Organizing Informal Economy Workers into Trade Unions

A trade union guide
Organizing Informal Economy Workers into Trade Unions. A trade union guide.

English edition


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Preface
The adoption of a new international instrument, the Transition from the Informal to the Formal Economy Recommendation, 2015 (Recommendation No. 204), by the International Labour Conference in June 2015 was a major step forward in recognizing the realities of the informal economy. This is particularly significant because of the decent work deficits affecting the informal economy with nearly 2.5 billion people comprising almost half of the global workforce. The Recommendation was achieved through strong tripartite consensus, thus providing the framework and guidance for transition from the informal to the formal economy.

For many years, trade unions have addressed the needs of informal economy workers and operators, but the ILO Recommendation No. 204 presents a renewed commitment to organize informal economy workers into the trade union movement.

However, trade unions face many challenges, both internal and external, in organizing workers in the informal economy. Such dilemmas and trade-offs which often pose difficulties include:

- Who to organize;
- How to organize individuals or associations;
- Constitution and representation;
- Dues structure and collection;
- Services and benefits to be offered to informal economy workers and operators; and
- How to secure a democratic culture and traditions in informal economy associations.

The aim of this document is to offer practical guidance on how to address these six institutional challenges in organizing the informal economy into trade unions. The guide relies on practical and important lessons on how to integrate the diverse group of informal economy workers and operators into the formal structures of the trade union movement. It also addresses the benefits and the challenges of organizing informal economy workers, and hereby enacts and supports the implementation of Recommendation No. 204.

The guide is published with the expectation that the shared knowledge and experience in addressing these six issues will enable the trade union movement to boost its membership base, and hence achieve a larger voice in society, while at the same time improve its influence in policy making at all levels.

The guide also aims at providing a learning platform giving readers the opportunity to take stock, understand the experiences of different models, and appreciate the prospects and consequences (including trade-offs) in organizing informal economy workers and operators within the existing structures of trade unions.

We are grateful to the authors of the guide (Jorgen Assens, Kent Jensen and Mohammed Mwamadzingo) for taking up the challenge and for their achievements.

Maria Helena André,  
Director,  
Bureau for Workers’ Activities,  
International Labour Organisation

Bente Sorgenfrey,  
President,  
Danish Trade Union Development Agency

1 Formerly known as the LO/FTF Council.
# Abbreviations and acronyms

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<th>Abbreviation</th>
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<tr>
<td>ALLWEIS</td>
<td>Alliance of Workers in the Informal Economy Sector</td>
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<td>CTA</td>
<td>Central de trabajadores de la Argentina-Autonoma</td>
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<td>CTEP</td>
<td>Confederation of Informal Economy Workers of Argentina</td>
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<tr>
<td>CUT</td>
<td>Peru Central Unitaria de Trabaladores del Peru</td>
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<td>DTDA</td>
<td>Danish Trade Union Development Agency</td>
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<td>FTUC</td>
<td>Fiji Trade Union Congress</td>
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<td>GEFONT</td>
<td>General Federation of Nepalese Trade Unions</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>ILC</td>
<td>International Labour Conference</td>
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<td>ITUC</td>
<td>International Trade Union Confederation</td>
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<td>ITUC-Africa</td>
<td>African Regional Organisation of the International Trade Union Confederation</td>
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<td>LO/FTF</td>
<td>The Danish trade unions’ Council for International Development Cooperation (renamed to DTDA)</td>
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<td>MCTU</td>
<td>Malawi Congress of Trade Unions</td>
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<td>MUFIS</td>
<td>Malawi Unions of the Informal Sector</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>NASSIT</td>
<td>National Social Security and Insurance Trust, Sierra Leone</td>
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<tr>
<td>NOTU</td>
<td>National Organisation of Trade Unions, Uganda</td>
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<td>SLLC</td>
<td>Sierra Leone Labour Congress</td>
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<td>TUC (Ghana)</td>
<td>Trades Union Congress, Ghana</td>
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<tr>
<td>TUCP</td>
<td>Trade Union Congress of the Philippines</td>
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<tr>
<td>TUICO</td>
<td>Tanzania Union of Industrial and Commercial Workers</td>
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<tr>
<td>UNIWA</td>
<td>Union of Informal Workers Associations of TUC Ghana</td>
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<td>UNSTB</td>
<td>Union Nationale des Syndicats des Travailleurs du Bénin (National trade union centre, Benin)</td>
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<td>WIEGO</td>
<td>Women in Informal Employment - Globalizing and Organizing</td>
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<td>ZCIEA</td>
<td>Zimbabwe Chamber of Informal Economy Associations</td>
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<tr>
<td>ZCTU</td>
<td>Zambia Congress of Trade Unions</td>
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<td>ZCTU</td>
<td>Zimbabwe Congress of Trade Unions</td>
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Acknowledgements

Trade unions all over the world are increasingly aware of the growing importance of the informal economy and see it as a potential source of new membership to shore up their political influence and numerical strength. However, it is important to realize that there are fundamental differences and constraints between informal and formal economy workers. At the same time, the institutional mechanisms and objectives of trade unions do not always allow them simply to extend their traditional activities to cover informal economy issues.

