

CONCLUSIONS OF THE REGIONAL SEMINAR

The Bureau for Workers' Activities of the International Labour Office (ILO/ACTRAV), in collaboration with All China Federation of Trade Unions (ACFTU), organized the *"ILO regional seminar on the Role of Trade Unions in facilitating the Transition from the Informal to the Formal Economy"* at Mount Lavinia Hotel, Colombo, Sri Lanka on 3rd–5th August 2016. The regional seminar was attended by a total of 39 people from 11 Asian countries, i.e. Afghanistan, Bangladesh, Cambodia, China, India, Indonesia, Maldives, Nepal, Pakistan, Sri Lanka and the Philippines. Included are resource persons from the tripartite partners of Sri Lanka (the Ministry of Labour and Trade Union Relations (MLTUR), the Employers' Federation of Ceylon (EFC), and the National Association for Trade Union Research and Education (NATURE)), International Trade Union Confederation-Asia Pacific (ITUC-AP), International Domestic Workers' Federation (IDWF) and International Labour Organization (ILO in Bangkok, New Delhi and Moscow).

The main objective of the seminar was to advocate the participating unionists on the concepts and policy guide of ILO Recommendation No.204 on the transition from the informal to the formal economy, adopted at the International Labour Conference (ILC, 2015) and to endorse and apply it to union actions. The seminar was also aimed at (i) reviewing a Workers' Guide on Transition from the informal to the formal economy, which was drafted by ACTRAV, and getting inputs from the participants; (ii) offering them an opportunity to exchange the experience, knowledge and good practices of trade unions in facilitating the transition; and (iii) identifying key areas of union action to facilitate the transition for formality.

At the Opening Session, Mr Donglin Li, Director, ILO Colombo, warmly welcomed the participants and highlighted key policy areas, which can assist the facilitation of formality. He also mentioned that the regional seminar is supported by the ACTRAV-ACFTU South-South Cooperation Project, with an aim to promote information-sharing and solidarity building among trade unions in the Asia and the Pacific region. On behalf of ILO, he expressed his gratitude to ACFTU for financing the seminar. Mr Linus Jayatilaka, General Secretary, NATURE, who spoke on behalf of trade unions in Sri Lanka, pointed out that compliance with international labour standards, especially Convention No. 87 on Freedom of Association and Protection of the Right to Organise, 1948 and Convention No. 98 on Right to Organize and Collective Bargaining, 1949, is significant for resolving all problems in the informal economy. Workers in EPZs in Sri Lanka are organized thanks to the successful implementation of C.87 and C.98. Mr P. Haridasan, who represented ITUC-AP, stated that organizing is the most effective policy, able to facilitate the transition. An ITUC-AP organizing pilot project run in a few countries like India and Bangladesh was introduced. In her remarks, Ms SUN Yin, Director of General Office of Int'l Department, ACFTU, said the Chinese unions assume their corresponding responsibilities and obligations as a member of the international trade union movement. Since 2012, ACFTU-ACTRAV South-South cooperation has assisted trade union development in the AP region. The theme of the seminar is of great relevance against the backdrop of global economic slowdown, growing income inequality and increasing employment flexibility. Informal employment has played, to some extent, a positive role in reducing unemployment for urban areas, and alleviating dire poverty for underdeveloped areas,

as well as integrating the urban and rural areas into a unified, free-flowing labour market. The Chinese unions have made great efforts in promoting decent work for informal workers, while having played an active role in the drafting and formulation of Employment Promotion Law (2007), Labor Contract Law (2008), Social Insurance Law (2010) and Amendment of Labor Contract Law (2013). ACFTU also provided employment promotion services such as skill training and aid campaigns. Between 2003 and 2012, 15.6 million workers received skill training. The Chinese unions have promoted collective bargaining to adjust minimum wages for informal workers, and they have campaigned for extending social security schemes to informal workers. Mr S.M. Gotabaya Jayarathne, Secretary, Ministry of Labour & Trade Union Relations, addressed that the informal economy is a matter of tripartite responsibility, which requires a comprehensive approach to tackle the challenges of the informal economy. The public-private partnership as well as social dialogue need to be promoted for decent employment.

Technical session 1, which was delivered Pong-Sul Ahn, Regional Workers' Education Specialist, ILO ROAP, Bangkok and Magnus Berge, Senior Workers' Activity Specialist, ILO DWT, New Delhi, introduced ILO Recommendation No. 204, which gives a policy guide to ILO member states in the area of labour standards with a focus on C.87 and C.98, entrepreneurship development, employment, social protection, tax incentives and compliance, data collection and monitoring, and tripartite consultation for the development of a national plan of action and its implementation. R.204 recognises not only a diversity of the informal economy characterised by different countries but also national sovereignty in adopting their own policies flexibly according to national economic circumstances. The general discussion of the 2016 ILC on Decent Work in Global Supply Chains, which is relevant to the expansion of the informal economy, was also introduced to the seminar.

