 1102.** The subamendment proposed by the Workers’ group was adopted.
- 1103.** The amendment was adopted as subamended.
- 1104.** The Government member of Mexico, on behalf of GRULAC, introduced an amendment to add the clause “(.) international cooperation mechanisms” to reflect the importance of international cooperation, as well as regional and country-to-country cooperation.
- 1105.** The Employer Vice-Chairperson, the Worker Vice-Chairperson and the Government members of the Islamic Republic of Iran, and Zimbabwe, on behalf of the Africa group, supported the amendment.
- 1106.** The amendment was adopted.
- 1107.** The new clauses after point 15(l) were adopted.
- 1108.** Point 15 was adopted as amended.

Point 16

Point 16(a)

- 1109.** The Worker Vice-Chairperson proposed an amendment to replace point 16(a) by “(.) reduce, adapt or simplify, where appropriate, the administrative costs of transition to formality, for example relating to registration;”. He immediately subamended it to replace “costs of” with “barriers to”. The amendment and subamendment were meant to emphasize the actions needed to not only reduce the costs but also simplify other barriers to transition. He added that the issue of taxation was better dealt with in a later section.
- 1110.** The Employer Vice-Chairperson preferred to retain the stronger, original text. He indicated that, were the original text retained, the Employers’ group would be willing to withdraw a subsequent amendment to the clause (a).
- 1111.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the subamendment or the amendment as they both diluted the meaning of the clause.
- 1112.** The subamendment was not adopted.
- 1113.** The amendment was not adopted.
- 1114.** The Government member of Mexico, speaking on behalf of GRULAC, presented an amendment to delete the clause as it dealt with an incentive that would be more appropriately placed in section VI.
- 1115.** The Employer Vice-Chairperson did not support the amendment.
- 1116.** The Worker Vice-Chairperson supported the amendment, noting that reducing taxation was not an appropriate way to promote transitions to the formal economy.
- 1117.** The Government member of Greece, speaking on behalf of the EU Member States, and the Government members of New Zealand, the United States, and Zimbabwe, speaking on behalf of the Africa group, did not support the amendment.
- 1118.** The amendment was not adopted.
- 1119.** The Employer Vice-Chairperson withdrew an amendment to insert “the barriers to, and” after “reduce”.
- 1120.** The Government member of the United States, speaking also on behalf of the Government members of Canada, Japan, New Zealand, Norway and Switzerland, introduced an amendment to replace “cost of” by “barriers to” in the first line. Noting the earlier withdrawal of a similar amendment by the Employer members, he clarified that barriers to transition were not only financial in nature but might also include registration requirements, permits or land-use restrictions, for example.
- 1121.** The Worker Vice-Chairperson did not agree that a reduction in taxation, as foreseen by the clause, was an appropriate incentive for transitioning to the formal economy. Even so, the proposed change to the wording was acceptable and he supported the amendment.
- 1122.** The Employer Vice-Chairperson supported the amendment.

1123. The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment as the clause spoke only about the cost of transition to formality and not about other possible barriers.

1124. The amendment was adopted.

1125. Point 16(a) was adopted as amended.

Point 16(b)

1126. The Worker Vice-Chairperson introduced an amendment to replace point 16(b) by “(.) identify and promote the advantages that transition to formality delivers, including improved access to business services, finance, infrastructure, markets, technology, education and skills programmes, and to property rights;”.

1127. The Employer Vice-Chairperson proposed a subamendment to insert “provide incentives and” before “identify” in the proposed clause.

1128. The Worker Vice-Chairperson and the Government members of New Zealand, Norway, United States, and Greece, speaking on behalf of the EU Member States, supported the amendment as subamended.

1129. The subamendment was adopted.

1130. The amendment was adopted as subamended.

1131. Consequently, four amendments fell: an amendment, submitted by the Government members of Canada, Japan, New Zealand, Norway, Switzerland and United States, to replace “increase the benefits of” by “provide incentives to”; an amendment, submitted by the Employers’ group, to replace “increase” by “establish or increase the incentives for and”; an amendment, submitted by the EU Member States, to insert “health, education and” after “technology,”; and an amendment, submitted by the Government members of Canada, New Zealand, Norway and Switzerland, to insert “education and” after “technology,”.

1132. Point 16(b) was adopted as amended.

New clause before point 16(c)

1133. The Employer Vice-Chairperson introduced an amendment to introduce, after point 16(b) and before point 16(c), a new clause to read “avoid all unintended incentives to remain in the informal economy;”.

1134. The Worker Vice-Chairperson asked the Employer Vice-Chairperson to provide examples illustrating the situation that the Employers’ group were seeking to prevent.

1135. The Employer Vice-Chairperson withdrew the amendment.

Point 16(c)

1136. The Worker Vice-Chairperson withdrew an amendment to replace point 16(c) by “(.) recognize the role and participation of women in the informal economy and consider special policy measures to promote gender equality, to ensure decent work for women;”.

1137. Point 16(c) was adopted.

Point 16(d)

- 1138.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to replace “workers” by “persons” in the first line, noting that the explicit rights of workers were dealt with in section V on rights at work.
- 1139.** The Employer Vice-Chairperson and the Worker Vice-Chairperson supported the amendment.
- 1140.** The amendment was adopted.
- 1141.** The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to replace “and” by “,” in the third line, before “persons with disabilities”, and to insert “and domestic workers” after “persons with disabilities”. Domestic workers were especially vulnerable in the informal economy and were the subject of special policies in Latin America.
- 1142.** The Worker Vice-Chairperson proposed a subamendment to delete “and” before “domestic workers” and add “and subsistence farmers” after “domestic workers”. Subsistence farmers were more vulnerable to decent work deficits than other groups in the informal economy. According to paragraph 15 of Report V(1), “non-agricultural employment in the informal economy” accounted for a significant percentage of total informal economy workers in many developing countries. As such, subsistence farmers deserved special attention in national policies and programmes aimed at facilitating their transition to the formal economy. That did not mean that they should be paid the minimum wage, that their production should be taxed or that labour inspectors should visit them to monitor compliance with the legally mandated working hours. It did mean, however, that they should be taken into account in building social security floors and that they should have access to credit to build sustainable enterprises and to financial advice to increase production for market. They and their children should have access to skills development programmes and to health and safety and education, particularly in light of their exclusion from coverage under the Safety and Health in Agriculture Convention, 2001 (No. 184). When the Committee considered the draft Recommendation in 2015, a detailed definition of the term “subsistence farmers” that included, among others, fishers, hunters and gatherers should be added to the text.
- 1143.** The Employer Vice-Chairperson said that point 3(g), which the Committee had already adopted, provided a list of the vulnerable groups to be covered by the eventual instrument. Since that list did not include domestic workers, he opposed their mention in point 16(d). He could, however, support a subamendment to insert a reference to subsistence farmers.
- 1144.** The Government member of India, echoed by the Government members of Indonesia, Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, opposed the proposed amendment and subamendment because there was broad recognition of the list of vulnerable groups provided in point 3(g). Moreover, domestic workers and subsistence farmers might not constitute vulnerable groups in every country.
- 1145.** The Government member of the Islamic Republic of Iran suggested that the list of vulnerable groups provided in point 3(g) might be repeated in point 16(d).
- 1146.** The Government member of Uruguay proposed a further subamendment to reproduce, in point 16(d), the list of vulnerable groups contained in point 3(g).

-
- 1147.** After consulting with the secretariat, the Chairperson said that if the Committee decided to add new categories of vulnerable groups in point 16(d), the Office, when drafting the proposed Recommendation, would amend the relevant provisions to align with the addition.
- 1148.** The Employer Vice-Chairperson said that, in light of the comments made by Committee members, he withdrew his group's subamendment and did not support the Worker members' subamendment.
- 1149.** The Chairperson suggested that, as with point 9(e), the contentious text – “and subsistence farmers” – could be bracketed, pending further discussion at a later date.
- 1150.** The Employer Vice-Chairperson agreed, in a spirit of compromise, to bracket “and subsistence farmers” for future discussion. He underscored, however, that his group did not consider domestic workers to be a vulnerable group and would therefore prefer to see “domestic workers” deleted from the clause.
- 1151.** The Worker Vice-Chairperson agreed to bracket “and subsistence farmers” for future discussion. His group strongly opposed the proposal to delete “domestic workers”. He drew attention to the Preamble of the Domestic Workers Convention, 2011 (No. 189), which stated unequivocally that domestic workers were “particularly vulnerable”.
- 1152.** The Chairperson said that, in view of the comments made previously by a number of Government members, in particular those from GRULAC, he also proposed bracketing “domestic workers” for further discussion in 2015.
- 1153.** The amendment was adopted on the understanding that the words “domestic workers and subsistence farmers” would be bracketed for discussion by the Committee in 2015.

New clauses after point 16(d)

- 1154.** The Employer Vice-Chairperson introduced an amendment to insert a new clause after point 16(d) to read “(.) preserve and expand, during the transition to formality, the entrepreneurial potential, creativity, dynamism, skills and innovation capacity of the workers and economic units in the informal economy”.
- 1155.** The Worker Vice-Chairperson expressed his group's support for the proposed amendment, which was also supported by the Government members of Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group.
- 1156.** The amendment was adopted.
- 1157.** The Worker Vice-Chairperson introduced an amendment to insert, after point 16(d) a further two new clauses: “(.) address specific sectoral needs and policies; and (.) recognize the importance of public procurement policies to promote decent work in formal employment”. His group wished to ensure that specific sectoral needs were addressed and that there was greater commitment from national and local governments to recognize the importance of public procurement policies in empowering workers and economic units in the informal sector to access markets and encouraging them to formalize.
- 1158.** The Employer Vice-Chairperson said that the proposed amendment raised important issues that would enhance the transition process. Since it was related to policy, he wished to hear the views of Government members before giving an opinion.

-
- 1159.** The Government members of the United States, Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, expressed support for the proposed amendment.
- 1160.** The Employer Vice-Chairperson said that his group would also support the proposal.
- 1161.** The amendment was adopted.
- 1162.** The new clauses after point 16(d) were adopted.
- 1163.** Point 16 was adopted as amended.

IV. Employment policies

Title

- 1164.** The title was adopted.

Point 17

- 1165.** The Government member of the United States, on behalf also of the Government members of Canada, Japan, New Zealand and Norway, introduced an amendment to delete “in line with the Employment Policy Convention, 1964 (No. 122), and the Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169), in order” after “employment policy” in the second line. The sponsors felt that as employment creation was at the centre of transition policies to formality, the text of point 17 was not sufficient as guidance for formulating and implementing employment policies in the context of transition to the formal economy. In addition, exclusively listing Convention No. 122 and Recommendation No. 169 did not render the Office’s expertise on employment creation strategies. Although Convention No. 122 was a fine instrument, additional practical guidance on employment policies for formalization was essential. The sponsors felt that the point needed to be substantially strengthened, with a focus on how to extend employment creation.
- 1166.** The Employer Vice-Chairperson supported the amendment.
- 1167.** The Worker Vice-Chairperson was sympathetic to the argument of the Government member of the United States. However, he felt that the proposed deletion would not improve the text.
- 1168.** The Government member of Zimbabwe, speaking on behalf of the Africa group, agreed with the concerns of the sponsors of the amendment. He noted that the forthcoming draft conclusions of the Committee for the Recurrent Discussion on Employment could inform the further elaboration of the point. He supported the amendment, but would like to have the aforementioned draft conclusions considered.
- 1169.** The Government member of Greece, speaking on behalf of the EU Member States, opposed the amendment but recognized the concerns behind it.
- 1170.** The Government member of the United States asked whether or not it would be possible to bracket the point for discussion in 2015, indicating that the entire point should be revised.

-
- 1171.** Both the Worker Vice-Chairperson and the Employer Vice-Chairperson agreed with the bracketing of the whole point. Doing so would remind the Committee and the Office that the section should be strengthened.
- 1172.** The Chairperson believed that the issue was important enough to merit bracketing for later discussion.
- 1173.** As a result, three other amendments fell: an amendment submitted by the Worker members to delete “and” in the third line and replace the rest of the sentence after “(No. 169),” by “the Employment Relationship Recommendation, 2006 (No. 198), the ILO instruments on discrimination and equal remuneration in employment, and the ILO Global Jobs Pact, which provides a framework for the promotion of full and productive employment. Members should ensure coherence and mutual reinforcement of employment and social protection policies in order to increase decent work in the formal economy through macroeconomic and sectoral policies which promote full and productive employment, sustainable enterprises, development of cooperatives, skills development and better pay in both rural and urban areas”; an amendment submitted by the EU Member States to insert “and decent” after “productive”; and an amendment submitted by the Employer members to insert “pro-growth and” in the fifth line before “employment”.
- 1174.** Point 17 was adopted as amended.

V. Rights at work

Title

- 1175.** The title was adopted.

