

Protecting the unprotected **can it be done?**

*Globalisation and liberalisation have contributed to the significant growth of the informal economy. **Pat Horn** reports on a recent international conference held in Ahmedabad, India which sought to deal with the promotion of decent work in the informal economy through increased worker organisation and representation.*

December's Ahmedabad conference on organising in the informal economy was to take forward the discussions held at the International Labour Organisation (ILO) Conference in Geneva on Decent Work and the Informal Economy, in June 2002.

It was clear from those discussions that the simplest way to promote decent work in the informal economy is to increase and advance the level of organisation and representation of informal workers.

Ahmedabad was organised by the Self-Employed Women's Association (SEWA), and attended by unions and associations which represent street vendors and the like. The objectives were to:

- share experiences between organisational practitioners, and identify the issues affecting informal workers;
- develop strategies to intensify organisation in the informal economy;
- identify existing and new partnerships and alliances;
- identify processes of representation at international forums (such as ILO and WTO);

- discuss future co-ordination between organisations of workers in the informal economy, and develop mechanisms for such co-ordination.

During the opening, SEWA founder Ela R. Bhatt told delegates: 'This is a historic event. Maybe for the first time the informal workers' organisations and national unions with deep concern for the vast number of workers who are left out of the labour movement are meeting to strengthen each other. This is the call of the time. This is the future.'

Dan Gallin, director of the Global Labour Institute and former general secretary of IUF (International Federation of Food, Agriculture & Allied Workers Unions) said in a televised address: 'For the foreseeable future we can expect more deregulation and a further growth of the informal economy. The issue is therefore not "formalising" the "informal" but protecting the unprotected.

'For all these reasons, organising in the global informal economy is now a crucial issue for the labour movement. Without a serious and sustained effort on this issue, it is impossible today to even think of organising a majority of workers on a global scale - and unless

we do that we cannot change the existing global power relationships to our advantage. This is a gigantic task and none of us can do it by ourselves. We must do it together and that requires political skills and the creation of alliances. The first alliances must be between the traditional trade union movements and the unions informal workers have organised for themselves.'

Types of structures

Various organisations presented reports and shared information on their experiences. What all had in common was that far from being put off by all the obstacles, all had 'taken the plunge' to organise workers in the informal economy and dealt with the obstacles as they arose.

The session revealed that some organisations, such as SEWA, have been organising informal workers for many years. Various other organisations exist in India and Mexico and they are beginning to emerge in Africa. Some organisations started to organise informal workers because they had lost many members due to retrenchments and casualisation - such as the Ghana Trade Union Congress and most of its

labour market



affiliates. Others started to organise existing informal workers, but grew as a result of liberalisation – for example, HomeNet Thailand and an AFL-CIO affiliate, SIEU.

Those organising in the informal economy are not all mainstream unions but include informal worker organisations, national federations, trade union centres and international networks or federations. The strategies at each level are different. Some (usually smaller) unions are focused on particular issues; national federations or centres are concerned about structures and policies and international federations are concerned about how to highlight informal workers and their organisations internationally.

Most of the organisations that attended the conference have democratically elected decision-making structures. Some organise both formal and informal workers, such as trade unions that follow their members into the informal economy and create new structures. Some organise informal workers separately, and co-operate with unions working with mainly formal workers. There were also interesting combinations of structures,

such as:

- associations as part of unions (for example, affiliates of TUC of Ghana)
- unions sponsoring co-operatives.

All the organisations generally organise by sector. Some integrate workers from different sectors into one organisation or federation (eg national centres) while others unite workers in particular sectors only (eg GUFs).

Issues confronting organisations

All the organisations were found to be equally concerned about:

- the identity and recognition of workers (eg the issue of ID cards);
- increasing the bargaining position of informal workers;
- legitimacy and access to institutions and resources;
- effecting policy and/or legal changes;
- capacity-building of members and/or member organisations.

Some of the organisations are trying to find or create alternative employment and develop skills (eg PATAMABA in Philippines) while others are more focused on protection and bargaining (eg SIEU). Many offer services, such as access to credit, housing and various social services. Migrancy is an issue for

many of the organisations (eg Hong Kong Domestic Workers Union).

There were different approaches to globalisation among the organisations. Some try to create or use new markets (eg PATAMABA and SEWA) whereas many are actively focused on opposing neo-liberalism.

Bargaining structures

Nearly all the organisations are faced with the challenge of creating new bargaining structures since these rarely exist for workers in the informal economy. A range of interesting approaches included, creating:

- an 'employer' where an obvious one does not exist for example, SIEU in the state of California, USA;
- a regulatory board – For example, different tripartite boards for headloaders in Maharashtra, India;
- a multi-partite structure in a municipality – for example, in the case of street vendors.

Political parties and government

Some of the organisations have a very clear policy of non-party-political partisanship. However, others are associated with political parties (particularly ruling parties) to help them gain access. Most organisations use government programmes or try to create new ones, irrespective of their policy on political affiliation.

Financing and funding

There was general consensus that charging membership fees is important, even if it is a small amount, but most organisations have difficulty collecting fees on a regular basis. There were many examples of savings schemes and pooling of funds (eg co-operatives, credit unions, etc.). Some organisations obtain funding from their country's labour movement (eg Ghana TUC), from donors or from GUFs.