Technical session 2, which was presented by Sergeyus Glovackas, Senior Workers' Activity Specialist, ILO DWT, Moscow, elaborated the challenges of the informal economy in Eastern Europe and Central Asia and trade union experience in organising informal workers. The coverage of the informal economy in Eastern Europe and Central Asian countries differs from a country with below 40 per cent of the total workforce after another country with over 70 per cent. The ratification dynamics of ILO conventions, including eight core conventions, by the region is high, but law enforcement is lacking due to a weak capacity of the social partners including state institutions. The reason of informality is attributed by a high corruption index. The informal economy where the unions are most organized in Eastern Europe and Central Asia include commerce and transport in Georgia, Service and transport in Armenia, Service, Commerce, Agriculture in Azerbaijan, Commerce, Sewing, Transport, Agriculture in Kyrgyzstan, Transport, Commerce, Service, and IT in Ukraine, Commerce, Service, Transport in Moldova, and Self-employed TU in Kazakhstan.

Technical session 3, which was presented by P. Haridasan, Director of Worker Rights, ITUC-AP, was pertinent to ITUC-AP policies facilitating the transition of the informal economy: Organising and promotion of labour rights for informal workers. The expanding informal economy becomes a contributor widening inequality between the rich and the poor across the world. The informal economy spread in both developed and developing countries, which causes the internal and external

challenges to the trade union movement. Trade unions face the lack of political will and capital and human resources for organizing informal workers. Union constitutions need to be revised to accept membership from informal workers. The session helped conceptualise the participants on the nature and challenges of the informal economy and union strategies for organising informal workers.

Technical session 4 that Nalini Nayak, responsible for organizing domestic workers in Self-Employed Women Workers' Association (SEWA) and representing IDWF, discussed the challenge, success and strategies of SEWA in organising domestic workers. Globally, there are 11.2 millions of international migrant domestic workers, accounting for 73 per cent women. The IDWF affiliates 59 unions in 47 countries with a membership of over 583,585, and it plans to double its membership by 2020. In Asia, it has 12 affiliated unions with 311,587 domestic workers. According to a Socio Economic Caste Census in India, an estimate 3 million domestic workers exist in South Asia. In India, owing to continued efforts and lobbying, domestic workers are protected against anti-harassment by the Workplace Act. In Kerala state, employers contribute to the Worker's Welfare Fund of the SEWA collective. IDWF launches a campaign for the ratification of ILO C.189 on Domestic Workers.

Technical session 5 is delivered by Sandra Yu, Local Strategies for Decent Work Specialist, ILO DWT, Bangkok. Formal firms may hire workers without registering them, rendering workers informal. Such situations are easily detected in countries which have unified their registries to allow cross-comparisons between firms, social protection and worker registries. Chile uses training instead of applying sanctions on small firms and first time offenders. Seasonal workers who have jobs only during peak season, may receive incomes during lean season from welfare funds established by workers and employers in Romania to encourage workers to stay declared. Protection of outsourced relationships is carried out by means of requiring main contractors to submit proof that their subcontractors have registered their workers and provided insurance (e.g. Finland). A few countries have also identified criteria for determining the existence of an employment relationship in ambiguous roles; these criteria include direct control over the work performed and provision of tools and equipment by the buyer (e.g. Philippines, South Africa). Work of short duration (even as little as one day) can now be registered with social security in Colombia. Finally, trade unions in Latin America support each other by maintaining a database of relevant information. This database contain sample bylaws, training manuals, case studies.

Technical session 6 discussed the strategies of an ILO project in the informal economy and the policies of SARTUC for facilitating the transition for formality. Aya Matsuura, CTA, presented on "Way Out of Informality" which is funded by the ILO/Japan Multi-Bilateral Programme and implemented in India, Bangladesh and Nepal. The project aims to support the formalization of informal businesses and employment relationships and to discourage the informalization of formal economy firms and jobs in accordance with the policy guidance of ILO Recommendation No.204. The priority sectors identified under the project include small scale manufacturing linked to the automobile sector in Pune, India, construction and Hotels & Tourism sectors in Nepal and the construction sector in Bangladesh. The key areas of interventions include awareness raising and capacity building for the tripartite constituents on the transition from informality to formality and support informal

