PROMOTION OF EMPLOYMENT AND INCOME GENERATING ACTIVITIES IN THE INFORMAL ECONOMY THROUGH COOPERATIVE INITIATIVES

Background

Since the early 1960’s, trade unions have been organizing workers into Saving and Credit Cooperatives Societies (SACCOs) in the agriculture (tea, sisal and coffee plantations), commerce and industrial sectors. Since 2002, the Trade Union Congress of Tanzania (TUCTA), in collaboration with the Tanzania Federation of Cooperatives (TFC), has been managing and implementing the ILO/Syndicoop’s project to organize the informal economy workers into SACCOs and join trade unions.

Furthermore, since 2005, TUCTA has single handily coordinated the original seven targeted SACCOs groups in Dar es Salaam and manages the original ILO revolving fund. TUCTA and its affiliates (CHODAWU) also represent the informal economy workers in different economic and social forums.

Project summary

The project’s aim is the creation of workers SACCOs, to organize workers into trade unions and represent workers in different social forums and economic negotiation structures.

TUCTA experts will provide SACCO members with technical advice on the writing of project proposals for submission to financial institutions and how to manage small income generating activities efficiently and profitably and meet their basic needs.

The informal economy workers will also be organized into groups to facilitate collective bargaining between the employers and workers, therefore improving their living and working conditions. Both informal employers and employees will be provided with training on occupational health and safety (OHS) issues.

Contributions to the Decent Work Country Programme’s priority (DWCP):
- Poverty reduction through creation of decent work opportunities
Partners

Our partners for this project include:

- TFC will provide training on the establishment and management of SACCOs, supervise their registration and coordinate gender issues within the project’s structure. (Gender Focal Points);
- The Saving and Credit Cooperative Union League of Tanzania (SCCULT) will monitor the revolving fund;
- Local governments will facilitate the administration procedures;
- Training institutions, e.g. cooperative colleges/universities, will provide technical assistance and advice during the development of training materials;
- The Centre for Informal Sector Promotion will provide advise and training to informal economy workers;
- Sectoral trade unions affiliated to TUCTA will participate in the implementation of the project.
- TFC, SCCULT, Local Governments and Central Government authorities will be members of the project’s National Steering Committee, chaired by TFC.

Expected achievements

- Formation of around 20 SACCOs to provide self-employment opportunities for 2000 informal economy workers.
- Improvement of the SACCO workers’ capacity to create jobs, generate income and reduce poverty through entrepreneurship skill training, and access to credit facilities;
- Improvement of governance performance by organizing the informal economy workers to help promote solidarity and enable economic and social dialogue by reconciling different groups in the society;
- Use of formal and informal channels to emphasize the participation of informal economy representatives and reduce the dependence on public authorities;
- Educating informal workers on their rights and how to participate in different social and economic negotiations;
- Informal economy supporting infrastructures established at TUCTA and TFC.

Beneficiaries

The direct beneficiaries are 20 SACCOs with 2000 self-employed members and 2000 employees in the four regions of the lake region. The indirect beneficiaries will be TUCTA’s affiliated sectoral trade unions and the federation itself with an increased memberships and income from member contributions. Also, the two collaborating partners (TUCTA and TFC) will have their capacity enhanced.

Project duration and budget

Project duration: July 2009 - July 2010
Total budget: USD 66,000
Contribution from COOPAFRICA: USD 50,000

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