Point 18

- 1176.** The Worker Vice-Chairperson introduced an amendment to replace in the chapeau the rest of the sentence after “measures,” by “to achieve decent work and to respect, promote and realize the fundamental principles and rights at work, by ensuring for those in the informal economy:”. The aim was to ensure that all those in the informal economy enjoyed fundamental principles and rights at work.
- 1177.** The Employer Vice-Chairperson supported the amendment.
- 1178.** The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment, requesting that the Committee Drafting Committee improve the readability of the sentence relative to the list of points that followed.
- 1179.** The Government member of the United States stated that adding “ensuring” to the sentence was not in line with the text of the ILO Declaration on Fundamental Principles and Rights at Work, which only referred to respecting, promoting and realizing the principles.
- 1180.** The Government member of Canada noted that the drafters of the proposed Conclusions had clearly referenced the 1998 Declaration in order to familiarize those readers who were unfamiliar with it. She proposed a subamendment to delete “by ensuring for those in the informal economy” after “at work,” as well as restoring “namely:”

-
- 1181.** The Government member of Greece, speaking on behalf of the EU Member States, seconded the subamendment.
- 1182.** The Employer Vice-Chairperson, the Government members of India, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.
- 1183.** The Worker Vice-Chairperson preferred the original text of the amendment. Rights must be ensured as well as delivered, and realizing those rights was difficult for those in the informal economy. He therefore opposed the subamendment.
- 1184.** The Employer Vice-Chairperson proposed a further subamendment to reintroduce “in the informal economy” after “rights at work”.
- 1185.** The Government member of Greece, speaking on behalf of the EU Member States, supported the further subamendment.
- 1186.** The Worker Vice-Chairperson proposed a further subamendment to insert “for those” after “rights at work”. It was needed because the reference was to people.
- 1187.** The Employer Vice-Chairperson and the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.
- 1188.** The amendment was adopted as subamended.
- 1189.** The chapeau to point 18 was adopted as amended.
- 1190.** Point 18 was adopted as amended.

Point 19

- 1191.** As no amendments had been submitted to point 19, the point was adopted without amendment.

Point 20

- 1192.** The Worker Vice-Chairperson introduced an amendment to replace “Members should” by “(.) take immediate measures to address the unsafe and unhealthy working conditions that often characterize work in the informal economy; (.) promote and extend occupational safety and health protection to the informal economy; and (.) extend coverage of labour inspection to all workers and workplaces”. The Worker Vice-Chairperson argued that, as pointed out previously by Government members, OSH was not properly covered in the proposed Conclusions. Although it had been added in an amendment to point 15, he felt that it was appropriate to give it further attention under point 20 to provide concrete guidance to Members as to what actions and measures should be taken. He noted that all three points in the amendment had been drawn from Report V(1) and were areas around which governments, workers and employers had agreed that immediate action was required.
- 1193.** The Employer Vice-Chairperson and the Government member of the United States supported the amendment.
- 1194.** The Government member of Greece, speaking on behalf of the EU Member States, proposed a subamendment to the final clause to add “hired” before “workers”.

-
- 1195.** The Worker Vice-Chairperson did not support the proposed subamendment because the intent of the instrument was to cover not just hired workers but all workers in the informal economy; he recalled that, in the discussions on scope, it had already been agreed that the instrument should cover a number of categories, including own-account workers, contributing family workers and members of producers' cooperatives, in the informal economy. It was therefore necessary to extend labour inspection coverage to all of those workers.
- 1196.** The Employer Vice-Chairperson and the Government member Zimbabwe, speaking on behalf of the Africa group, did not support the subamendment.
- 1197.** The subamendment proposed by the EU Member States was not approved.
- 1198.** The amendment was adopted.
- 1199.** As a result, two amendments submitted by the EU Member States fell: one to insert "appropriate" after "adopt", and another to insert "employees" after "characterize".
- 1200.** Point 20 was adopted as amended.

Point 21

- 1201.** Prior to introducing his group's amendment to point 21, the Worker Vice-Chairperson requested the secretariat to explain the differences between social protection, social security and social insurance, both in terms of their meaning and function, in order to facilitate the discussion of points 21 to 24.
- 1202.** The deputy-representative of the Secretary-General acknowledged it as a complex issue that deserved some attention. He explained that social security systems differed largely from country to country and encompassed a variety of instruments. Each country used various combinations of social security instruments to construct their social security system. Social security schemes could be divided into two categories: contributory and non-contributory. Non-contributory schemes included, among others: universal schemes, which covered all residents, for instance health care in the United Kingdom; categorical schemes which targeted particular groups such as families with children, or the elderly who received non-contributory pensions; and means-tested schemes, which were attributed to persons under conditions of resources, such as social assistance. Contributory schemes included entitlements based on contributions, although those did not necessarily need to be financed entirely by the contributions; they were often employment-based and included social insurance schemes.
- 1203.** The deputy representative of the Secretary-General explained that, in the proposed Conclusions, point 23 was intended to ensure that countries using or developing social protection floors paid particular attention to the situation of workers in the informal economy. He noted that social protection floors were not schemes, but rather social security guarantees. The Social Protection Floors Recommendation, 2012 (No. 202), had defined four types of guarantees, namely health care, basic income security for children, basic income security for persons in active age who were unable to earn sufficient income, and basic income security for older persons. He also recalled that the Preamble of Recommendation No. 202 recognized that social security was an important tool to support the transition from informal to formal employment. It was on that basis that the Office had drafted the text of point 23. Point 24 was based on paragraph 13 of the conclusions contained in the Report of the Committee for the Recurrent Discussion on Social Protection, at the 100th Session of the Conference, according to which:

Social insurance remains the central pillar of social security systems in most member States, yet it tends to focus on formal employees. However, a growing number of developing countries have gradually extended the scope of social insurance coverage to other categories of workers such as own-account workers, domestic workers or workers in rural areas and workers in small and micro-enterprises by adapting the scope of benefits, contributions and administrative procedures. The inclusion of these groups in social insurance is a key component of the formalization of employment and can also reduce the cost of tax-financed benefit systems for poor workers in the informal economy.

After consideration of the responses to the questionnaire, the Office was of the view that point 24 of the proposed Conclusions should underline the importance of social insurance as a tool to facilitate transitions from the informal economy to the formal economy. The deputy representative of the Secretary-General further elaborated that, in many countries, certain wage employees were excluded from social insurance, such as domestic workers, rural workers, casual workers, workers in micro- and small enterprises, and also self-employed including own-account workers. In the informal economy, many people were actually able to contribute to social insurance schemes but were excluded from the scope of the schemes. In countries where social insurance exists, it is used to provide higher level of benefits than non-contributory schemes. Bringing new groups of the workforce under the coverage of social insurance is therefore a way to ensure that more people have access to higher levels of protection, in accordance to provisions of Recommendation No. 202. In addition, in many countries, the coverage of social assistance and other non-contributory schemes is very limited, leaving almost all of those in the informal economy excluded from social security coverage if not covered by social insurance. We should also consider that even when social assistance exists, a significant share of those in the informal economy may have an income on top of the threshold used for entitlement to social assistance, and if not covered by social insurance, they will remain excluded from social security coverage. Finally, by bringing those people into the scope of social insurance, governments could increase their revenues, which they could then use to finance better protection for vulnerable groups or in a number of other ways. He noted that the difference between the terms “social security” and “social protection” remained unresolved. He pointed out that even the Social Protection Floors Recommendation, 2012 (No. 202), included both terms. While the ILO used them interchangeably in general, he conceded that it was generally accepted that social protection was broader in scope than social security.

1204. The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to replace point 21 by the following:

With regard to the transition from the informal to the formal economy, the proposed instrument should provide that:

- (.) Members should progressively extend to all workers in the informal economy protection in respect of social security, decent hours of work and minimum wage, where such protection exists, in a way that facilitates transitions to formality;
- (.) Members should encourage the provision of affordable quality childcare and other care services in order to promote women's employment opportunities and enable them to transition from the informal to the formal economy;
- (.) Members, in building and maintaining national social protection floors within their social security system, should pay particular attention to the needs and circumstances of those in the informal economy and their families with a view to ensuring adequate social security coverage and facilitating transitions to formality; and
- (.) Members should, with a view to facilitating transitions to formality, progressively extend the coverage of social insurance to those in the informal economy and, if necessary, adapt administrative procedures, benefits and contributions taking into account their contributory capacity.

She explained that the intent was to regroup points 21 to 24 of the proposed Conclusions under one single point. She also proposed to add, after the new text, the text of an amendment under point 24 which read as follows:

- (.) In the context of undeclared work, which is also a form of informal economy, where economic units wilfully avoid taxation, social and labour regulations and laws, the above provisions (... to ...) might not be appropriate, taking into account the applicable legal framework. In such cases, the following measures might be more suitable: removing disincentives and providing appropriate incentives in the tax and benefit system, improved law enforcement and the application of sanctions.

- 1205.** The Government member of Zimbabwe, speaking on behalf of the Africa group, said that in view of the explanations provided by the secretariat on social protection, he agreed with the proposal made by the EU Member States to regroup points 21 to 24 into one point.
- 1206.** The Worker Vice-Chairperson agreed with the intent of the amendment and suggested considering the proposed amendments under points 21 to 24 first, before regrouping the points into a new point 21.
- 1207.** The Government member of Greece, speaking on behalf of the EU Member States, agreed with the Worker Vice-Chairperson's suggestion, provided that the proposed introduction to point 21, which read: "(.) With regard to the transition from the informal to the formal economy, the proposed instrument should provide that:" would still be considered.
- 1208.** The discussion on amendment was therefore suspended pending review of all amendments submitted under points 21 to 24.
- 1209.** The Employer Vice-Chairperson withdrew an amendment submitted by his group to replace "progressively extend to all workers in the informal economy protection in respect of social security, decent hours of work and minimum wage, where such protection exists, in a way that facilitates transitions to formality" by "facilitate the transition from the informal to the formal economy in order to progressively extend to all workers protection in respect of social security, hours of work and minimum wage, where such protection exists".
- 1210.** The Worker Vice-Chairperson introduced an amendment to insert "in law and practice", after "progressively extend".
- 1211.** The Employer Vice-Chairperson and the Government members of Greece, speaking on behalf of the EU Member States, and Namibia, speaking on behalf of the Africa group, supported the amendment.
- 1212.** The amendment was adopted.
- 1213.** The Government member of Brazil, speaking on behalf of GRULAC, introduced an amendment to replace "to all workers in the informal economy" by " , through the transition to the formal economy,". He emphasized that formalization should be used as a mechanism to extend certain rights and protections, such as social protection, labour dispute resolution or labour inspection, to informal workers.
- 1214.** The Worker Vice-Chairperson did not support the amendment, stressing that the objective of point 21 was to progressively extend protection for all workers who were not covered. Where such protection did not exist, the aim should be to establish a social protection floor as a basis upon which additional levels of protection could be built.

-
- 1215.** The Government member of Brazil proposed a subamendment to take the concerns of the Workers' group into consideration: "The proposed instrument should provide that Members should, through the transition to the formal economy, progressively extend, in law and practice, to all workers in the informal economy, protection in respect of social security, decent hours of work and minimum wage, where such protection exists." The subamendment would make redundant a further amendment submitted by the same group which sought to delete "in a way that facilitates transitions to formality" in the third line.
- 1216.** The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the subamendment.
- 1217.** The subamendment was adopted.
- 1218.** The amendment was adopted as subamended.
- 1219.** As a consequence, an amendment proposed by the EU Member States to replace "workers" by "employees" fell.
- 1220.** An amendment proposed by GRULAC to delete "in a way that facilitates transitions to formality" was withdrawn.
- 1221.** The Worker Vice-Chairperson introduced an amendment to insert the words "maternity protection" after "social security" of point 21. It was important to secure maternity protection for all women, including, progressively, those working in the informal economy.
- 1222.** The Employer Vice-Chairperson supported the amendment.
- 1223.** The Government member of Namibia requested the secretariat to explain whether or not the term "social security" included maternity protection.
- 1224.** The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the request. The secretariat had explained that one of the aspects of social security concerned maternity benefits. He therefore wondered why the Workers' group considered that a special mention of maternity protection was needed.
- 1225.** The deputy representative of the Secretary-General said that while some components of maternity protection, such as paid maternity leave, were part of social security, other protections, such as those related to non-discrimination and breastfeeding, were not, according to the Maternity Protection Convention, 2000 (No. 183).
- 1226.** The Government members of Switzerland, and Greece, speaking on behalf of the EU Member States, supported the amendment.
- 1227.** The amendment was adopted.
- 1228.** The Government member of Trinidad and Tobago, speaking also on behalf of the Government member of Jamaica, introduced an amendment to delete the word "decent" as, to her knowledge, the term "decent hours of work" was not defined by any ILO instrument.
- 1229.** The Worker Vice-Chairperson proposed a subamendment to replace "hours of work" by "working conditions" after "decent".
- 1230.** The Employer Vice-Chairperson supported the subamendment.

