Cooperation among workers in the informal economy:
Focus on home-based worker and waste pickers

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Aims to deepen understanding of the nature and role of cooperatives and other SSE organizations and enterprises in formalizing the informal economy

Initial focus on waste pickers and home workers, with a view to expand to other target groups such as domestic workers and street vendors

Methodology:
Survey & interviews with 50 respondents (21 HBWs from 10 countries, 29 WPs from 6 countries), mainly by WIEGO staff and through WIEGO/ILO partners
Literature review – conceptualization of cooperatives of HBWs & WPs, as well as case studies
Key findings I - Characteristics

**Legal status:**
Most entities legally registered. Under various laws (coop, micro-enterprise, association, etc.)

**Reasons for registering:**
Access to incentives & support from local and national governments and private sector;
HBWs: Financial reasons are the most important
WPs: Access to social benefits and social protection are the priorities

**Coop structure:**
Adherence to coop values & principles, regardless of the organizational type
Structures such as BoD, committees in place

**Sources of funding:**
Member dues relatively small & often times insufficient - Therefore need financial support from external actors
Key findings II - Activities

Activities and functions:
- **WPs:** Collecting, sorting, recycling of waste
- **HBWs:** Diverse activities e.g. garment production, clothing, crafts; food, catering, farming through subcontracting and own-account work

Economic benefits:
- Coops support market access, work space, training and skills upgrading
- **Skills training:**
  - Technical and legal training, accounting, business planning
  - **HBWs:** production skills, marketing, use of equipment, also leadership training
  - **WPs:** technical skills and advocacy skills

Financial service provision:
- Crucial for members’ livelihoods & for cooperatives
- Through government or credit unions in form of e.g. microloans
- Some coops provide microloans to members for equipment or raw materials as well
Key findings III – Voice & recognition

**Voice & recognition:**
Fighting stigma & marginalization through negotiation, creating alliances & mobilization

**Negotiations and sales:**
Support of larger organizations increases negotiation power
Negotiations with buyers (enterprises, middlemen), NGOs, other coops
Sales often through intermediaries
Negotiate with state for social benefits and improved conditions – advocacy efforts

**Economies of scale:**
HBWs: Supply of materials at lower costs; sharing of work space & equipment
WPs: Negotiate with big waste generators

**Alliances and affiliations:**
With other coops, trade unions, social movements at different levels
WPs: Strong national, international affiliations
HBWs: Some national & subregional networks
Key findings IV - Challenges

**Economic & market-related**
- Difficulties in achieving real economies of scale
- Weak institutional infrastructure

**Policy-related**
- Old laws that do not reflect the current realities
- Laws that may not be pro-poor or recognizing informal economy workers’ rights
- Lack of enforcement of existing laws & local regulations that can facilitate access to available infrastructure & services

**Internal**
- Weak structure, internal tensions, lack of a common vision, absence of strategic planning, lack of technical & political know-how & capacity building, blurred division of work