

KLE MUN 2025



INTERNATIONAL LABOUR ORGANISATION (ILO)

AGENDA: Addressing the Global Rise in Informal Employment and Ensuring Decent Work Conditions in the Post-Pandemic Economy

CONTENTS

- Letter from the EB [Pg 3]
- Committee Mandate [Pg 4]
- Defining Key Terms [Pg 5]
- About the Agenda [Pg 6 – Pg 9]
- Historical Context [Pg 10 – Pg 11]
- Case Studies [Pg 12 – Pg 14]
- Important Frameworks [Pg 15]
- Past Action By the ILO [Pg 16]
- QARMA [Pg 17]
- Bibliography [Pg 18 – Pg 19]

Letter from the EB

Dear Delegates,

It is with immense pleasure that I welcome you to the International Labour Organization (ILO) at KLE MUN 2025. As your Chair for this committee, I am thrilled to guide you through one of the most pressing labour challenges of our time: "Addressing the Global Rise in Informal Employment and Ensuring Decent Work Conditions in the Post-Pandemic Economy."

The COVID-19 pandemic revealed flaws in the global labour economy as well as in healthcare systems. During the pandemic, informal employment—which makes up a large percentage of the labour force in developing and even some industrialized countries—grew even more. Millions of people are now in financial instability as a result of the absence of social security, legal protections, fair wages, and safe working conditions. This committee's mission is to provide inclusive, sustainable policy solutions that can adapt to the needs of the workforce in the twenty-first century.

As delegates, you have a special chance to provide ideas that go across national borders and advance the ILO's Decent Work Agenda. I urge you to carry out thorough research, contribute original ideas, and work with your fellow delegates to achieve results that can be put into practice.

Looking forward to rigorous debates, constructive resolutions, and diplomacy.

Warm regards,

Sannidhi S Rao,

Chair, International Labour Organization Committee

Committee Mandate

Founded in 1919 as a specialized agency of the United Nations, the International Labour Organization (ILO) aims to advance social justice and globally acknowledged labour and human rights. Through conventions and recommendations, the ILO creates international labour standards, offers member states technical assistance, and promotes the development of fair and inclusive labour markets.

Mandate Highlights:

- Promote decent and productive work in conditions of freedom, equity, security, and dignity.**
- Establish international labour standards to protect workers' rights.**
- Facilitate dialogue between governments, employers, and workers.**
- Support transition from informal to formal employment.**

Defining Key Terms

Informal Employment: Work that is not regulated by labour laws, does not offer social protection or employment benefits, and is often not taxed or officially recorded.

Decent Work: Employment that respects the fundamental rights of the worker, provides fair income, workplace security, social protection, and prospects for personal development.

Post-Pandemic Economy: Economic environment shaped by recovery efforts after the COVID-19 pandemic, characterized by digitalization, labour restructuring, and policy reform.

Social Protection: Policies and programs designed to reduce poverty and vulnerability by promoting efficient labour markets and providing protection against loss of income.

Gig Economy: A labour market characterized by short-term contracts or freelance work as opposed to permanent jobs.

About the Agenda

The International Labour Organization (ILO) estimated that **over 255 million full-time jobs were lost in 2020 alone**, four times more than during the 2008–09 global financial crisis.

Important effects include:

Significant Job Losses: Lockdowns caused businesses to close, particularly in industries including retail, transportation, hospitality, and tourism.

Income Insecurity: Earnings fell dramatically especially for part-time and low-wage workers. Many employees did not receive termination money or paid leave.

Enhanced Vulnerability: Workers in the unorganized sector, women, young people, and migrants were disproportionately affected.

Digital Shift: The gap in inequality widened as remote employment and digital platforms proliferated, although mostly in formal or high-skilled industries.

Small business collapse: MSMEs (Micro, Small, and Medium-Sized Enterprises), many of which use unorganized labor, closed or significantly reduced their operations.

About the Agenda

Causes of the Rise in Informal Employment:

Job Displacement from official Sector: In order to make ends meet after being laid off from official employment, workers resorted to home-based businesses, delivery gigs, street vending, and day labour.

Ease of Entry: Without funds, credentials, or legal documentation, it is simpler to enter informal employment.

Insufficient Social Safety Nets: Millions of people in developing nations looked for instant job in any capacity since they were not receiving unemployment benefits.

Growth in Gig Work: The gig economy, particularly ride-sharing, food delivery, and courier services, grew quickly. The majority of platform employees, however, were regarded as "independent contractors," meaning they had neither benefits nor job security.

Urban to Rural Migration: Returning migrant labourers in rural regions of nations like India were left with no official job prospects and turned to unregistered small companies or agricultural day labour.

About the Agenda

Quantitative Examples:

India: 75% of job losses in 2020 were in the informal sector. Post-lockdown, over 90% of reabsorbed workers entered informal or casual work.

Latin America: Informality rose back to pre-pandemic levels by late 2021 after an initial dip, driven by self-employment in urban areas.

Africa: Informal work remained dominant as formal job recovery lagged. In sub-Saharan Africa, up to 90% of new jobs created post-pandemic were informal.

Globally, the COVID-19 pandemic caused a sharp increase in informal employment. A significant portion of the population engaged in unregulated work as a result of lockdowns, layoffs, and the formal sectors' incapacity to absorb labour. Although informality is not new, its rise in the post-pandemic economy creates issues of social cohesion, equity, and rights.