-
- 1231.** The Government member of Trinidad and Tobago opposed the subamendment since “decent working conditions” was not referred to in ILO instruments; the accepted terms were “working conditions” and “decent work”.
- 1232.** The Government member of Zimbabwe, speaking on behalf of the Africa group, opposed both the amendment and the subamendment.
- 1233.** The Government member of Argentina asked the secretariat whether or not the term “decent hours of work” was mentioned in the Domestic Workers Convention, 2011 (No. 189).
- 1234.** The deputy representative of the Secretary-General said that the term “decent working conditions” was commonly used and that “decent hours of work” was not.
- 1235.** The Government member of Argentina said that, in light of the clarification provided, she supported the subamendment.
- 1236.** The Government member of Namibia noted that much of the wording of the point, including “protection in respect of”, reflected wording used in other ILO instruments. He therefore preferred the original wording and did not support the subamendment.
- 1237.** The subamendment was adopted.
- 1238.** The amendment was adopted as subamended.
- 1239.** The Worker Vice-Chairperson introduced an amendment to insert “living” after “minimum” and before “wage”. He noted that various ILO instruments referred to the provision of a living wage. The Preamble of the ILO Constitution referred to “adequate living wage”, article III(d) of the Declaration of Philadelphia recognized the obligation of the ILO to advance programmes in member States that would achieve “policies ... calculated to ensure ... a minimum living wage to all employed and in need of such protection”. Almost identical wording was used in the ILO Declaration on Social Justice for a Fair Globalization, 2008, and the ILO’s Global Jobs Pact. Failure to prohibit the payment of a minimum wage that was not a living wage to any worker, including workers in the informal economy, would be inconsistent with the commitments of ILO member States and social partners.
- 1240.** The Employer Vice-Chairperson, echoed by the Government member of Zimbabwe, speaking on behalf of the Africa group, said that he did not support the amendment. His group was in favour of the progressive extension of protection to workers and other actors in transition to the formal economy. However, it should be borne in mind that the Declaration of Philadelphia did not require member States to provide their workers with such a wage; it simply recognized the obligation of the ILO to “further” policies directed to that end. Moreover, the Declaration had been adopted in 1944, yet the Minimum Wage Fixing Convention, 1970 (No. 131), which had not been adopted until 1970, made no reference to a minimum living wage because, in the interim, challenges and roadblocks had emerged. Many developed countries had yet to establish a minimum living wage for their workers and it was far from clear that employers would be in a position even to pay their workers a minimum wage, much less a minimum living wage. It was important not to put barriers in the way of the transition process.
- 1241.** The Government member of Mexico agreed with the Employer Vice-Chairperson that discussion of a minimum living wage would only complicate the Committee’s work.
- 1242.** The Government members of Argentina and the United States supported the amendment.

-
- 1243.** The Worker Vice-Chairperson said that the issue was of the utmost importance to his group. If his group's amendment did not yet enjoy majority support, he preferred that it be bracketed and reserved for discussion by the Committee in 2015.
- 1244.** The Chairperson, speaking as the Government member of South Africa, noted that in his country there was no consensus on what was meant by a "living wage", nor was it clear whether such a wage should be calculated in relation to individual workers or to workers and their families.
- 1245.** The Government member of Namibia suggested that clarification should be requested from the secretariat.
- 1246.** The Chairperson pointed out that the Worker Vice-Chairperson had already drawn attention to the relevant documents in his introduction of the amendment.
- 1247.** The Worker Vice-Chairperson pointed out that the Committee of Experts on the Application of Conventions and Recommendations had just published the General Survey of the reports on the Minimum Wage Fixing Convention, 1970 (No. 131), and the Minimum Wage Fixing Recommendation, 1970 (No. 135), which dealt with the issue of a minimum living wage and could provide input for the Committee's further discussion on the matter in 2015.
- 1248.** The Chairperson noted that the issue at hand could present the Committee with a serious dilemma. Having heard the views of various groups and Government members, he believed that a decision on the amendment should not be taken even if there appeared to be a majority of Committee members opposed to the amendment. He suggested that it would be better to bracket the disputed text and revisit the question in 2015.
- 1249.** The Employer Vice-Chairperson said that the concept of a "minimum living wage" had significant policy implications. If the Committee wished to embark on a discussion of that issue, it should request the secretariat to prepare a background note and proceed in the usual manner rather than attempting to address the matter in the context of the debate on transitioning to the formal economy.
- 1250.** The Chairperson recognized that there was a significant debate on living wages, including in his country. He concluded that there was a general consensus to place "living" in brackets.
- 1251.** The amendment was adopted leaving the word "living" in brackets for further discussion in 2015.
- 1252.** The Government representative of Greece, speaking on behalf of the EU Member States, requested that the EU amendment to replace "workers" by "employees" be discussed, as it had fallen by mistake earlier.
- 1253.** In reply to a request for clarification by the Worker Vice-Chairperson, a member of the secretariat explained that the amendment by the EU Member States had indeed not fallen and should have been discussed.
- 1254.** The Government representative of Greece, speaking on behalf of the EU Member States, said that the purpose of the amendment was to exclude own-account workers from the scope of the proposed instrument, as they were generally excluded from the application of labour laws, including with respect to minimum wages and working conditions.

-
- 1255.** The Worker Vice-Chairperson did not support the amendment. Five out of ten workers in the informal economy were non-wage workers according to Conceptual Framework, such as members of cooperatives or contributing family members. As a result, half of the workforce in the informal economy would not be covered by the Recommendation were the amendment to be adopted.
- 1256.** The Employer Vice-Chairperson recalled that the word “worker” had been used throughout the text and should be used consistently. He did not support the amendment.
- 1257.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment.
- 1258.** The Government member of the United States also preferred the word “worker”.
- 1259.** The amendment was not adopted.

Point 22

- 1260.** The Worker Vice-Chairperson proposed an amendment to insert “and access to” after “of” in the second line in order to clarify that the provision of affordable quality childcare and other care services alone was not sufficient; access was also required.
- 1261.** The Employer Vice-Chairperson and the Government members of the Russian Federation, Greece, speaking on behalf of the EU Member States, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 1262.** The amendment was adopted.
- 1263.** The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to replace “women’s” by “gender equality in” in the second line and, in the third line, to replace “them to” by “the”. The amendment aimed to make the wording more inclusive in line with the principles of gender equality.
- 1264.** The Worker Vice-Chairperson was of the same view and supported the amendment.
- 1265.** The Employer Vice-Chairperson also supported the amendment.
- 1266.** The Government member of Greece, speaking on behalf of the EU Member States, proposed a subamendment to replace “gender equality in” by “and men’s”.
- 1267.** The Employer Vice-Chairperson, the Worker Vice-Chairperson and the Government members of the Russian Federation, and Namibia, speaking on behalf of the Africa group, did not support the subamendment.
- 1268.** The subamendment was not adopted.
- 1269.** The amendment was adopted.
- 1270.** As a result, an amendment proposed by the EU Member States to insert “and men’s” after “women’s” fell.
- 1271.** The Employer Vice-Chairperson introduced an amendment to insert “entrepreneurship or” before “employment”, given that women were also entrepreneurs.

1272. The Worker Vice-Chairperson supported the proposed amendment, as did the Government members of Greece, speaking on behalf of the EU Member States, and Namibia, speaking on behalf of the Africa group.

1273. The amendment was adopted.

Point 23

1274. The Chairperson indicated that, in view of the Committee's earlier discussion on the proposed EU amendment to merge points 21 to 24, consideration of an amendment to delete point 23 would be postponed.

1275. The Government member of Canada, speaking also on behalf of the Government members of Japan, New Zealand, Norway, Switzerland and United States, introduced a proposal to delete the word "particular", as it was not consistent with the wording of Recommendation No. 202. She recalled the Chairperson's summary of the Meeting of Experts of September 2013, which indicated that the transition to formality required the progressive extension of social protection in accordance with the Social Protection Floors Recommendation, 2012 (No. 202).

1276. The Worker Vice-Chairperson and the Employer Vice-Chairperson did not support the amendment, which would weaken the emphasis on the goal of extending social protection to all workers, including in the informal economy.

1277. The amendment was not adopted.

1278. The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to delete "ensuring adequate social security coverage and" in the interest of simplicity, and so as not to duplicate the earlier clause on social security.

1279. The Employer Vice-Chairperson welcomed the proposal, which clarified the text; his group supported the amendment.

1280. The Worker Vice-Chairperson said although his group would prefer to see adequate social security coverage included in the text as a final goal, he did not wish to stand in the way of consensus. His group therefore also supported the proposed amendment.

1281. The amendment was adopted.

1282. The Employer Vice-Chairperson presented an amendment proposing to insert "and facilitating the transition from the informal to the formal economy" after "social security system", and delete "and facilitating transitions to formality".

1283. The Workers supported the proposal, as did the Government members of the Russian Federation, and Greece, speaking on behalf of the EU Member States.

1284. The amendment was adopted.

Point 24

1285. Consideration of a proposed amendment to delete the point was suspended pending consideration of the proposal to merge points 21 to 24.

-
- 1286.** The Government member of Greece introduced an amendment, on behalf of the EU Member States, to replace “extend the coverage of social insurance to” by “establish and develop social protection floors within a strategy for the extension of social protection for”. Although certain categories of workers in some countries would not be covered by social insurance systems, such as own-account or self-employed workers, other protection mechanisms might be in place, such as social assistance schemes.
- 1287.** The Worker Vice-Chairperson said that, to be consistent with the structure of the previous three points, point 24 should address social insurance only, not social protection floors. His group therefore did not support the proposal.
- 1288.** The Employer Vice-Chairperson asked whether social insurance was not in fact part of the social protection floor. He also requested clarification on the difference between social security and social insurance.
- 1289.** The deputy representative of the Secretary-General explained that a social protection floor was a set of guarantees, while social insurance was a type of scheme to provide benefits for those at work who were mostly formal workers. Social security might or might not be contributory whereas social insurance was contributory and a component of social security systems. Workers in the informal economy were commonly excluded from social insurance coverage, although many countries had extended such schemes to include own-account workers, workers in micro-enterprises and domestic workers. The original Office text for point 24 focused on social insurance schemes and was based on the outcome of the Conference’s recurrent discussion on social security in 2011, which considered that the extension of social insurance to groups previously not covered was key to the formalization of employment. Recommendation No. 202 further stipulated that member States should endeavour to extend protection, including through the extension of existing contributory schemes to all persons with contributory capacities.
- 1290.** Having considered the explanation from the secretariat, the Government member of Greece, speaking on behalf of the EU Member States, withdrew the amendment.
- 1291.** The Employer Vice-Chairperson withdrew an amendment to replace “facilitating transitions to formality, progressively extend the coverage of social insurance to those in the informal economy” by “progressively extending the coverage of social insurance to those currently in the informal economy, facilitate their transition to the formal economy”.
- 1292.** The Government member of Canada introduced an amendment, on behalf also of the Government members of New Zealand, Norway, Switzerland and United States, to replace “insurance” by “protection”. The intention was to widen social insurance to social protection, and to introduce the wording used in Recommendation No. 202, particularly in its Paragraph 15, which applied to persons both in the formal and informal economy. She proposed a subamendment to replace “protection” by “security”.
- 1293.** The Worker Vice-Chairperson commended the proposal. He considered that point 24 was not the most suitable place for it, however, and that it would work better under point 21 or 23. There was a need to preserve the topic of social insurance in point 24. He did not support the subamendment.
- 1294.** The Employer Vice-Chairperson did not support the amendment.
- 1295.** The Government member of Namibia, speaking on behalf of the Africa group, expressed concern for the extent of amendments being proposed under section V and urged the Committee to maintain the original text put forward by the Office, which exhibited a

logical progression from working conditions to social security and then to social insurance. He therefore opposed the amendment and subamendment.

1296. The subamendment was not adopted.

1297. The amendment was not adopted.

1298. The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to delete “with a view to facilitating transitions to formality” and to insert “, through transitions to formality,” after “progressively”. The intention was to achieve consistency with previous amendments and to emphasize social insurance as a mechanism to promote transitions to formality.

1299. The Employer Vice-Chairperson, the Worker Vice-Chairperson and the Government member of Namibia, speaking on behalf of the Africa group, did not support the amendment.

1300. The amendment was not adopted.

1301. The Worker Vice-Chairperson withdrew an amendment to replace the rest of the point after “administrative procedures” by “and contributions, taking into account contributory capacity, whilst ensuring access to benefits”.

1302. The Chairperson directed the Committee’s attention to an earlier set of amendments whose effect would be to combine points 22 to 24 under point 21. He recalled that the Committee had already agreed to adopt the chapeau of the proposed combined point and asked for reconfirmation of that agreement.

1303. The Employer Vice-Chairperson and Worker Vice-Chairperson both expressed support for the chapeau.

1304. The Chairperson indicated that points 22, 23 and 24 would come under the chapeau and that the listing of the new clauses under point 21 would be referred to the Committee Drafting Committee.

1305. The Chairperson announced that the three amendments to delete points 22, 23 and 24 were adopted, as the points had been deleted and moved to point 21.

1306. Point 21 was adopted as amended.

New point after point 24

1307. The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert a new point immediately after point 24, as follows:

(.) In the context of undeclared work, which is also a form of informal economy, where economic units wilfully avoid taxation, social and labour regulations and laws, the above provisions (... to ...) might not be appropriate, taking into account the applicable legal framework. In such cases, the following measures might be more suitable: removing disincentives and providing appropriate incentives in the tax and benefit system, improved law enforcement and the application of sanctions.

She proposed a subamendment for the amendment to read as follows:

(.) In cases of avoidance of taxation, social and labour regulations and laws, specific measures might be more suitable, taking into account the applicable legal framework. Such

measures may include: removing disincentives and providing appropriate incentives in the tax and benefit system, improving law enforcement and the application of sanctions.

She believed that the amendment was necessary to reflect that the informal economy had negative impact on employment, productivity and working conditions, as well as budgetary implications for governments through decreased tax and social revenues. That concerned not only European countries but any country that wished to maintain a solid redistributive system.

1308. The Worker Vice-Chairperson did not support the amendment or subamendment. While understanding that governments had to address the issue of wilful tax evasion, he believed the topic belonged in section VI dealing with incentives, compliance and enforcement.

1309. The Employer Vice-Chairperson proposed a further subamendment to replace the EU amendment and subamendment by the following:

(.) Members should take measures, including removing disincentives and providing appropriate incentives in the tax and benefit system, law enforcement and the application of sanctions in order to prevent avoidance of taxation, social and labour regulations and laws.

1310. The Worker Vice-Chairperson emphasized that his group would not support any amendment on the topic unless it was submitted under section VI.

