

Formal rights for informal workers

There are many laws and policies that make informal workers' lives very difficult. **Kally Forrest** interviewed StreetNet's **Pat Horn** to find out how South Africa could develop bargaining systems, benefits and facilities for these workers.

What sort of problems do people in the informal economy experience?

It depends on the nature of the work, in different sectors there are different problems. Traders often experience an insecurity of space. Women traders have a particular problem with this. Male vendors wanting the same space often chase them away and sometimes even at gunpoint. Women also sometimes have to bring their children with them while they trade on the street because they have no one to look after them.

For waste collectors it is that their work is not even recognised as a job. This is because municipalities employ sub-contractors who employ these people in turn. Many informal workers are exploited by an intermediary who wants to take a slice of their earnings.

There is also a problem with the provision of basic amenities. People need toilets, clean water, and a place to store the foodstuffs they sell, including fridges.

How could these problems be dealt with?

In India and other countries, there is

a system of registration. Informal workers are given an identity card when they register. This provides the basis for access to benefit schemes. The identity cards give them visibility as workers.

India also has tripartite forums in certain sectors of informal work, such as head loaders [porters] in markets, where the employers and labour brokers sit on one side and the workers and their unions on the other to ensure better communication and for the workers to negotiate better conditions.

Another way of making these workers visible would be for their payments to the government to be recognised as tax. Most informal traders are willing to pay tax. They want to contribute to the city they live in and if they contribute, they are entitled to make demands. A common way for a progressive taxation system to function in informal markets such as in West Africa, and now also on the streets of Mthatha, is through different rates for particular kinds of stalls. So a vegetable stall, for example, would pay less than a clothing and textile stall.

A proper taxation system for different kinds of informal work needs to be set up by government in the same way it functions in the formal business sector. Fair rates can be negotiated. Then revenue would go into government coffers and not to racketeers extorting money from informal traders to keep their sites.

Also, municipal by-laws often obstruct street traders and they get harassed by police. There is a need to harmonise by-laws with the labour laws of this country so that people making an honest living have some protection.

What about the freedom of movement for migrant traders?

At present migrants moving regularly through South Africa's borders have to produce a passport. Our migration laws don't make provision for work permits for informal traders even after paying customs duties on the goods they bring in to sell. They are given a tourist visa and then when they trade in South Africa they get arrested for not having a work permit. The law definitely needs to be reformed.

Refugees, notwithstanding the Refugees Act of 1998 which affords refugees and asylum-seekers the rights set out in Chapter 2 of the South African Constitution, including the right to seek employment, are still often treated by the authorities as illegal "aliens" without rights.

What needs to happen to South African laws and policies to accommodate informal workers?

The International Labour Conference of the ILO [International Labour Organisation] passed a resolution on decent work and the informal economy in June 2002. It mandates the ILO Governing Body to allocate resources to projects to create conditions for the realisation of decent work for workers in the informal economy. It also contains guidelines for governments, employers and workers' organisations on their roles and responsibilities with regard to decent work and the informal economy.

Our social security system does not cover informal workers. It should be in the interests of any government to make sure that social security stretches as far as possible. An integrated social security system that includes all workers needs to be developed. In Ghana there is now such a scheme, and in order to access social security, all workers need to be part of an organisation. This has had the added advantage of encouraging people in the informal economy to get more organised in order to make their demands heard.

How can informal workers negotiate better conditions?

There is a major problem because in most countries there are no statutory forums for informal workers to negotiate with government, brokers or whoever engages them or controls the space they work in. So there are no institutions to enforce, implement or sustain agreements.

Statutory negotiating forums could be established by extending existing bargaining forums in the

formal sector, for example through the creation of sub-committees to deal with informal workers in the same sector. Or it is also possible to create new bargaining forums and formalise them in the law.

In Brazil there is a movement of waste collectors who collect and sort glass products, cardboard, paper and so on and then sell these for recycling [see page 8]. Many of these waste workers are organised in worker-controlled co-ops building a solidarity economy while at the same time supporting recycling for a more sustainable environment. President Lula, recognised the importance of this movement of informal workers and set up an inter-ministerial committee to consider the needs and demands of the waste collectors. This committee meets every month with elected waste collector representatives and reports directly to Lula. It is not yet a statutory body, but it could possibly become one.

It is important for informal workers to elect their own leaders to take forward mandates to these negotiating forums. Some sectors of informal workers have tried to use Nedlac [National Economic, Development and Labour Council] as a forum, through the Nedlac Community Constituency, and Cosatu [Congress of South African Trade Unions] has pushed for the Community Constituency to be represented in all Nedlac chambers: Development, Labour Market, Trade and Industry, Finance and Fiscal. At present the Community Constituency is only admitted to the Development Chamber.

In South Africa, laws around the formation of co-ops fall under the DTI [Department of Trade & Industry], which results in structures that look more like small enterprises than co-ops. In Spain co-op legislation falls under the Social

Economy division of the Department of Labour, along with worker-controlled enterprises and autonomous workers. This arrangement ensures that laws governing co-ops also promote decent work, and reduces the incidence of 'pseudo' co-ops in which workers are exploited as badly as in the business sector.

We also need to change the language in our labour legislation as they have done in Ghana to talk of 'workers' and not 'employees'. In Spanish-speaking countries, the word 'trabajadores' (workers) is used in labour legislation, which is more suitable for workers in the informal economy, many of whom are own-account workers.

How can trade unions in the formal economy help informal workers?

Unions can take up many of the practical issues that I have suggested. They can work alongside the organisations of informal workers and advise them on negotiation strategies. But they need to respect the fact that informal workers have to represent themselves in collective negotiations. Formal workers, who want to help, sometimes forget that in the 1970s the new unions fought against unrepresentative committees representing them to management and insisted on their own elected shop stewards. This is the same with informal workers - they want to be represented by their own elected representatives. LB

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