Resolutions adopted

A principal resolution on organising in the informal economy was adopted along with a three-year plan of action. The principal conference resolution noted that:

- The majority of the workforce in developing countries and an increasing number of workers in developed countries are in the informal economy. Workers in the informal economy are insecure and unprotected and generally poor. In the current era of liberalisation, formal industries are retrenching and the informal economy is growing fast, while conditions of workers are worsening. Women form a large part of the informal economy and are amongst the poorest and most discriminated-against workers.
- Most people enter the informal economy because of a need to survive, not out of choice. Workers in the informal economy include both wage workers and own-account workers. Most own-account workers are as insecure and vulnerable as wage workers and move from one situation to the other. Because they lack protection, rights and representation, these workers often remain trapped in poverty.
- Informal workers are a major contributor to the national economy and, yet, are not recognised or protected under labour legislation and social protection. The lack of social protection is a critical aspect of the social exclusion of workers in the informal economy.

The Ahmedabad Conference noted that in line with the ILO resolution on decent work and the informal economy, all workers should enjoy full worker rights, in particular the right to organise: ie, the right to form or join local, national or international organisations of their own choice so as to give them the possibility of improving their living and working conditions.

As part of its three-year plan the conference focused on five key areas which would be taken forward by the International Organising Committee which organised the conference.

Organisational Sustainability and Capacity Building

Many organisations of informal workers are new and small and, therefore, require significant capacity building in order to become organisationally sustainable. To achieve this it was recommended that:

- organisational structures should be democratic, transparent, and member-based;
- capacity-building of various types, including: organising, leadership, technical and managerial skills should take place;
- stable funding, preferably from members' dues, payment for services, savings and credit, production and marketing or other innovative financing methods should be obtained;
- there should be participation and representation of informal workers in policy formulation and implementation.

Labour legislation

Labour legislation in many countries has not been reviewed for some time. This means much legislation remains fragmented and does not cover informal workers as most laws are premised on an employer-employee relationship and do not encompass the full range of employment relationships.

To address these weaknesses in the law, the following was recommended:

- Existing labour laws should be reviewed with all social partners, including organisations of informal workers taking part, with a view to harmonising laws and to extending laws to cover as many employment relationships as possible.
- There should be development by organisations of informal workers of a common position on what core legal provisions and protections they would like to see in labour laws.
- There should be documentation of innovative laws that have been introduced to cover various categories of informal workers.
- There should be documentation of how organisations of informal workers have used the law to protect their membership.
- There should be documentation of how employers have used loopholes in the law to casualise or informalise employment relationships.

Collective bargaining

Not many statutory bargaining forums exist for workers in the informal economy. Therefore organisations have to create them. In the short-term they have to pressurise authorities to negotiate with them in ad hoc bargaining arrangements. However, the urgent need is to create statutory bargaining structures. Therefore, it was recommended:

- documentation of existing collective bargaining structures, both statutory

- and ad hoc, for informal workers;
- creation of collective bargaining forums, such as tripartite and multi-partite boards;
- reform of existing laws as needed with involvement of trade unions and informal workers' organisations;
- development of strong organisations of informal workers to create pressure for collective bargaining.

Social protection

Most informal workers remain unprotected and do not have access to affordable, appropriate and timely social security services. Unions and other membership-based organisations are deeply committed to ensuring that informal workers obtain social protection, as a basic right and entitlement. Recommendations:

- There should be links and partnerships with the state as the main promoter of social protection.
- Informal workers should be organised for social protection through their own workers' organisations in a sustainable manner, based on worker, state, employer and/or other contributions.
- Promoting insurance as a necessary service and as a way to organise informal workers.
- Building alliances with and between unions, co-operatives, other membership-based organisations, and NGOs for pro-worker social protection policies, regulations, legislation and programmes.

Employment creation and skills development

Employment and employment opportunities are diminishing due to processes that include restructuring of industries and the economy, rapid changes in technology, as well as natural and social disasters. Further, working people, especially women, do

not have ease of access to skills development possibilities due to social and resource constraints.

Recommendations:

- Greater access for workers in the informal economy (especially women) to diversify and enhance their skills.
- Setting up of vocational training institutes and programmes by unions and government to enable workers of the informal economy to diversify and enhance their skill levels.
- Regular consultations between organisations of workers in the informal economy to share best practices within countries as well as at the regional and international level.
- Greater access to resources for workers in the informal economy to set up their own livelihood possibilities through co-operatives and other structures.
- Support to institutes and processes like global and regional Global Trading Networks for employment creation and market access.
- Development of a clear policy at national and international levels regarding employment creation and skills development for workers in the informal economy.

Conclusion

The Ahmedabad Conference also called on governments and unions to play their part in addressing the plight of informal workers. Governments were called on to:

- provide conducive macroeconomic, social, legal and political frameworks for the large-scale creation of sustainable, decent work;
- place decent employment at the centre of economic and social development policies;
- extend protective legislation and social protection to all workers

independent of their status.

Multilateral organisations were called on to place informal workers at the centre of their policies and programmes as a means to eradicate poverty while unions were called on to:

- intensify organising in the informal economy and adapt their structures, or to create new structures taking a holistic view of each industry, bringing together the formal and informal workers, to encourage participation and representation of informal workers, in particular women, to accommodate their specific needs;
- provide services including education, legal aid, provision of medical insurance, credit and loan facilities and establishment of co-operatives in addition to the primary responsibility of collective bargaining.

Finally, the conference agreed on a number of measures to ensure the work done at Ahmedabad was taken forward. These measures include the continuation of discussions on issues of worker representation in the informal economy at the ILO; international meetings on industry-specific groups of informal workers in collaboration with Global Unions and National Trade Union Centres (agricultural workers need special attention in this regard); to strengthen and consolidate the organisation of workers in vulnerable sectors such as waste-collecting, domestic workers; to document and disseminate the experiences of organising the informal workers and to continue to exchange experiences; to build alliances, relevant structures and initiate campaigns to forward resolutions adopted.

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