1311. The Employer Vice-Chairperson agreed with the Worker Vice-Chairperson's position to place the proposed text in section VI.

1312. The Government member of Greece, speaking on behalf of the EU Member States, maintained her amendment and subamendment.

1313. The Worker Vice-Chairperson, in view of the Employer Vice-Chairperson's support to move the topic to section VI, introduced a further subamendment as follows: "(.) Members should consider the most suitable measures to address situations where economic units wilfully avoid taxation, social and labour regulations and laws."

1314. The Employer Vice-Chairperson could not support the subamendment. The purpose of the proposed Conclusions was not to draft criminal legislation, but rather to give the Office instructions as to how to proceed with the future instrument. He therefore considered it inappropriate to include words such as "wilful" and stressed that it was not a crime to avoid taxation.

1315. The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the subamendment proposed by the Employers' group and highlighted the fact that removing all mention of incentives from the proposed new clause would thus make it unnecessary to move it to section VI.

1316. The Government member of Iraq said that rights at work should not be associated with incentives and sanctions. He would prefer to retain the original wording of the amendment proposed by the EU Member States and to revisit it during the Committee's discussion of section VI, where it belonged.

1317. The Government member of Greece, speaking on behalf of the EU Member States, supported the subamendment put forward by the Employers' group and opposed the further subamendment proposed by the Workers' group.

1318. The Government member of Jamaica, speaking also on behalf of the Government members of Suriname, and Trinidad and Tobago, said that while he agreed with the Employer Vice-

Chairperson that tax avoidance was not a crime, tax evasion was, at least in the Caribbean Community (CARICOM). He therefore proposed to further subamend the subamendment put forward by the Employers' group, by replacing "avoid" by "evade" and moving the new point to section VI.

- 1319.** At the request of the Worker Vice-Chairperson, the meeting was suspended briefly for consultations between the social partners. When discussion resumed, the Chairperson suggested that, in order not to delay the Committee's work, the text of the amendment originally proposed by the EU Member States should be bracketed and revisited in 2015.
- 1320.** The Worker Vice Chairperson, the Employer Vice-Chairperson and the Government member of Greece, speaking on behalf of the EU Member States, agreed to the Chairperson's suggestion.
- 1321.** The amendment proposed by the EU Member States was bracketed for future discussion. As a consequence, the subamendments to the proposed amendment were not adopted.
- 1322.** The new point after point 24 was adopted as bracketed text.

VI. Incentives, compliance and enforcement

Title

- 1323.** The Employer Vice-Chairperson introduced an amendment to delete the word "Incentives" from the title, as incentives should be covered elsewhere in the text, separately from compliance and enforcement.
- 1324.** The Worker Vice-Chairperson drew the Committee's attention to the fact that his group had some specific and comprehensive amendments to propose on the content and structure of point 25, which would include measures and incentives linked to ensuring effective transitions from the informal to the formal economy. He therefore could not support the amendment.
- 1325.** The Government member of Zimbabwe, speaking on behalf of the Africa group, did not support the amendment.
- 1326.** The Government member of Mexico, speaking on behalf of GRULAC, asserted that incentives were an important concept to include in this part of the text to ensure the effective transition from the informal to the formal economy, and mentioned that GRULAC had submitted amendments on the topic. They therefore did not support the amendment.
- 1327.** The Employer Vice-Chairperson withdrew the amendment.

Point 25

New clause before point 25(a)

- 1328.** The Government member of Zimbabwe, speaking on behalf of the Africa group, withdrew an amendment to add a new clause to read "(.) provide appropriate incentives to foster transition from informal to formal economy;".

Point 25(a)

- 1329.** The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to replace the clause by “put in place an integrated strategy, including a review of the existing mechanisms and establishing incentives to formalization, subject to compliance with legislation;”. He underscored that incentives were a fundamental tool to ensure the effective implementation of laws, and gave by way of example the *Oportunidades* scheme in Mexico and the *Bolsa família* in Brazil, both of which covered large numbers of people and include conditionalities, thereby providing incentives to families to send their children to school, for instance.
- 1330.** The Employer Vice-Chairperson reiterated his position that the section should deal with compliance and enforcement, not incentives, but conceded that if incentives were an integral part of those provisions, as argued by GRULAC, he was willing to accept the amendment.
- 1331.** The Worker Vice-Chairperson appreciated the rationale for the amendment to link incentives to effective measures for transitioning to formality. He pointed out, however, that the Worker members had also submitted a series of amendments to point 25 that would give a clearer logic to the point as a whole. He explained that those amendments would cover: (i) compliance; (ii) incentives linked to effective transitions; (iii) inspections and enforcement; (iv) guidance, counselling and other measures that should be taken to support economic units through the transitions; and (v) sanctions. The proposal of the Workers’ group would avoid the mixing of concepts and possible misinterpretations of the proposed Conclusions. He therefore could not support the amendment.
- 1332.** The Government member of India felt that the original text was sufficient, as it treated each component separately in its three clauses.
- 1333.** The Government member of Greece, speaking on behalf of the EU Member States, did not support the amendment.
- 1334.** The Employer Vice-Chairperson reminded the Committee that they had not been tasked with drafting the Recommendation; rather, they had been asked to provide guidance to the Office, in preparing a draft Recommendation. He urged the Committee members to focus on substance, not sequencing.
- 1335.** The Government member of Zimbabwe, speaking on behalf of the Africa group, pointed out that the clauses under point 25 were already organized in a logical chronological sequence. He therefore did not support the amendment.
- 1336.** The Government member of Brazil emphasized that the underlying purpose of the text was to develop integrated policies, and he therefore saw no reason to separate the various concepts as suggested by the Workers’ group. He argued that doing so would make it less clear which measures and incentives would be subject to compliance. Brazil had significant experience on such integrated policy packages, which had been effective in addressing child labour, for example.
- 1337.** The Worker Vice-Chairperson proposed a subamendment to insert “and ensuring recognition and enforcement of formal employment relationships and” after the word “strategy”. To comply with laws, the employment relationship as well as other rights needed to be recognized.

-
- 1338.** The Employer Vice-Chairperson opposed the subamendment on the ground that the concept of the employment relationship was not directly relevant to the text being discussed. Introducing that term would complicate the discussion.
- 1339.** The Worker Vice-Chairperson withdrew the subamendment and proposed a further subamendment to insert “ensuring recognition of employment relationships” after the word “strategy”. Recognition of the employment relationship was crucial to the transition from the informal to the formal economy.
- 1340.** The Employer Vice-Chairperson remarked that the further subamendment did not resolve the matter. The focus of the clause was not workers’ rights. Enterprises and workers both must transition to the formal economy, and incentives or provisions guaranteeing workers’ rights would not help that process. Therefore, he did not support the subamendment.
- 1341.** The Worker Vice-Chairperson stated that there were many dependent workers in the informal economy. He indicated that the Workers’ group would maintain their later amendments to restructure the point and he withdrew both subamendments. He also indicated that he did not support the amendment proposed by GRULAC.
- 1342.** The amendment was not adopted.
- 1343.** The Worker Vice-Chairperson introduced an amendment to point 25(a) to replace “laws and regulations” by “and local laws, collective agreements and regulations, and ensuring recognition and enforcement of formal employment relationships.”. He proposed a subamendment to delete “and local laws, collective agreements and regulations,” with a view to strengthening the point by focusing on employment relationships, which were crucial in the transition to formality.
- 1344.** The Employer Vice-Chairperson proposed a further subamendment, to replace “employment relationships” by “workers’ rights”.
- 1345.** The Worker Vice-Chairperson said that while workers’ rights were very important, workers without a recognized employment relationship could not enjoy them. His group could therefore not support the Employers’ group’s subamendment.
- 1346.** The Employer Vice-Chairperson recalled that throughout its discussions the Committee had referred consistently to workers’ rights. The term “workers’ rights” should therefore be used for the sake of consistency.
- 1347.** The Government member of the United States said that since workers’ rights had already been addressed in previous sections of the proposed Conclusions, his delegation did not support that subamendment. It would, however, support the amendment, as subamended by the Workers’ group.
- 1348.** The Government member of Zimbabwe, speaking on behalf of the Africa group, said that the clause was intended to address the enforcement of national laws. Workers’ rights and employment relationships had been addressed in the other parts of the proposed Conclusions. His group therefore did not support either of the subamendments proposed.
- 1349.** The Government members of India, Iraq, and Greece, speaking on behalf of the EU Member States, were not in favour of the subamendment.
- 1350.** The subamendment was not adopted.

-
- 1351.** The Employer Vice-Chairperson said that his group did not support the amendment, as subamended by the Workers' group.
- 1352.** The Government members of Egypt, Japan, and Jamaica, speaking also on behalf of the Government members of Suriname, and Trinidad and Tobago, did not support the subamendment proposed by the Workers' group.
- 1353.** The Government member of Greece, speaking on behalf of the EU Member States, was in favour of the Workers' group's proposal.
- 1354.** The Worker Vice-Chairperson stressed the importance of employment relationships in ensuring compliance with effective and applicable law. In his opening statement, he had referred to three issues of critical importance, one of which had been the supply chain and employment relationships. Employment relationships were crucial for identifying who was and who was not a worker. He urged the Committee to take that into account when considering the proposed amendment and subamendment.
- 1355.** The Government members of Argentina, Brazil, Chile, Uruguay and Bolivarian Republic of Venezuela expressed their support for the Workers' group's proposal.
- 1356.** The Chairperson said that since the opinions of the Committee on the text in question were strong and divided, he would suggest placing the amendment and subamendment in brackets for future deliberation.
- 1357.** An agreement was reached to put the text in brackets.
- 1358.** An amendment submitted by the Employer members to replace "so as to facilitate" by "in a way that facilitates" was withdrawn.
- 1359.** Point 25(a) was adopted as amended.

New clause after point 25(a)

- 1360.** The Worker Vice-Chairperson presented an amendment to add a new clause after point 25(a) to read "(.) provide appropriate measures and incentives linked to the effective transitions to the formal economy;". He requested clarification from the secretariat on the meaning of "incentives", as it was necessary to ensure that the types of incentives referred to in the proposed Conclusions served the transition to the formal economy.
- 1361.** The deputy representative of the Secretary-General explained that a list of incentives, including access to business services, finance, infrastructure, markets, technology and skills programmes, was covered in point 16(b) and that reduction of costs, as mentioned by the Worker Vice-Chairperson, was dealt with in point 16(a) of the proposed Conclusions.
- 1362.** The Worker Vice-Chairperson mentioned that, in addition to those listed, there were other incentives, such as subsidies granted by local governments or access to credit with preferential rates, which played a role in the transition to the formal economy.
- 1363.** The Employer Vice-Chairperson and the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 1364.** The amendment was adopted.
- 1365.** The new clause after point 25(a) was adopted.

Point 25(b)

- 1366.** An amendment submitted by the Worker members to replace the clause by “(b) promote enforcement by an appropriate and adequately resourced system of inspection;” was withdrawn.
- 1367.** An amendment submitted by GRULAC was withdrawn. It had sought to replace the clause by “take measures which include an adequate and appropriate system of inspection and, for relevant actors, provision of information, guidance, provision of incentives and assistance to comply with the relevant laws and regulations, and capacity building”.
- 1368.** Two amendments submitted by the Government member of Algeria were not presented and consequently fell. The first had sought to replace “an adequate and appropriate” by “a”, insert “labour” before “inspection” and “for adequate and appropriate monitoring,” after “inspection”. The second had sought to insert “establishment of preventive measures to ensure respect for laws and regulations,” after “provision of information,”.
- 1369.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert “for enforcement bodies, including how to address working conditions in the informal economy” after “guidance”. She noted that the International Training Centre of the ILO had been involved in developing guidance of that type and it was important that it continue to provide training to ILO member States, for example for labour inspectors.
- 1370.** The Worker Vice-Chairperson supported the amendment and added that training and guidance should also be made available to local-level actors.
- 1371.** The Employer Vice-Chairperson supported the amendment.
- 1372.** The amendment was adopted.
- 1373.** An amendment, submitted by the Government member of Zimbabwe, on behalf of the Africa group, to delete “, provision of incentives” after “relevant actors” was withdrawn.
- 1374.** The Government member of Brazil, seconded by the Government member of Mexico, wished to reintroduce the amendment withdrawn by the Africa group and propose a subamendment to read “(b) take measures which include an adequate and appropriate system of inspection, provision of information, guidance for enforcement bodies, including how to address working conditions in the informal economy, capacity building for relevant actors, provision of incentives and assistance to comply with the relevant laws and regulations; and”.
- 1375.** The Worker Vice-Chairperson and the Government members of Argentina, Colombia, Trinidad and Tobago, and Uruguay, supported the amendment.
- 1376.** The Government member of India and the Employer Vice-Chairperson did not support the amendment, their view being that it did not fit under the point.
- 1377.** The subamendment was adopted.
- 1378.** The amendment was adopted as subamended.
- 1379.** Point 25(b) was adopted as amended

New clause after point 25(b)

- 1380.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert, after point 25(b) and before point 25(c), a new clause to read “(.) take measures to add efficient and accessible complaints and appeals procedures; and”. Such procedures would be necessary during the transition because the problems arising in the informal economy often escaped the attention of public officials, who were thus unable to enforce the relevant laws and regulations.
- 1381.** The Employer and Worker Vice-Chairpersons and the Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 1382.** The Government member of India opposed the amendment, noting that complaint and appeal procedures were not the only possible mechanisms for addressing various problems. It should be for member States to decide how to proceed in the context of their specific national legislation.
- 1383.** The amendment was adopted.
- 1384.** The new clause after point 25(b) was adopted.

