

Organising the disorganised: the proposed Informal Economy Voice Strategy

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Market in Madang, PNG (Tanaka Juuyoh/Flickr/CC BY 2.0)

Despite its contribution to the economy by way of providing employment and income to almost 85% of the population, especially women, very little has been done to promote the informal economy in Papua New Guinea (PNG). Although the PNG government has made clear its intention to support the growth of the informal economy through the introduction of a policy and Informal Sector Development and Control Act, informal economy participants are largely marginalised from government plans and priorities. Participants in the country's large but fragmented informal economy lack "voice", or the ability to collectively bargain with the government to ensure that their issues are addressed. To date, there is no proper mechanism to allow for dialogue between the government and informal economy participants throughout PNG. Subsequently, the informal economy operates in total anarchy, with very little (if any) government control.

In a move to organise PNG's informal economy, the Consultative Implementation and Monitoring Council (CIMC) and the Department for Community Development and Religion have embarked on developing a new Informal Economy (IE) Voice Strategy. The strategy aims to mainstream and integrate concerns raised by informal economy participants to the relevant government agencies at various levels of government. The strategy also provides for systematic multi-stakeholder involvement, including Civil Society Organisations (CSOs) and local community representatives. The outcome of this strategy is to provide for specific actions and outputs relating to organising informal economy participants into Investment Promotion Authority (IPA)-registered Informal Economy Associations. This will give them a strong voice to influence government decisions concerning the informal economy.

Under the strategy, the objective of creating IE Associations is twofold. The first is to enhance the representation of informal economy participants in the decision making processes of government at all levels. This will allow the informal economy to be

recognised and provided a space to thrive alongside the formal sector. In the Constitutional Law Reform Commission (CLRC)-revised Informal Economy Development and Control Bill, a provision (Section 17A) has already been created to allow for the creation of “Informal Economy Committees”:

The Minister responsible for community development affairs may, where he deems proper, establish informal economy committees at the national, provincial and district levels as a voice mechanism for the informal economy participants. The primary function of these committees shall be to act as the voice mechanism that can be the link between the informal economy vendors, administering authorities and the Provincial and National Government for the purposes of promoting and protecting the informal economy in the country.

Secondly, the strategy will enhance coordination and management and address capacity gaps within the informal economy. This will enable the advancement of the sector and contribute effectively to the development of PNG.

The lack of consultation between informal economy participants and authorities has led to many problems. Establishing IE Associations will bridge the gap in communication and provide a medium for informal economy participants to be heard and given adequate support and attention. Developing this mechanism will also allow a balance, with businesses operating in the informal economy within the established guidelines, and challenges dealt with through dialogue between key stakeholders. In addition, the informal economy will increasingly become a partner, rather than being viewed negatively as a competitor to the formal economy. The IE Association would provide for regular dialogue between formal businesses and informal economy micro entrepreneurs. Through this mechanism it is anticipated that vendors and city authorities will be made aware of their responsibilities. It is also hoped that informal economy participants will be protected from abuse and exploitation, as is often the case when police officers or city rangers confiscate items belonging to vendors or demand “freebies” or money from vendors as payment for protection.

Dialogue between informal economy participants and authorities about the limited amount of land for new developments, particularly in urban areas, is also essential. Without adequate representation in policy and planning processes, the priorities of

the informal economy could become marginalised from that of those engaged in formal employment. Given the government's push to drive the economy through stimulating growth in the formal sector, more and more land may be allocated for these investments at the expense of the informal economy which caters for the majority of Papua New Guinea's urban and rural dwellers. In light of this, urban planning may become biased in favour of formal business and the informal economy may not be given space in which to operate. The IE Association should advocate for the interests of the informal economy to be explicitly captured in the planning process.

Government authorities do not have data on the number of people engaged in the informal economy, how they are engaged, or the various forms of informal economic activities. This data gap prevents local and provincial governments from adequately planning and budgeting for investments to support the work of the informal economy. The lack of data and regulation of the informal economy also hinders authorities from disseminating information (e.g. regarding basic personal hygiene, safe handling of food, etc.) to persons engaged in related work.

Work on the Strategy started with the development of a concept note which was further discussed through various consultative processes facilitated by the CIMC under its Informal Economy Sectoral Committee. The Committee has multi-sectoral representation, including from government, private sector, civil society and development partners.

A technical working committee (CIMC IE Voice Mechanism Sub-Committee) chaired by the National Capital District Commission (NCDC) was set up to develop the strategy from the concept note. The strategy was informed by a literature review highlighting the progress made and challenges facing the UN Women/NCDC Safe Cities Market Project. It also drew lessons from other studies looking at street vending and unionisation, particularly in South-East Asian countries. This was further supported by consultations that took place within the main CIMC IE Sectoral Committee and the CIMC IE Voice Mechanism Sub-Committee between 2016 and 2017.

The strategy is now in its final draft phase and plans are in place to conduct nationwide consultation with various stakeholders in preparation for submission to the government.

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