

Implementation of the ILO's Recommendation 204 on Transition from the Informal to the Formal Economy

The case for South Africa



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA

Content:

- The State of Informality in RSA
- Post ILC discussions
- Mile stones achieved
- Challenges
- Lessons learnt
- Way forward

The state of Informal Economy in RSA

- 1. Street Vendor & informal traders** (including informal cross-border traders) - South African Informal Traders' Alliance (SAITA);
- 2. Waste pickers** - South African Waste Pickers' Association (SAWPA);
- 3. Home –based workers** – South African Self-Employed Women' Association (SASEWA);

The state of Informal Economy in RSA

4. Taxi drivers, conductors and washers: South Africa Public Transport Workers' Organisation (SAPTWO) known as the *Qina Mshayeli*

5. Subsistence fisher-people: Cape Artisan Fisher' Union and the KZN Fishermen's Forum.

6. Farm Workers (including seasonal workers): Sikhula Sonke – only in Western Cape – Trade Union

The state of Informal Economy in RSA

- 7.** Domestic Worker – South African Domestic Services and Allied Workers' Union (SADSAWU).
- 8.** Construction Workers – NUM, BCAWU
- 9.** Agricultural Workers - FAWU, SACTWU
- 10.** Taxi Drivers and Conductors – SATAWU
- 11.** Precarious retail workers - SACCAWU
- 12.** Community care workers - NEHAWU

- What Has Been Done

Post ILC DISCUSSIONS:

Establishment of the National Task Team in August 2015

- Government led by DoL
- Organized Labour- represented by COSQATU
- Organized Business - BUSA
- Community – represented by StreetNet

The functions of the task team

- To manage the facilitation of the transition
- To ensure coherence and comprehensive consultation throughout the country
- To conduct key studies such as the **Gap Analysis Study**
- The Team has its own terms of reference that governs its operation (meetings)

MILE STONES ACHIEVED

- ❖ 2015 National Summit, Durban;
- ❖ 2016 National Summit (Bloemfontein Commitment);
- ❖ The ILO Gap Analysis emerging from the 2015 meeting and the 2016 workshop;
- ❖ ILO also commissioned a diagnostic report on the gender dimension of informality in RSA;
- ❖ Within the NEDLAC, R204 has been placed as a priority output of the DWCP phase 2.
- ❖ 2016 July, DSDB hosted a National Informal Economy Summit, in Free State
- ❖ 2016 September the **Community Constituency engaged ILO** Pretoria office to revive the stalled R204 implementation process.
- ❖ 2017 May, National Consensus- building workshop on the implementation of the R204, JHB

MILE STONES ACHIEVED

The May Workshop **outcomes: 1: National implementation plan for R204 was adopted and NTT was revived**

- Developing the recommendations for the legal reform
- DoL to lead and coordinate relevant government departments
- Publications of materials to advance the understanding of the R204 and related issues on the future of work
- A national dialogue on the role of the informal economy in the future of work.

Outcome 2

- Local government implementation plan for R204 was adopted
- 9 municipalities were identified (in different provinces) for this plan to be piloted
- **The R204 NTT** developed a work schedule which is on track

The achievement of the NTT

- Worker representatives from 5 informal economy work sectors have been incorporated into an expanded version of the R204 NTT;
- Included as well are the representatives from all 9 provinces, for more inclusive outputs;
- The NTT also analysed the ILO Gap Analysis of 2016 and identified further work which is needed.

The achievement of the NTT

- The adopted concept note for this dialogue which shapes and pave way for continuity in the work
- Establishment of the Legal Reform Subcommittee led by DoL

Achievement by Business

- Development of the business registration system – ease of registration which contribute to formalisation

Business R204 Initiatives

26 March 2018

AGENDA

1. Background
2. R204 Initiatives by Business

Informal Economy Initiatives

- Enterprise Room:

1. SME Accelerator Programme
2. Enterprise Strategy Development Programme: Ensuring Enterprise Strategy Development programme sustainability and maximum return on investment.
3. Technology and Innovation: Improving SME activity in the technology space, ensuring that they are supply chain ready and relevant.
4. B-BBEE Advisory and Scorecard Management: Providing advisory across all elements of the scorecard, identifying gaps, developing quick win strategies to uncover hidden points, and maximising scorecard objectives.
5. Procurement Analysis Solutions: Conducting detailed spend analysis to identify opportunities for compliant and qualifying suppliers, while providing solutions to transform non-compliant suppliers