Point 25(c)

- 1385.** The Worker Vice-Chairperson withdrew an amendment to replace the text of the clause by “promote the provision of information, guidance, training and capacity building for relevant actors and inspectors and assistance to comply with relevant laws, collective agreements and regulations; and”.
- 1386.** The Government member of India, seconded by the Government member of Indonesia, introduced an amendment to delete “preventive and”, saying that the issue of prevention had already been addressed under point 25(b) in the proposed Conclusions and, in any event, was irrelevant to point 25(c).
- 1387.** The Government member of Sri Lanka seconded the amendment.
- 1388.** The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government members of Canada, and Greece, speaking on behalf of the EU Member States, opposed the amendment.
- 1389.** The Government member of the United States asked the secretariat to provide an example of “preventive measures”.
- 1390.** The deputy representative of the Secretary-General said that information campaigns were one such example.
- 1391.** The amendment was not adopted.
- 1392.** The Employer Vice-Chairperson withdrew an amendment to replace “to facilitate” by “in a way that facilitates”.
- 1393.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to replace “the law” by “national laws” as they found the original text of the clause to be too vague.

-
- 1394.** The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government members of Canada, India, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 1395.** The amendment was adopted.
- 1396.** The Government member of India, seconded by the Government member of Sri Lanka, introduced an amendment to insert “for non-compliance” after “law”.
- 1397.** The Employer Vice-Chairperson, the Worker Vice-Chairperson and the Government member of the United States supported the amendment.
- 1398.** The amendment was adopted.
- 1399.** The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to insert “especially for those escaping from the formal economy to avoid taxes and social laws” after “enforced”. During the transition, it would be necessary to send a clear signal to those who sought to take advantage of the incentives provided without enforcing the relevant labour laws.
- 1400.** The Employer Vice-Chairperson proposed a subamendment to replace the new wording proposed by the EU Member States by “especially for economic units that operate in the informal economy to evade laws and regulations” in order to reflect the understanding reached during the Committee’s discussion on point 3(f); it had been agreed that some economic units operated in the informal economy in order to evade not only taxes and social laws, but all manner of legislation.
- 1401.** The Government member of Switzerland objected to the subamendment but supported the amendment, which was worded more broadly.
- 1402.** The Government member of Greece, speaking on behalf of the EU Member States, did not support the subamendment. However, in light of the Employer Vice-Chairperson’s comments, she could agree to replace “avoid” by “evade” in her amendment.
- 1403.** The Employer Vice-Chairperson pointed out that, in point 3(f) of the Preamble, the Committee had already agreed to a statement that some economic units operated in the informal economic to evade laws. Many laws, other than tax laws, could be evaded, and it was therefore important to refer to laws generally.
- 1404.** The subamendment was not adopted.
- 1405.** The Government member of India asked about the meaning of “social laws”, and the purpose of including the term in the amendment.
- 1406.** The Government member of Greece, on behalf of the EU Member States, explained that social laws referred to legislation that granted benefits to workers and unemployed people and included social security, as well as other measures related to working conditions and working hours.
- 1407.** The Employer Vice-Chairperson stated that the word “escaping” had a negative connotation and was not the appropriate technical language to use. While it was important to provide incentives for transitioning to formality, nobody was in fact escaping from the formal economy; rather they were simply carrying out their business in the informal economy.

-
- 1408.** The Government member of Brazil suggested that one possible solution to achieve consensus could be to replace “escaping from the formal economy” by “those that hire informal workers”.
- 1409.** The Worker Vice-Chairperson supported the EU amendment, with the word “evading” instead of “escaping”.
- 1410.** Given the lack of agreement in the Committee, the Chairperson proposed to bracket the entire amendment and postpone discussion on it to the Conference discussion in 2015.
- 1411.** Point 25(c) was adopted with the EU amendment placed in brackets.

New clause after point 25(c)

- 1412.** The Worker Vice-Chairperson withdrew an amendment that sought to add a new clause to read (.) ensure that there is an effective dissuasive system of administrative, civil or penal sanctions and that they are adequately and strictly enforced to promote compliance, taking into account the legitimate interests of the workers and economic units concerned.”
- 1413.** Point 25 was adopted as amended.

VII. Role of employers’ and workers’ organizations

Title

- 1414.** The title was adopted.

Point 26

Chapeau

- 1415.** As no amendments had been proposed to the chapeau, it was adopted without amendment.

Point 26(a)

- 1416.** As no amendments had been proposed to point 26(a), it was adopted without amendment.

Point 26(b)

- 1417.** The Government member of Mexico, on behalf of GRULAC, introduced an amendment to add the following text at the end of clause (b): “, with a view to facilitating transitions to formality”. The proposal emphasized the importance of freedom of association and collective bargaining in facilitating transitions to formality.
- 1418.** The Worker Vice-Chairperson agreed with the importance of freedom of association and collective bargaining but saw no reason to restrict the clause to the situation of transitions to formality. He preferred the broader original text and did not support the amendment.
- 1419.** The Employer Vice-Chairperson supported the amendment as it provided the clause with the right context.

-
- 1420.** The Government members of Peru, and Zimbabwe, on behalf of the Africa group, did not support the amendment.
- 1421.** The Government member of Egypt stated that the amendment was a repetition of the chapeau of the clause and she therefore did not support it.
- 1422.** Noting the lack of support, the Government member of Mexico, on behalf of GRULAC, withdrew the amendment.
- 1423.** Point 26(b) was adopted.
- 1424.** Point 26 was adopted.

Point 27

Chapeau

- 1425.** As no amendments were submitted to the chapeau, it was adopted without amendment.

Point 27(a)

- 1426.** The Government member of Zimbabwe, on behalf of the Africa group, presented an amendment, subamending it to add “and active” after “important”.
- 1427.** The subamendment was supported by the Employer Vice-Chairperson, the Worker Vice-Chairperson and the Government member of Greece, speaking on behalf of the EU Member States.
- 1428.** The amendment was adopted as subamended.
- 1429.** Point 27(a) was adopted as amended.

Point 27(b)

- 1430.** The Worker Vice-Chairperson introduced an amendment to add “, and to participate in social dialogue in the transition from the informal to the formal economy” at the end of the clause.
- 1431.** The Employer Vice-Chairperson supported the amendment.
- 1432.** The amendment was adopted.
- 1433.** Point 27(b) was adopted as amended.
- 1434.** Point 27 was adopted as amended.

Point 28

- 1435.** The Government member of Mexico, speaking on behalf of GRULAC, proposed an amendment to replace point 28 with the following: “The proposed instrument should provide that the design, implementation and evaluation of policies and programmes of relevance to the informal economy, including its formalization, are carried out, as appropriate, in the framework of social dialogue.” The amendment would improve the text and allude more generally to social dialogue.

-
- 1436.** The Employer Vice-Chairperson stressed the importance of consultation among social partners, and preferred the original text since it sought to deepen consultation on matters related to transitioning to formality.
- 1437.** The Worker Vice-Chairperson did not support the amendment, referring to the wording the Committee had already agreed upon in point 10, and that was reflected in a subsequent amendment on point 28 submitted by his group.
- 1438.** The Government members of India, and Zimbabwe on behalf of the Africa group, also preferred the original text.
- 1439.** The amendment was not adopted.
- 1440.** The Worker Vice-Chairperson introduced an amendment to replace the text after “should consult with” by “and promote active participation of the most representative employers’ and workers’ organizations, which should include, according to national practice, representatives of membership-based, representative organizations of workers and economic units in the informal economy and their rank”. He referred to his previous intervention where he had noted his group’s preference for the consensus reached with the Employers’ group on point 10. He hoped it would receive broad support.
- 1441.** The Employer Vice-Chairperson supported the amendment.
- 1442.** The Government member of Zimbabwe, speaking on behalf of the Africa group, supported the amendment.
- 1443.** The amendment was adopted.
- 1444.** Point 28 was adopted as amended.

Point 29

- 1445.** The Government member of the United States, on behalf also of the Government members of Canada, New Zealand, Norway and Switzerland, introduced an amendment to replace the words “Members should take measures” by “the ILO could, if requested, provide assistance”. He argued that it was not incumbent on member States to develop the capacity of the organizations in question, as they were by definition independent of government. He proposed that the ILO should be the appropriate institution to provide such support, if requested.
- 1446.** The Employer Vice-Chairperson supported the amendment.
- 1447.** The Worker Vice-Chairperson proposed a subamendment to add “Members should take measures, and” after “provide that” in the first line, since both the ILO and member States had a role to support representative employers’ and workers’ organizations in social dialogue processes. Moreover, he pointed out that representative organizations of workers and employers in the informal economy were often still young and required support, such as training, to exercise their rights and represent their interests.
- 1448.** The Employer Vice-Chairperson did not support the subamendment.
- 1449.** The Government member of the United States did not support the subamendment, and countered that, at most, the text could state that Members should take measures to ensure that workers and employers in the informal economy had the freedom to associate.

1450. The Worker Vice-Chairperson withdrew the subamendment and confirmed that they could support the amendment.

1451. The amendment was adopted.

1452. Point 29 was adopted as amended.

VIII. Data collecting and monitoring

Title

1453. The title was adopted.

Point 30

Chapeau

1454. The Worker Vice-Chairperson introduced an amendment to insert “in consultation with the social partners” after “Members should”. He argued that consultation was important even for data collection and monitoring. To illustrate the point, he noted that the ICLS was in fact a tripartite conference, and that the Conceptual Framework that had been referred to throughout the Committee’s discussions was a result of such a tripartite process.

1455. The Employer Vice-Chairperson supported the amendment.

1456. The amendment was adopted.

1457. The chapeau was adopted as amended.

Point 30(a)

1458. The Government member of Canada, on behalf also of the Government members of Japan, New Zealand, Norway, Switzerland and United States, proposed an amendment to add “as appropriate,” before “collect”, to recognize that the regularity of collecting statistics might be different depending on the size and composition of the informal economy in a given member State.

1459. The Employer Vice-Chairperson and the Government members of Argentina, Brazil, Egypt, Greece, on behalf of the EU Member States, and Zimbabwe, on behalf of the Africa group, supported the amendment.

1460. The Worker Vice-Chairperson did not support the amendment and considered it unnecessary.

1461. The amendment was adopted.

1462. The Chairperson noted that the two next amendments, submitted respectively by the EU Member States and the Employer members, were practically the same. With the agreement of the Committee, he proposed to treat them together and invited the Employers’ group to introduce their version of the amendment.

-
- 1463.** The Employer Vice-Chairperson explained that the amendment proposed to insert “where possible” after “informal economy”.
- 1464.** A Worker member, speaking on behalf of the Worker Vice-Chairperson, supported the amendment.
- 1465.** The amendments were adopted jointly and referred to the Committee Drafting Committee to decide on the precise wording and location in the sentence.
- 1466.** The Worker Vice-Chairperson introduced an amendment to insert “, workplace” after “age”. He explained that statistics and data needed to consider many categories of workers in the informal economy, which had been discussed extensively by the Committee. A wide variety of workplaces existed in the informal economy, and statistics on those workplaces would help member States identify policies and programmes to address OSH issues and general working conditions, adapted to the specificities of each type of workplace.
- 1467.** The Employer Vice-Chairperson did not support the amendment, and proposed a subamendment to replace “workplace” with “economic sector” on the basis that analysing the informal economy on a sectoral basis would be more relevant to informing policy-makers on facilitating transitions to the formal economy.
- 1468.** The Worker Vice-Chairperson acknowledged the relevance of the arguments of the Employer Vice-Chairperson, and proposed instead to add “, economic sector” after “workplace”.
- 1469.** The Employer Vice-Chairperson admitted having difficulties with the word “workplace”, as he did not understand how such data would be gathered, whereas collecting information on the socio-economic characteristics of the informal economy would help developing policies for transition.
- 1470.** The Government member of Greece, speaking on behalf of the EU Member States, added that the problem was not with “workplace” or “economic sector”, but rather how member States would fulfil the obligation to collect such data on the informal economy given the already limited resources of national statistical offices.
- 1471.** The Worker Vice-Chairperson suggested that it was in fact feasible to collect data on the workplace, citing the example of the Philippines, which reported on informal economy activities disaggregated by workplace. He nonetheless recognized the resource limitations and supported increased allocations for statistical offices.
- 1472.** The Employer Vice-Chairperson withdrew his subamendment and declared his support for the original amendment.
- 1473.** The Worker Vice-Chairperson withdrew his subamendment.
- 1474.** The Government member of Zambia, speaking on behalf of the Africa group, proposed a subamendment to replace “workplace” by “location”.
- 1475.** The Employer Vice-Chairperson expressed his group’s support for the subamendment.
- 1476.** The Worker Vice-Chairperson did not support the proposal, noting that “location” was not the same as “workplace”. He requested advice from the secretariat on the statistical usage of the terms in the informal economy.