About the Agenda

Written contracts, social security, insurance, healthcare benefits, and minimum pay guarantees are frequently absent from informal work. Particularly at risk are migrant labourers, women, and young people. Informal employment is also frequently dangerous, low-paying, and unstable.

Digitalization, remote employment, and automation are driving economic shifts in the post-pandemic era. Informal labourers must not be left out of this transition. According to ILO estimates, the informal economy employs over 2 billion people globally. This agenda looks for ways to guarantee respectable working conditions, legalize these positions, and offer social protection to all. The ILO's Four Pillars of Decent Work—social protection, employment creation, workplace rights, and social dialogue—are in line with this objective. It also directly supports the eighth Sustainable Development Goal, which is to "promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all." In addition to long-term frameworks for equitable and sustainable labour systems, delegates must take into account short-term pandemic recovery methods. The ILO can spearhead a new era of labour justice that ensures no worker is left behind if it strikes the correct balance between creativity, empathy, and economic rationality.

Historical Context

Pre-1990s: Informal employment was largely viewed as a survival mechanism in developing economies, especially in Africa, Asia, and Latin America. While it contributed significantly to GDP, it remained outside formal regulatory frameworks. Structural adjustment programs, lack of industrialization, and rapid urbanization in many post-colonial nations contributed to this.

1990s–2000s: Informal labour has become more prevalent worldwide, particularly in affluent countries, as a result of globalization and neoliberal economic policies. Companies were able to get around labour laws by outsourcing and subcontracting, especially in the electronics, textile, and agricultural industries. In particular, women were pressured to work from home or in the unorganized sector.

2008 Global Financial Crisis: In the formal sector, the crisis led to widespread layoffs and job losses. Informal employment became a haven as many nations experienced a delayed recovery. Informal economies grew dramatically in Sub-Saharan Africa, the Middle East, and Southern Europe. Informality was perceived as a reaction to austerity in wealthier nations as well as a problem in developing nations.

Historical Context

2015: The first international labour norm addressing the shift from informal to formal economies was Recommendation No. 204, which was accepted by the ILO. It placed a strong emphasis on formalization as a strategy for sustainable development, labour rights respect, social protection access, and inclusive policies.

2020–2022 (COVID-19 Pandemic): The epidemic disrupted the global labour market in ways never seen before. The most vulnerable were informal labourers, who frequently lacked social protection and contracts. Industries like domestic work, construction, transportation, and agriculture were disproportionately impacted by lockdowns and economic downturns. Although the gig economy (such as ride-hailing and delivery services) expanded, workers continued to live in unstable situations. The pressing necessity for formalization and universal social protection was highlighted at this time.

Case Studies

India:

- In India, more than 90% of workers are unorganized.
- The predicament of informal workers who lost their jobs overnight and had to walk thousands of kilometers home was brought to light by the migrant worker crisis of 2020.
- In border areas like Jammu & Kashmir and Punjab, job insecurity resulted from the conflict with Pakistan intensifying in 2024–2025. Workers were forced into informal labour or over state lines as a result of the loss of many formal positions in the manufacturing and tourism sectors.
- Although there are still implementation problems, recent labour code revisions attempt to universalize social security.

Case Studies

Brazil:

- Nearly 40% of the workforce is informal.
- Many informal workers benefited from Auxílio Emergencial, which provided emergency support during the pandemic.
- Although they lacked stability, government initiatives to digitize social services showed promise for inclusivity.
- By 2024, political unrest and growing inflation have made it more difficult for the government to regulate the gig economy.

Gaza and West Bank (Palestinian Territories, 2024):

- In light of the renewed conflict with Israel, most economic activity shifted to informal trade, home-based services, and small-scale construction.
- Young people, particularly women, lack access to decent work or formal contracts, facing both economic and gendered exploitation.

Case Studies

Indonesia:

- The informal sector employs about 60% of the workforce.
- The contentious Omnibus Law undermined workers' rights and job security in an attempt to draw in investment.
- Many workers in rural areas were forced into informal labour in metropolitan areas in 2025 as a result of natural calamities such heavy flooding.

Iran:

- In 2024–2025, thousands of workers in industrial zones close to key sites (such Isfahan and Shiraz) lost their jobs due to escalating tensions and military skirmishes with Israel.
- The burden of informal work has increased as a result of the widespread use of unregulated home-based manufacturing by women and young workers.
- While the informal economy is necessary for survival, formal job development is nevertheless constrained by international sanctions.

Important Frameworks

ILO Recommendation No. 204 (2015): Transition from the Informal to the Formal Economy

ILO Decent Work Agenda (2008)

UN SDG Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

Universal Declaration of Human Rights, Article 23

Global Accelerator on Jobs and Social Protection for Just Transitions

Past actions by the UN and ILO

- ILO technical support to **60+ countries** for formalization strategies
- Launch of the "**Social Protection Floors Recommendation (No. 202)**"
- Joint efforts with the **World Bank** and **IMF** to finance labor market - resilience
- Development of **diagnostic tools** for countries to identify informality trends
- **COVID-19 Rapid Response Monitor** and Global Wage Report

Questions A Resolution Must Answer (QARMA)

What are the root causes of informal employment in various regions?

How can member states create inclusive pathways to formalization?

What frameworks can ensure decent work standards in gig and digital labor?

How can informal workers be registered and organized without burdening them?

Should universal social protection be funded through international cooperation?

How can states encourage employers to formalize without threatening jobs?

What role should public-private partnerships play in improving work conditions?

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