Informal Economy Initiatives

- Finfind

1. Access to Finance Solutions
2. 350 Loan Products
3. Finance Education Information

- Harambee

1. Youth Accelerator Product
2. Early Childhood Development Programmes

Achievements by organised Labour

- *Have requested inputs*

Achievement by Community

- *Have requested inputs*

Challenges of R204

- Raising financial resources for the participation at the R204 NTT activities (particularly reps from labour and community)
- Getting participation of all national government departments in the initial stages
- Getting started to implement the local government – level plans - not yet started

Lessons learnt

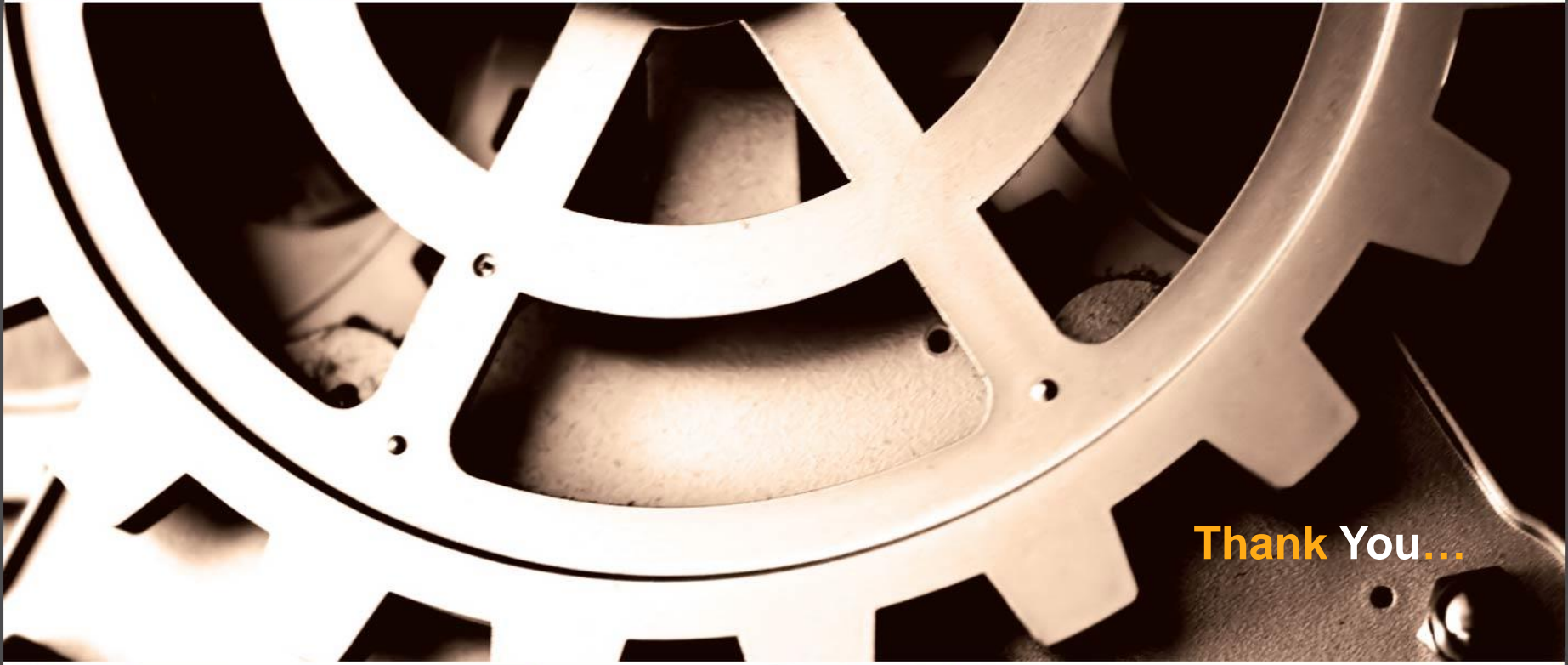
- Summits and consultations hosted before local government election of August 2016, did not **yield impressive** follow-up programme
- Improved progress with the involvement of the Community Constituency, representing organised workers in the informal economy which are not represented by labour movement

Way forward

- The need to develop a coherent coordination mechanism of all national activities around the R204;
- Hosting a national dialogue from the informal to formal economy in South Africa

Local Level

- The local implementation plan for the R204 as adopted calls for the involvement of the municipalities in the process.
- We have invited municipalities in this dialogue to ensure that they engage on the discussions for smooth implementation.



Thank You...