-
- 1477.** The deputy representative of the Secretary-General clarified that, according to the ILO's *Measuring informality: A statistical manual on the informal sector and informal employment*, 2013, "Other useful sub-classifications of informal sector enterprises include distinctions according to ... workplace (home of enterprise owner, other fixed location, no fixed place); location (urban or rural) ...".
- 1478.** The Government member of New Zealand, supported by the Government member of the United States, said that the reference in point 30(a) to "other specific socioeconomic characteristics" could be considered to include workplace or location. He therefore did not support the subamendment or the amendment.
- 1479.** The Government member of Zimbabwe, speaking on behalf of the Africa group, agreed with the Government member of New Zealand and therefore withdrew his group's subamendment.
- 1480.** The Worker Vice-Chairperson underscored the importance of identifying the workplaces of informal workers and that that aspect was not covered by "other specific socioeconomic characteristics" in point 30(a). A specific reference to "place of work" was therefore essential to ensure that member States gathered sufficient data to design accurate transition policies.
- 1481.** The Government member of the Philippines expressed support for the Workers' group's subamendment.
- 1482.** After reviewing the positions of the Committee members on the matter, the Chairperson noted that there was sufficient support for the initial amendment.
- 1483.** The amendment was adopted.
- 1484.** The Employer Vice-Chairperson introduced an amendment to insert, after "economy", the following: "including the number of citizens without identity documents, the amount of land and property held without property rights, and the number of economic units without a business registration, and the number of workers they employ, if any,". He added that the information was relevant in the collection of data on the informal economy.
- 1485.** The Worker Vice-Chairperson wished to hear the opinions of Government members before sharing his views on the amendment.
- 1486.** The Government member of New Zealand said that, as with the previous amendment, the elements were already addressed in point 30(a) by the phrase "other specific socioeconomic characteristics". He therefore did not support the amendment.
- 1487.** The Government members of India, the United States, and Zimbabwe, speaking on behalf of the Africa group, did not support the amendment.
- 1488.** The Employer Vice-Chairperson withdrew the amendment.
- 1489.** The Employer Vice-Chairperson introduced an amendment to insert "and support" after "guidance", to improve the clarity of the clause.
- 1490.** The Worker Vice-Chairperson and the Government members of New Zealand, Greece, on behalf of the EU Member States, and Zimbabwe, on behalf of the Africa group, supported the amendment.
- 1491.** The amendment was adopted.

-
- 1492.** The Worker Vice-Chairperson introduced an amendment to insert, after “International Labour Organization”, “in particular the Guidelines concerning a statistical definition of informal employment from the Seventeenth International Conference of Labour Statisticians (ICLS), 2003”. Its intention was to specify the guidelines on statistical data and definitions that should be used. He wished, however, to introduce a subamendment in light of new advances in the field reflected in the Conclusions of the 19th ICLS held in 2013. He proposed adding “the statistical guidelines and conceptual framework for labour statistics developed and adopted by the International Conference of Labour Statisticians” after “as appropriate” in the third line.
- 1493.** The Employer Vice-Chairperson said that the issue of data collection for analysis and policy-making on the informal economy went beyond simply the collection of labour market statistics. It could also include data collection for the development of relevant economic, social, education and fiscal policies. His group did not support the amendment, and preferred the original clause, which gave an appropriate framework for national policy-makers.
- 1494.** The Government member of Greece, speaking on behalf of the EU Member States, agreed with the Employers’ group, and did not support the subamendment.
- 1495.** The Government members of India, and Zimbabwe, speaking on behalf of the Africa group, preferred the original text and did not support the subamendment.
- 1496.** The subamendment was not adopted.
- 1497.** The Worker Vice-Chairperson withdrew the amendment. He noted, however, that it would have improved the information available on workers and economic units in the informal economy as set out in points 8 and 9. Member States would instead be able to carry out investigations at the national level. There was a need for the proposed Conclusions to identify the sources and standards for data collection in the informal economy. The Conceptual Framework had become a reference for the Committee and for the eventual Recommendation and he foresaw that the Committee discussion at the 2015 session of the Conference would need to revisit the matter.
- 1498.** Point 30(a) was adopted as amended.

Point 30(b)

- 1499.** The Worker Vice-Chairperson introduced an amendment to replace the clause by “establish indicators of progress for each chapter of the proposed instrument, monitor progress and identify obstacles towards formalization”. He noted that the original text was weak and that there was a need for indicators of progress for each section of the proposed Conclusions to help guide the formulation of policies and action for transition.
- 1500.** The Employer Vice-Chairperson recalled that clause (a) covered data collection, and was adequate for the purpose of developing indicators. He therefore did not support the amendment.
- 1501.** The Government members of India, the United States, and Greece, speaking on behalf of the EU Member States, opposed the amendment.
- 1502.** The amendment was not adopted.
- 1503.** The Government member of Greece, speaking on behalf of the EU Member States, withdrew an amendment that had sought to add, after “formalization.”, “To this end,

Members can request technical assistance from the Office in the design and development of appropriate monitoring and control systems.”

1504. Point 30(b) was adopted.

1505. Point 30 was adopted as amended.

IX. Implementation and follow-up

Title

1506. The Government member of Algeria had submitted an amendment to replace “follow-up” by “monitoring” in the title. The amendment was not introduced and consequently fell.

1507. The title was adopted.

Point 31

Chapeau

1508. The Government member of the United States, on behalf also of the Government members of Canada, Japan, New Zealand and Switzerland, submitted an amendment to replace “give effect to” by “take into consideration” and, in the fourth line after “by”, to delete “one or a combination of”. He subamended the amendment to delete “one or a combination of”.

1509. The Employer Vice-Chairperson and the Worker Vice-Chairperson preferred the original text, and did not support the amendment.

1510. The Government member of Zimbabwe, speaking on behalf of the Africa group, noted that that the subamendment appeared to deal with the issue of implementation and not follow-up. He preferred the original text and did not support the amendment.

1511. The Government member of New Zealand withdrew the subamendment and amendment.

1512. The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to insert “as appropriate,” after “instrument,” in the second line.

1513. An Employer member speaking on behalf of the Employer Vice-Chairperson, supported the amendment.

1514. The Worker Vice-Chairperson preferred the original text and did not support the amendment.

1515. The Government members of Canada, India, United States, and Greece, speaking on behalf of the EU Member States, supported the amendment.

1516. The amendment was adopted.

1517. The Worker Vice-Chairperson introduced an amendment in line with the agreed text in point 10 to replace “and, where they exist, representative organizations of those in the informal economy” by “which should include, according to national practice, representatives of membership-based, representative organizations of workers and economic units in the informal economy in their rank”.

-
- 1518.** An Employer member, speaking on behalf of the Employer Vice-Chairperson, supported the amendment.
- 1519.** The Government member of New Zealand, noting that the agreed wording had been used in a number of points, supported the amendment.
- 1520.** The amendment was adopted.
- 1521.** The chapeau of point 31 was adopted.

Point 31(a)

- 1522.** An amendment submitted by the Government member of Algeria, concerning the French and Spanish versions, was not introduced and consequently fell.
- 1523.** The Worker Vice-Chairperson withdrew an amendment which had sought to insert “and local” after “national”.
- 1524.** Point 31(a) was adopted.

Point 31(b)

- 1525.** As no amendments had been proposed to point 31(b), it was adopted without amendment.

Point 31(c)

- 1526.** As no amendments had been proposed to point 31(c), it was adopted without amendment.

New clauses after point 31(c)

- 1527.** The Government member of Zimbabwe, speaking on behalf of the Africa group, introduced an amendment to insert a new clause after point 31(c) to read “(.) effective coordination among government bodies and other stakeholders;”.
- 1528.** The Worker Vice-Chairperson supported the amendment, particularly if “other stakeholders” included the social partners.
- 1529.** The Government member of Greece, speaking on behalf of the EU Member States, supported the amendment.
- 1530.** The Government member of India pointed out that the wording of the amendment did not fit technically with the other clauses under point 31, especially as they were supposed to be a list of “means” as set out under the chapeau. He suggested that the text could be harmonized by the Committee Drafting Committee.
- 1531.** The Government member of Zimbabwe, speaking on behalf of the Africa group, said that the amendment added clarity to point 31.
- 1532.** The amendment was adopted.
- 1533.** The Government member of Zimbabwe, speaking on behalf of the Africa group, introduced an amendment to insert a new clause after clause 31(c) to read “(.) institutional capacity-building and resource mobilization;”.
- 1534.** The Employer Vice-Chairperson and the Worker Vice-Chairperson supported the amendment.

1535. The amendment was adopted.

1536. The new clauses after point 31(c) were adopted.

Point 31(d)

1537. An amendment submitted by the Worker members to insert “and local” after “national” was withdrawn.

1538. Point 31(d) was adopted.

1539. Point 31 was adopted as amended.

Point 32

1540. The Government member of New Zealand, on behalf also of the Government members of Canada, Japan, Norway and Switzerland, introduced an amendment to insert “, as appropriate,” after “Members should”.

1541. The Worker Vice-Chairperson did not support the amendment.

1542. The Employer Vice-Chairperson and the Government members of Greece, speaking on behalf of the EU Member States, Mexico, speaking on behalf of GRULAC, and Zimbabwe, speaking on behalf of the Africa group, supported the amendment.

1543. The amendment was adopted.

1544. An amendment submitted by the Government member of Algeria to replace “undertake on a regular basis a review of the effectiveness of policies” by “monitor actions” was not introduced and consequently fell.

1545. The Worker Vice-Chairperson introduced an amendment to replace “and, where they exist, representative organizations of those in the informal economy.” by “which should include, according to national practice, representatives of membership-based, representative organizations of workers and economic units in the informal economy in their rank”. Its intention was to ensure consistency with wording adopted under points 10, 28 and 31.

1546. The Employer Vice-Chairperson supported the amendment.

1547. The amendment was adopted.

1548. Point 32 was adopted as amended.

New point after point 32

1549. The Government member of Zimbabwe, speaking on behalf of the Africa group, withdrew an amendment to add a new point after point 32 to read “The proposed instrument should provide for an improved national, regional and international framework in support of the transition from the informal to the formal economy.”

Point 33

1550. The Government member of Greece, speaking on behalf of the EU Member States, introduced an amendment to replace the first sentence by the following: “The proposed

instrument should provide that the instruments of the International Labour Organization and the United Nations relevant to the informal economy, listed in the annex to the proposed instrument, give helpful guidance to Members, in establishing, developing, implementing and periodically reviewing the measures taken to facilitate transitions to formality.” As it would be difficult for countries, even countries with high levels of social protection, to implement the whole range of ILO instruments, it was preferable to avoid making unrealistic promises.

- 1551.** The Worker Vice-Chairperson did not support the amendment.
- 1552.** The Employer Vice-Chairperson did not support the amendment, on the ground that point 3(b) of the Preamble already referred to the relevant ILO instruments and, therefore, it was not necessary to make reference to a further list of instruments in an annex.
- 1553.** The Government member of Greece, speaking on behalf of the EU Member States, withdrew the amendment.
- 1554.** The Government member of Mexico, speaking on behalf of GRULAC, introduced an amendment to replace “the informal economy” by “transitions to formality” in the fourth line. The amendment would give the appropriate focus to that part of the text dealing with many relevant ILO instruments. The eventual instrument was not intended to address all issues related to the informal economy, but instead focus on transitions from the informal to the formal economy.
- 1555.** The Employer Vice-Chairperson introduced a subamendment to replace “listed in the annex to the proposed instrument. Nothing in the proposed instrument should be construed as reducing the protections afforded to those in the informal economy by other instruments of the International Labour Organization” by “listed in the Preamble”, restating that the Preamble was the only authoritative reference with regard to the relevant instruments.
- 1556.** The Worker Vice-Chairperson did not support the subamendment as it changed the meaning of point 33. He further suggested that point 33 was the proper place to discuss the annex since the Employers’ group’s subamendment would have the effect of deleting the annex. In that respect, he sought clarification from the secretariat on the legal standing of the annex and the instruments in the annex vis-à-vis member States in the context of a non-binding Recommendation, particularly where a country had not ratified Conventions appearing in the list.
- 1557.** The representative of the Legal Adviser, noting that point 33 of the proposed instrument provided that Members should “take into account” the instruments listed in the annex, clarified that the annex was part of the proposed instrument and, as such, guidance to member States in facilitating transitions from the informal to the formal economy. The list therefore had no implication on the status of the listed Conventions vis-à-vis non-ratifying States.
- 1558.** The Worker Vice-Chairperson insisted that it was essential to retain the annex in order to ensure that any government in charge of designing a policy framework to address transitioning to formality had access to a comprehensive list of instruments for guidance. The informal economy was diverse in terms of its actors and challenges and the list provided a broader set of potential policy responses. He recalled that the annex could always be revised by the Governing Body of the ILO, as foreseen in point 34(b) of the proposed Conclusions. If the list were not retained, it might lead to a debate during the 2015 session of the Conference on the inclusion of many of the instruments in the body of the Recommendation.