workers to access to social security schemes and skills development programmes. It also provide support to improve regulatory and policy environments and database on the informal economy issues including good practices. Laxman Basnet, General Secretary of South Asian Regional Trade Union Council (SARTUC), stressed that formalizing informality is a priority agenda of SARTUC and explained what SARTUC can do with trade unions for the implementation of R.204. The SARTUC strategies include (i) to develop a policy to address the informal economy; (ii) advocacy for union commitment to address informal economy issues at a SAARC forum to be held on 9-10 Nov. 2016 in Islamabad, Pakistan; (iii) advocacy for trade unions to mainstream ILO recommendation No.204 in their activities; (iv) to conduct training/ workshops for capacity building of its member affiliates on the informal economy; (v) to develop a joint action plan with potential alliances working on the informal economy; and (vi) to promote social dialogue at national and subregional level to bring the governments and employers on board for a common goal promoting decent work in the informal economy.

Country reports

SRI LANKA: Mr A. Wimalaweera, Senior Assistant Secretary, Foreign Relations, Ministry of Labour & Trade Union Relations, presented on “The employment in the informal economy in Sri Lanka” and shared the Government of Sri Lanka’s policies and legislation in the informal economy, which represents 59.5 per cent of total 8.4 million workforce in Sri Lanka. Approximately 80 per cent of the informal workers are engaged in agriculture. He pointed out that education plays a critical role for obtaining decent jobs, and the central and local governments have a key role to play in facilitating the transition from the informal economy. It is a question whether or not require more legislation to regulate the informal economy. There is also need to have a tripartite mechanism to tackle challenges emerging from the informal economy. The National Labour Advisory Council (NLAC) is a good social dialogue machinery which can function as a driving force for the formalisation. His presentation was commented by Mr Kanishka Weerasinghe, Director General, Employers’ Federation of Ceylon (EFC), elaborated EFC and regional chambers’ experience supporting small businesses to have access to training, information and facilities of EFC and reached out to the small businesses. He also pointed out the need for policy consistency for informal businesses. Mr. Linus Jayatilaka, General Secretary, NATURE, stated that Sri Lanka has 68 legislations and ratified 41 ILO conventions, but they are neither implemented effectively nor covering informal workers. The tripartite partners opined that the labour legislation and ratified conventions should be properly enforced and the informal enterprises given adequate support to transform their business to the formal economy. The NLAC should be used as a driving institution for facilitating the transition.

BANGLADESH: The country report was jointly presented by JSJB, BSSF and DWRN. 87.4 per cent of the total 58.1 million employed workers are in the informal economy. According to a Labour Force Survey (2013), there are 0.9 million household aid in Bangladesh and the majority are involved in domestic works. Domestic workers are excluded from the purview of the Labour Act. According to Bangladesh Institute of Labour Studies (BILS)’s surveys, between 2001 and 2015, a

total of 1,123 domestic workers have been tortured. The result of BILS's study on domestic workers' rights (2005) instigated the formation of a Domestic Workers' Rights Network (DWRN) together with 32 organisations, including the trade unions, human rights organisations and civil society organisations in December 2006. As a consequence of the DWRN's long advocacy campaign and lobbying, in December 2015, the government introduced a "Domestic Workers Protection & Welfare Policy", which guarantees the fundamental rights and benefits of domestic workers and also defines the responsibilities of the government. The DWRN campaigns for the ratification of ILO Convention No.189 on Decent Work for Domestic Workers.

INDIA: The presentation of a country report, which was made by a joint collaboration among AITUC, BMS, CITU and INTUC, focused on employment structure, policies and labour legislation in India. There are a total of 430 million workforce in India. In the near future, 70-80 million people will enter into the world of work but decent jobs are not created. 34 per cent of workforce are self-employed, and the majority are home-based workers who are paid on the basis of piece rates. Agriculture offers 50 per cent of employment in India. Rural migration is increasing, supplying more labour force to urban areas. There are several mechanisms protecting the informal economy, and the government has imposed a number of new policies over the informal economy, including skills development training with a government subsidy. The Construction Workers Welfare Act (2002), Street Vendors Act and the Unorganised Sector Social Security Act are some legislations regulating and protecting a certain group of informal workers. The presenters were concerned that the National Rural Employment Guarantee Scheme (NREGS), guided by the National Rural Employment Guarantee Act, guarantees 100 days' work or equivalent income to the 100 days' work for rural households, but the government cut the public budget for the NREGS. Trade unions are organized in both formal and informal economies, but only 13 per cent of the unions submitted annual return to the registrars in 2012. It is an exemplary case that three wheeler' drivers are well organized in Bengaluru and they run their own healthcare insurance scheme. Trade unions target to organize rural workers with the financial help of the existing unions, and have full-time organisers to unionise domestic workers, coupled with the offering of health insurance coverage for domestic workers. Domestic workers are offered reduced membership dues of 5 rupees per year, instead of 12 rupees of the annual fee for a normal union member. They also try to organize government workers on the name of 'Team Workers'. A group of trade unions excluding BMS is preparing a national strike on 2nd September against the Government's labour law reform and to demand minimum wage increase, social protection for rural workers, avoidance of contract labour, and a ban on privatization.