-
- 1559.** The Government member of Switzerland supported the subamendment proposed by the Employers' group. While noting that the instruments referred to in the annex were relevant, the list would never be complete since all ILO instruments applied to both the formal and informal economy. It was preferable that the proposed Conclusions refer only to ILO and UN instruments in general.
- 1560.** The Government member of Colombia, seconded by the Government member of Mexico, introduced a further subamendment to replace "should take into account" by "could consider" in order to give member States the leeway to choose the Conventions most appropriate to their national circumstances and also to take into account the fact that member States had not necessarily ratified the Conventions on the list.
- 1561.** The Government member of Zimbabwe, speaking on behalf of the Africa group, said that member States did not need to have ratified a Convention to be guided by it. Some member States might need a reference to use in implementing the future instrument, but only those that had ratified the instrument in question would be bound by it. He preferred the original text of point 33.
- 1562.** The Chairperson suggested that, as a compromise, the Committee might adopt a wording that would insert "could consider the instruments ... relevant to the transition to formality listed in the Preamble" after "formality,".
- 1563.** The Government member of Colombia said that the Preamble was already a part of the proposed Conclusions, whereas the annex listed additional instruments of which there was no previous mention in the text. If the Chairperson's solution was to be adopted, he would prefer to replace the proposed wording "listed in the Preamble" by "listed in the annex to the proposed instrument".
- 1564.** The Government member of Peru said that the list of instruments contained in the annex should be left open-ended to allow for the inclusion, at a later date, of other relevant ILO and UN instruments of relevance to the future Recommendation.
- 1565.** The Worker Vice-Chairperson appealed to the Committee not to delete the annex and to adopt the original text proposed by the Office. As such he did not endorse the subamendments or the initial amendment.
- 1566.** The Employer Vice-Chairperson reiterated that his group did not support the amendment. Given the lateness of the hour, he suggested that the issue should be bracketed and the Committee's deliberations on the matter suspended.
- 1567.** The Government member of the United States, speaking also on behalf of the Government members of Canada, Japan, New Zealand, Norway and Switzerland, opposed the subamendment proposed by the Government member of Colombia for the reasons put forward by the Government member of Switzerland: the annex added nothing to the proposed Conclusions because all ILO instruments were relevant for implementing the future instrument. However, after listening to the other speakers, the sponsors expressed their intention to withdraw three subsequent amendments: to delete "listed in the annex to the proposed instrument" in the present point; to delete point 34; and to delete the annex.
- 1568.** The subamendment proposed by the Government member of Colombia was not adopted.
- 1569.** The subamendment proposed by the Employers' group was not adopted.

-
- 1570.** The Chairperson said that it would be difficult for the Committee to continue its consideration of the amendment proposed by GRULAC. He suggested that the relevant text of the amendment be bracketed for future discussion.
- 1571.** The Government member of Switzerland indicated her support for the amendment proposed by GRULAC.
- 1572.** The Worker Vice-Chairperson said that the proposal to bracket the text did not represent the will of the Committee. Misunderstandings and the lateness of the day should not prevent the adoption of the text as proposed by the Office, which he considered had general support in the Committee.
- 1573.** The Chairperson reiterated that it was difficult to maintain social dialogue in the absence of one of the social partners. He invited the two Vice-Chairpersons and relevant Government members to consult with him.
- 1574.** The sitting was suspended for consultations. Upon resumption of the discussion, the Chairperson announced that it had been agreed that GRULAC would withdraw its amendment. In order to address the concerns of the Employers' group and the Workers' group, the chapeau of the annex would be amended to read "The annex ... should list the instruments of the ILO that are relevant to the Recommendation on facilitating transitions from the informal to the formal economy that may be considered, in particular:". Moreover, the list of instruments in the annex would be retained in the proposed Conclusions and an additional phrase would be included, stating that the annex would be finalized during the next discussion of the Conference in 2015.
- 1575.** The Worker Vice-Chairperson, the Employer Vice-Chairperson and the Government members of Greece, on behalf of the EU Member States, Mexico on behalf of GRULAC, and Zimbabwe, on behalf of the Africa group, expressed approval for the proposal.
- 1576.** The amendment proposed by GRULAC was withdrawn.
- 1577.** As a consequence of the previous discussion on point 33 and the agreement reached in the Committee, an amendment submitted by the Government members of Japan, New Zealand, Norway, Switzerland and United States to delete "listed in the annex to the proposed instrument" was withdrawn.
- 1578.** Point 33 was adopted without amendment.

Point 34

- 1579.** An amendment submitted by the Government members of Canada, Japan, New Zealand, Norway, Switzerland and the United States to delete point 34 was withdrawn.
- 1580.** Point 34 was adopted.

Annex to the proposed instrument

- 1581.** An amendment submitted by the Government members of Canada, Japan, New Zealand, Norway, Switzerland and United States to delete the annex to the proposed instrument was withdrawn.
- 1582.** The Worker Vice-Chairperson proposed a subamendment to add the following instruments to the annex:

-
- Hours of Work (Industry) Convention, 1919 (No. 1);
 - Hours of Work (Commerce and Offices) Convention, 1930 (No. 30);
 - Labour Clauses (Public Contracts) Convention, 1949 (No. 94);
 - Private Employment Agencies Convention, 1997 (No. 181);

He proposed a subamendment to add “Employment Relationship Recommendation, 2006 (No. 198)” to the list of instruments to be added to the annex. However, based on the consensus support for the Chairperson’s proposal under point 33, the Worker Vice-Chairperson subsequently withdrew the amendment.

1583. The annex was adopted as amended.

1584. The entire proposed Conclusions were adopted as amended, subject to changes made by the Committee Drafting Committee.

1585. The Committee decided to recommend that consultations, in particular among social partners, should be continued the following year in order to prepare in the best possible way for the second discussion at the 2015 session of the Conference.

Resolution

1586. The Committee approved the text of the resolution to place an item entitled “Facilitating transitions from the informal to the formal economy” on the agenda of the next ordinary session of the Conference in 2015 for second discussion.

Closing statements

1587. All the speakers in their closing statements gave special thanks to the Chairperson for his leadership, guidance and wisdom, and to the representative and deputy representative of the Secretary-General, the secretariat, the Government members, the Worker and Employer Vice-Chairpersons and the interpreters for their excellent work. They expressed appreciation for the goodwill and consensus-building efforts through social dialogue that had pervaded the Committee’s work.

1588. The Worker Vice-Chairperson underscored that while the Committee’s discussions had not always been straightforward, a shared desire to reach consensus and a spirit of compromise had prevailed. The Committee had made significant progress in its work, and should continue to harness its efforts in order to recognize the realities of the lives of workers in the informal economy, secure decent working conditions and thus dignity and a better quality of life for all workers the world over.

1589. The Employer Vice-Chairperson expressed his appreciation for the efforts of all parties to reach consensus through at times difficult negotiations. Workers and employers were bound together by fate, and the Committee’s work had been testament to the strength of social dialogue in seeking resolutions to issues of contention.

1590. The Government member of Greece, speaking on behalf of the EU and its Member States, expressed her appreciation for the dialogue that had taken place within the Committee over the previous two weeks. The Committee’s efforts in the future should aim to provide the millions currently in the informal economy with rights, a voice, dignity and safe working conditions, in their transition to formality. Decent work should be at the heart of the strategy for transition. While fundamental challenges still lay ahead, the constructive engagement of all parties would be essential to ensure that the Committee reached its goal.

-
- 1591.** The Government member of the United States said that despite tough negotiations, the Committee had made a worthwhile first attempt to develop a practical instrument to support transitions to the formal economy. Despite the progress made, much remained to be done to help member States and the social partners to take all the necessary steps to facilitate that transition. He expressed appreciation for the technical expertise and guidance provided to the Committee by the secretariat. All parties were united in their belief in decent work; the challenge remained to ensure that it was extended to all.
- 1592.** The Government member of Mexico, speaking on behalf of GRULAC, expressed his group's gratitude for having been able to participate in the Committee's work, which had embodied the spirit of social dialogue and established a balance between the workers' and the employers' interests. The countries of Latin America had particular experience in developing policies and programmes to help transitions to formality. Those experiences would continue to enrich the discussions ahead. Excellent progress had been made in adopting the proposed Conclusions, which would provide a sound basis for a draft Recommendation anchored in respect and support for workers and employers alike.
- 1593.** The Government member of Zimbabwe, speaking on behalf of the Africa group, said that despite initial concerns that the Committee might be unable to complete its work, considerable progress had been made. Informality was a common feature of countries in Africa, and the Africa group had benefited greatly from the discussions and exchanges of information. He expressed appreciation for the manner in which the Committee had conducted its work and in particular for the way in which the Officers had resolved disagreements and reconciled ideas.
- 1594.** The Government member of India welcomed the positive conclusion of the Committee's work. Important issues had been discussed with regard to facilitating the transition from the informal to the formal economy, a subject close to India's heart, given the significant contribution of informal work to the national economy. The Government of India had been an active contributor in the work and dialogue leading up to the present Conference discussion and was committed to continue to engage with all the parties involved to develop a sound and useful instrument in 2015.
- 1595.** The representative of the Secretary-General welcomed the Committee's efforts to conclude its work. The Committee had embarked on a journey and made significant progress, despite some difficulties, by embracing a spirit of social dialogue. On behalf of the ILO Director-General he thanked the Committee for its trust in the Office and its appreciation of the secretariat's expertise and contributions to the discussion.

1596. Closing the session, the Chairperson thanked the Committee's Officers for their support and collaboration; while their views and opinions had differed at times, they had brought the full power of the ILO's tripartite approach to bear in their deliberations. Their determined will to listen, explain and dialogue to find consensus had been key to enabling the Committee to successfully fulfil the task entrusted to it. In the coming weeks the secretariat would use the proposed Conclusions adopted by the Committee as a strong basis to prepare the draft Recommendation, which would be considered by the Conference at its next session in 2015.

Geneva, 8 June 2014

(Signed) V. Seafield
Chairperson

A. Frimpong
Employer Vice-Chairperson

P. Dimitrov
Worker Vice-Chairperson

S. Villafañe
Reporter

PROPOSED CONCLUSIONS

A. Form of the instrument

1. The International Labour Conference should adopt an instrument establishing the framework for action on facilitating transitions from the informal economy to the formal economy.
2. The instrument should take the form of a Recommendation.

B. Content of the instrument

PREAMBLE

3. The Preamble of the proposed instrument should note:
 - (a) the Declaration of Philadelphia, 1944, the Universal Declaration of Human Rights, 1948, the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998, and the ILO Declaration on Social Justice for a Fair Globalization, 2008;
 - (b) the relevant international labour standards, in particular the fundamental Conventions, namely, the Forced Labour Convention, 1930 (No. 29), the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), the Equal Remuneration Convention, 1951 (No. 100), the Abolition of Forced Labour Convention, 1957 (No. 105), the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), the Minimum Age Convention, 1973 (No. 138), the Worst Forms of Child Labour Convention, 1999 (No. 182) and, in addition, the Social Protection Floors Recommendation, 2012 (No. 202), the Employment Policy Convention, 1964 (No. 122), which is one of the governance Conventions, as well as relevant United Nations instruments;
 - (c) the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and the resolution and Conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007);
 - (d) that the high incidence of the informal economy in all its aspects is a major challenge for the rights of workers, including the fundamental principles and rights at work, social protection and decent working conditions, inclusive development and the rule of law, and has a negative impact on the development of sustainable enterprises, government revenues, the State's scope of action, particularly with regard to economic, social, environmental and structural policies, the soundness of institutions, and fair competition in national and international markets;
 - (e) that most people enter the informal economy not by choice but as a consequence of a lack of opportunities in the formal economy and in the absence of other means of livelihood;
 - (f) that some economic units operate in the informal economy to evade laws and regulations;

-
- (g) that informality has multiple causes, including governance and structural issues, and that public policies can speed up the process of transition to the formal economy, in a context of social dialogue;
 - (h) that decent work deficits – the denial of rights at work, the absence of sufficient quality employment opportunities, inadequate social protection, and the absence of recognized social dialogue – are most pronounced in the informal economy and one of the objectives of formalization is to promote decent work for all;
 - (i) that women, young persons, migrants, older workers, indigenous and tribal peoples, the rural poor and their families, persons affected by HIV or AIDS, persons with disabilities and other vulnerable groups are especially susceptible to the most serious decent work deficits in the informal economy;
 - (j) that a proper assessment of the informal economy in each country helps design more appropriate transition strategies;
 - (k) that the informal economy is often characterized by low income; and
 - (l) that some workers and economic units in the informal economy can have a large entrepreneurial potential and their creativity, dynamism, productivity, skills and innovative capacities could fully develop if transition to the formal economy is facilitated.

4. The Preamble of the proposed instrument should recognize the need for member States to take urgent and appropriate measures to enable transitions of workers and economic units from the informal economy to the formal economy, recognizing both the large diversity of the informal economy and different national circumstances.

I. SCOPE

5. The proposed instrument should provide that it applies to all workers and economic units, including enterprises, entrepreneurs and households, in the informal economy.

6. The proposed instrument should provide that:

- (a) the term “informal economy” refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements; and
- (b) informal work can be carried out across all the sectors of the economy both in public and private spaces.

7. The proposed instrument should provide that the term “informal economy” does not cover illicit activities.

8. The proposed instrument should cover economic units in the informal economy, including:

- (a) units that employ hired labour;
- (b) units that are owned by individuals working on own account either alone or with the help of unpaid or underpaid family members; and
- (c) cooperatives and social and solidarity economy units.

9. The proposed instrument should cover informal employment which includes:

- (a) own-account workers in the informal economy;
- (b) employers employed in their own informal sector enterprises;
- (c) contributing family workers, irrespective of the type of enterprise;
- (d) members of cooperatives and of social and solidarity economy units;
- (e) employees holding informal jobs in or for formal enterprises or in or for economic units in the informal economy, [including in subcontracting and supply chains,] or as paid domestic workers employed by households; and
- (f) workers in unrecognized or unregulated employment relationships.

10. The proposed instrument should recognize the importance of land and property in safeguarding workers' and economic units' opportunities for income security in transitioning from the informal to the formal economy.

11. The proposed instrument should provide that, in giving effect to the provisions in points 5 to 10 above, and given the diversity of the informal economy in member States, the competent authority should identify the nature and extent of the informal economy as defined in this Recommendation, and its relationship to the formal economy. This should be done through tripartite mechanisms with the full participation of the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

II. OBJECTIVES AND GENERAL PRINCIPLES

12. The proposed instrument should provide guidance to Members, taking into consideration national circumstances and laws, to:

- (a) facilitate transitions of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship;
- (b) promote the creation, preservation and sustainability of decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies; and
- (c) prevent informalization of formal economy jobs.

13. The proposed instrument should provide that Members, in designing coherent and integrated strategies to facilitate transitions from the informal to the formal economy, should take into account the following principles:

- (a) the diversity of causes, characteristics and circumstances of workers and economic units in the informal economy, their different needs of protection and the need to address such diversity by tailored approaches;
- (b) the need for effective measures to promote transition from the informal to the formal economy and to prevent and sanction deliberate evasion from the formal economy in order to avoid taxation, and social and labour laws and regulations;

-
- (c) the fact that there are different strategies to advance the transition from the informal to the formal economy according to specific country context and preference;
 - (d) the need for a balanced approach combining incentives with compliance measures; and
 - (e) the fulfilment of Decent Work for all through respecting, in law and practice, the fundamental principles and rights at work.

III. LEGAL AND POLICY FRAMEWORKS

14. The proposed instrument should provide that Members adopt, review and enforce national laws and regulations or other measures to ensure appropriate coverage and protection of all categories of workers and economic units.

15. The proposed instrument should provide that Members should ensure that national development strategies or national plans include, where appropriate, an integrated policy framework that takes into account the role that different levels of government play to facilitate transitions from the informal to the formal economy. In doing so, Members should seek to improve coordination at local and national levels by improving cooperation between relevant bodies and authorities, such as tax authorities, social security institutions, labour inspectorates, customs authorities, migration bodies and employment services, among others, depending upon national circumstances.

16. The proposed instrument should provide that Members, in formulating and implementing an integrated policy framework, should address:

- (a) inclusive growth strategies and the generation of quality jobs in the formal economy based on decent work;
- (b) the legislative and regulatory environment;
- (c) the business and investment environment;
- (d) the respect, promotion and realization of the fundamental principles and rights at work;
- (e) the organization and representation of employers and workers to promote social dialogue;
- (f) the promotion of equality and the elimination of discrimination;
- (g) entrepreneurship, for example start-ups, as well as the promotion of micro, small and medium-sized enterprises in the formal economy, and other forms of business models and economic units, such as cooperatives and other social and solidarity economy entities;
- (h) access to education, lifelong learning and skills development;
- (i) access to finance and credit;
- (j) access to business services;
- (k) access to markets;
- (l) access to infrastructure and technology;

-
- (m) establishing social protection floors where they do not exist, and increasing social security coverage through the extension of social protection;
 - (n) local development strategies both rural and urban, including regulated access to public space [and natural resources] for subsistence livelihoods;
 - (o) oversight of occupational safety and health;
 - (p) efficient and effective labour inspections;
 - (q) income security, including appropriately designed minimum wages;
 - (r) access to justice; and
 - (s) international cooperation mechanisms.

17. The proposed instrument should provide that Members should promote the conditions for a conducive environment for sustainable enterprises, and take into account the resolution and Conclusions concerning the promotion of sustainable enterprises, adopted by the International Labour Conference at its 96th Session (2007), in formulating and implementing an integrated policy framework.

18. The proposed instrument should provide that the national policies and programmes should seek to:

- (a) reduce, where appropriate, the barriers to transition to formality, including those relating to registration, taxation, and compliance with laws and regulations;
- (b) provide incentives, identify and promote the advantages that transition to formality delivers, including improved access to business services, finance, infrastructure, markets, technology, education and skills programmes, and to property rights;
- (c) give special attention to gender equality in order to promote equal opportunities for women and men;
- (d) give special attention to women, young persons, migrants, older persons, indigenous and tribal peoples, persons affected by HIV or AIDS, persons with disabilities, [domestic workers and subsistence farmers,] as they are especially vulnerable to the most serious decent work deficits in the informal economy;
- (e) preserve and expand, during the transition to formality, the entrepreneurial potential, creativity, dynamism, skills and innovative capacities of the workers and economic units in the informal economy;
- (f) address specific sectoral needs and policies; and
- (g) recognize the importance of public procurement policies to promote decent work in formal employment.

IV. EMPLOYMENT POLICIES

19. [The proposed instrument should provide that Members should formulate and implement a national employment policy in line with the Employment Policy Convention, 1964 (No. 122), and the Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169), in order to increase productive employment creation in the formal economy through pro-employment macroeconomic and sectoral policies,

sustainable enterprises, development of cooperatives, employability and skills development in both rural and urban areas.]

V. RIGHTS AT WORK

20. The proposed instrument should provide that Members should take measures to achieve decent work and to respect, promote and realize the fundamental principles and rights at work for those in the informal economy, namely:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour; and
- (d) the elimination of discrimination in respect of employment and occupation.

21. The proposed instrument should provide that Members should take measures to ensure the effective promotion and protection of the human rights of all operating in the informal economy.

22. The proposed instrument should provide that Members should:

- (a) take immediate measures to address the unsafe and unhealthy working conditions that often characterize work in the informal economy;
- (b) promote and extend occupational safety and health protection to the informal economy; and
- (c) extend coverage of labour inspection to all workers and workplaces.

23. With regard to the transition from the informal to the formal economy, the proposed instrument should provide that Members should:

- (a) through the transition to the formal economy, progressively extend, in law and practice, to all workers in the informal economy, protection in respect of social security, maternity protection, decent working conditions and minimum [living] wage, where such protection exists;
- (b) encourage the provision of and access to affordable quality childcare and other care services in order to promote gender equality both in entrepreneurship and in employment opportunities and enable the transition from the informal to the formal economy;
- (c) in building and maintaining national social protection floors within their social security system and facilitating the transition from the informal to the formal economy, pay particular attention to the needs and circumstances of those in the informal economy and their families; and
- (d) with a view to facilitating transitions to formality, progressively extend the coverage of social insurance to those in the informal economy and, if necessary, adapt administrative procedures, benefits and contributions, taking into account their contributory capacity.

[24. In the context of undeclared work, which is also a form of informal economy, where economic units wilfully avoid taxation, social and labour laws and regulations, the above provisions (... to ...) might not be appropriate, taking into account the applicable legal framework. In such cases, the following measures might be more suitable: removing disincentives and providing appropriate incentives in the tax and benefit system, improved law enforcement and the application of sanctions.]

VI. INCENTIVES, COMPLIANCE AND ENFORCEMENT

25. The proposed instrument should provide that Members should:

- (a) put in place appropriate mechanisms or review existing mechanisms with a view to ensuring compliance with national laws and regulations [, and ensuring recognition and enforcement of formal employment relationships,] so as to facilitate transitions from the informal economy to the formal economy;
- (b) provide appropriate measures and incentives linked to effective transitions to the formal economy;
- (c) take measures which include an adequate and appropriate system of inspection, provision of information, guidance for enforcement bodies, including how to address working conditions in the informal economy, capacity building for relevant actors, provision of incentives subject to compliance with legislation, and assistance to comply with the relevant laws and regulations;
- (d) take measures to add efficient and accessible complaint and appeal procedures; and
- (e) provide for preventive and appropriate corrective measures to facilitate transitions to the formal economy, and ensure that administrative, civil or penal sanctions provided for by national laws for non-compliance are adequate and strictly enforced [, especially for those escaping from the formal economy to avoid taxes and social laws].

VII. ROLE OF EMPLOYERS' AND WORKERS' ORGANIZATIONS

26. The proposed instrument should provide that:

- (a) employers' and workers' organizations should consider, where appropriate, the extension of membership and services to workers and economic units in the informal economy; and
- (b) those in the informal economy enjoy freedom of association and the right to collective bargaining, including the right to establish and, subject to the rules of the organization concerned, to join organizations, federations and confederations of their own choosing.

27. The proposed instrument should:

- (a) provide that employers' and workers' organizations play an important and active role in facilitating transitions from the informal to the formal economy; and
- (b) stress the importance for Members to create an enabling environment for employers and workers to exercise their right to organize and to collective bargaining, and to participate in social dialogue in the transition from the informal to the formal economy.

28. The proposed instrument should provide that Members, in designing, implementing and evaluating policies and programmes of relevance to the informal economy, including its formalization, should consult with and promote active participation of the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

29. The proposed instrument should provide that the International Labour Office could, if requested, provide assistance to strengthen the capacity of the representative employers' and workers' organizations and, where they exist, representative organizations of those in the informal economy, to assist workers and economic units in the informal economy with a view to facilitating transitions to formality.

VIII. DATA COLLECTION AND MONITORING

30. The proposed instrument should provide that Members should, in consultation with the social partners, on a regular basis:

- (a) where possible and as appropriate, collect, analyse and disseminate statistics disaggregated by sex, age, workplace, and other specific socio-economic characteristics on the size and composition of the informal economy, taking into consideration, as appropriate, the guidance and support of the International Labour Organization; and
- (b) monitor progress towards formalization.

IX. IMPLEMENTATION AND FOLLOW-UP

31. The proposed instrument should provide that Members should give effect to its provisions, as appropriate, in consultation with the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy, by one or a combination of the following means:

- (a) national laws and regulations;
- (b) collective agreements;
- (c) policies and programmes;
- (d) effective coordination among government bodies and other stakeholders;
- (e) institutional capacity building and resource mobilization; and
- (f) other measures consistent with national law and practice.

32. The proposed instrument should provide that Members should, as appropriate, undertake on a regular basis a review of the effectiveness of policies and measures to facilitate transitions to formality, in consultation with the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

33. The proposed instrument should provide that Members, in establishing, developing, implementing and periodically reviewing the measures taken to facilitate

transitions to formality, should take into account the instruments of the International Labour Organization and the United Nations relevant to the informal economy listed in the annex to the proposed instrument. Nothing in the proposed instrument should be construed as reducing the protections afforded to those in the informal economy by other instruments of the International Labour Organization.

34. The proposed instrument should provide that:

- (a) the annex may be revised by the Governing Body of the International Labour Office; and
- (b) any revised annex, once approved by the Governing Body, shall replace the preceding annex and shall be communicated to the Members of the International Labour Organization.

Annex *

Instruments of the International Labour Organization and the United Nations relevant to facilitating transitions from the informal to the formal economy that may be considered, in particular:

- Forced Labour Convention, 1930 (No. 29);
- Labour Inspection Convention, 1947 (No. 81);
- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87);
- Migration for Employment Convention (Revised), 1949 (No. 97);
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98);
- Equal Remuneration Convention, 1951 (No. 100);
- Social Security (Minimum Standards) Convention, 1952 (No. 102);
- Abolition of Forced Labour Convention, 1957 (No. 105);
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111);
- Employment Policy Convention, 1964 (No. 122);
- Labour Inspection (Agriculture) Convention, 1969 (No. 129);
- Minimum Wage Fixing Convention, 1970 (No. 131), and Recommendation, 1970 (No. 135);
- Minimum Age Convention, 1973 (No. 138);

* This Annex is to be finalized for adoption in the next discussion of the International Labour Conference on Facilitating Transitions from the Informal to the Formal Economy.

-
- Rural Workers’ Organisations Convention, 1975 (No. 141);
 - Human Resources Development Convention, 1975 (No. 142);
 - Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143);
 - Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144);
 - Collective Bargaining Convention, 1981 (No. 154);
 - Occupational Safety and Health Convention, 1981 (No. 155);
 - Workers with Family Responsibilities Convention, 1981 (No. 156);
 - Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159);
 - Indigenous and Tribal Peoples Convention, 1989 (No. 169);
 - Home Work Convention, 1996 (No. 177);
 - Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189);
 - Worst Forms of Child Labour Convention, 1999 (No. 182);
 - Maternity Protection Convention, 2000 (No. 183);
 - Safety and Health in Agriculture Convention, 2001 (No. 184), and Recommendation, 2001 (No. 192);
 - Promotion of Cooperatives Recommendation, 2002 (No. 193);
 - Human Resources Development Recommendation, 2004 (No. 195);
 - Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187);
 - Employment Relationship Recommendation, 2006 (No. 198);
 - HIV and AIDS Recommendation, 2010 (No. 200);
 - Domestic Workers Convention, 2011 (No. 189), and Recommendation, 2011 (No. 201);
 - Social Protection Floors Recommendation, 2012 (No. 202)
-
- Universal Declaration of Human Rights, 1948;
 - International Covenant on Economic, Social and Cultural Rights, 1966;
 - International Covenant on Civil and Political Rights, 1966;
 - International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990.

Resolution to place on the agenda of the next ordinary session of the Conference an item entitled “Facilitating transitions from the informal to the formal economy”

The General Conference of the International Labour Organization,

Having adopted the report of the Committee appointed to consider the fifth item on the agenda,

Having in particular approved as general conclusions, with a view to the consultation of Governments, proposals for a Recommendation concerning facilitating transitions from the informal to the formal economy,

Decides that an item entitled “Facilitating transitions from the informal to the formal economy” shall be included in the agenda of its next ordinary session for second discussion with a view to the adoption of a Recommendation.

CONTENTS

	<i>Page</i>
<i>Fifth item on the agenda: Facilitating transitions from the informal to the formal economy</i>	
Report of the Committee on Transitioning from the Informal Economy.....	1
Proposed Conclusions	137
Resolution to place on the agenda of the next ordinary session of the Conference an item entitled “Facilitating transitions from the informal to the formal economy”	147

.....
: This document is printed in limited numbers to minimize the environmental impact of the ILO's activities and :
: contribute to climate neutrality. Delegates and observers are kindly requested to bring their copies to meetings :
: and to avoid asking for additional ones. All ILC documents are available on the Internet at www.ilo.org. :
.....