NEPAL: According to a joint presentation by NTUC, GEFONT and ANTUC, around 15 million people are economically active in Nepal. Among them, 3 million are employed abroad and 12 million remain in the country. The informal employment shares 95 per cent of the workforce in the primary sector, 50 per cent in the secondary sector and 70 per cent in the tertiary sector. 12 national unions formed a Joint Trade Union Coordination Council (JTUCC) as a consultative body for a common course of union actions. The Labour Act 1992 (amended in 1996) contains provisions addressing the fundamental issues of informal sectors such as Tea Plantation (Article 45), Construction (Article 46), Transport (Article 47), and Hotel and Tourism (Article 48). As a result of the campaign carried out by trade unions, a Social Security Bill and

a New Labour Act, which were drafted for better legal and social protection for informal workers in particular, were submitted to Parliament for adoption, but the declaration of those Acts has been suspended by political instability. A Transport Workers Welfare Fund is one of good showcases that the informal workers themselves created a social security scheme for their benefits. Different unions initiated different social assistance schemes. GEFONT runs a Women Social Assistance Fund, an Emergency Relief Fund, Discount services at Helping Hand Hospital, and a Solidarity Fund. ANTUC plays a vital role in providing a provident fund, gratuity and paid leave to the security guard, and it initiated to regularize the employment of the ward stewards not only at private and public sector hospitals but at the private boarding schools. NTUC provided vocational and skill enhancing training to the members and families and a non-formal education program in nine districts and formed community-based cooperatives.

PAKISTAN: Pakistan Workers' Federation (PWF) affiliates 419 enterprise unions with a membership of more than 880,000 workers. Male members account for 75.6 per cent and female members 24.4 per cent. Some successful stories of unionization in the informal economy include (i) All Pakistan Akhbar Farosh Federation (Newspapers Hawkers (delivery persons)), which secured decent work through collective bargaining. The CBA has guaranteed 40 per cent of the price of newspapers as a commission, a code of conduct, offering of bikes/ motorcycles for easy delivery, shades for the newspapers hawkers in different cities and housing colonies; (ii) Domestic Workers' Union in Punjab, of which birth is considered to be significant in the union movement. A model employment contract for domestic workers has been designed and approved by a tripartite forum. PWF is planning to expand the unionization of domestic workers to other provinces; and (iii) Agriculture Workers' Union in Sind Province, which is the first registered agriculture union in Pakistan.

Two group work exercises were conducted in the seminar. The first task was to validate an ACTRAV Workers' Guide: Transition from the informal to the formal economy (draft). The group work replied to the following questions: (i) Are the sections outlining the views of the Workers' Group ('Key points for workers' organizations') sufficiently clear?; (ii) are the examples in the Guide useful and relevant? Do they have additional examples to share?; and (iii) are the recommendations useful? Do they have additional recommendations to share?

The task of the 2nd group work was to explore union strategies for facilitating the transition in the following areas: (i) organizing; (ii) revision or enact of legal frameworks; (iii) adoption of a national employment policy; (iv) extension of social protection coverage; (v) compliance and enforcement (freedom of association and CB); (vi) social dialogue; and (v) research (data collection and monitoring, and implementation measures).

The seminar discovered that trade unions in the region have taken many initiatives in facilitating the transition at the country level and eventually made positive achievements for its process. Multiple trade unions in some countries get united to fight for the protection of informal workers. Union solidarity initiate a campaign for new legislation, extension of social protection and ratification of ILO conventions. The participants viewed that the deliberations of the seminar was very useful with rich information and knowledge sharing on union experience of facilitating the transition,

and that union unity and solidarity is fundamental for successfully facilitating the transition. They also expressed their gratitude to ACTRAV and ACFTU for holding the Seminar which gave them an avenue of learning opportunity on ILO R.204, which is a good policy guide for union activities to promote Decent Work in the Informal Economy.

Attachment 1: The programme of the seminar

Attachment 2: the list of the participants