Trade unions are in an ideal position to form strategic alliances with the informal economy. Over the years, trade unions have provided capacity-building and other types of support to informal economy organizations. They also engage in dialogue with policy makers, for example, to ensure that they clearly articulate the needs of informal economy workers while at the same time do not undermine the legitimately acquired rights of formal sector workers. This alliance also gives trade unions a potentially greater voice in social and economic decision-making.

However, experiences across the globe show that trade unions face many challenges in organizing the informal workforce, irrespective of the sector or country. These challenges may arise from the poor conceptual understanding of how the informal economy operates. At the same time, there may be political difficulties both within and external to the trade unions. Based on this realization, we wanted to develop a practical guide on how trade unions can relate with the informal economy. The guide has identified the six most important hurdles encountered in integrating the informal economy into the trade union movement.

The guide is a collaborative effort between the Bureau for Workers’ Activities of the ILO (ACTRAV) and the Danish Trade Union Development Agency (DTDA). The idea of the guide was endorsed by participants who attended a two-day global workshop on “organizing workers in the informal economy into the trade union movement” held in Arusha (Tanzania) on 23 and 24 October 2017. The workshop brought together nearly 40 participants from Argentina (CTA-A), Benin (UNSTB), Bolivia (COB), Fiji (FTUC), Ghana (TUC), India (HMS), Malawi (MCTU), Uganda (NOTU), Sierra Leone (SLLC), Tanzania (TUCTA, TUICO, and CHODAWU), Peru (CUT), Philippines (ALLWIES), Zambia (ZCTU), and Zimbabwe (ZCTU). Sub-regional and regional trade union organizations (EATUC and ITUC Africa) also took part in the workshop. We also appreciate the invaluable information collected from the following informal economy associations: UNIWA (Ghana), MUFIS (Malawi), Marketers Union (Uganda), AVEMA (Zambia), and ZCIEA (Zimbabwe).

This guide has also greatly benefited from suggestions obtained at the peer review and validation workshop held in Accra, Ghana on 21 and 22 May 2018. The workshop was composed of selected peers involved at the Arusha global workshop. The last step was the testing of the guide at a regional training programme organized by the International Training Centre of the ILO in Harare in October 2018. We are greatly indebted to all participants and peer reviewers who read the earlier versions.

Our intention is that this guide will improve the technical knowledge and skills of union leaders, educators, organizers and representatives of organizations of informal economy workers on the need for formalizing the informal economy. The guide will also offer general readers the opportunity to analyse various approaches, tested tools, best practices and the ILO Recommendation No. 204 concerning the transition from the informal to the formal economy.

We wish to acknowledge the encouragement and support received from Maria Helena Andre, Mads Bugge Madsen, Lene Olsen, Hilda Sanchez, David Dorkenoo, Inviolata Chinyangarara, Mban Kabu, and Louise Kronborg.

Mohammed Mwamadzingo,

Jørgen Assens,
Head of the Programme Department, Danish Trade Union Development Agency, Copenhagen.

Kent Jensen,
Programme Consultant, Danish Trade Union Development Agency, Copenhagen.

February 2019
“Over the years we’ve seen a growing consensus between governments, workers and employers that the right thing to do is to move people from an informal to a formal employment situation. We know it is not easy, we know that these processes are complicated and take time, but the great value of this Recommendation is that we now have an international framework of guidance to help member States bring this about,”

ILO Director-General Guy Ryder.  
12 June 2015.
Evidence has shown that a growing segment of the labour force in many developing countries will be engaged in the informal economy for many years to come. In countries in Africa, Asia and the Pacific, Latin America and the Caribbean, the informal economy accounts for more than half of total employment. This expansion of the informal economy brings with it new challenges to the tripartite partners of the ILO: governments, employers’ organizations, and trade unions.

The growth of the informal economy poses exceptional challenges to the strength of trade unions requiring them to alter their internal structures, review their allocation of resources and develop new strategies in order to organize the un-organized, represent the interests of all workers, and establish coalitions with groups that share common social interests.

Since the discussions at the International Symposium on Trade Unions and the Informal Sector (Geneva 18-22 October 1999), deliberate efforts have been made to develop comprehensive and coordinated strategies to meet the challenges posed by the growth of the informal economy. The trade union movement has continuously recognized and supported the need to reach out to these workers. In the last three decades or so, many national trade union centres in the developing world have re-examined and reformed their perceptions and policies concerning the informal economy. There has been a great deal of creativity in demonstrating how to build bridges between the formal trade union movement and workers in the informal economy.

Organizing informal economy workers .... goes to the root of renewing the trade union movement through expanding membership coverage, increasing union density among all workers in order to make unions more representative; strengthening the collective voice of workers and their bargaining rights and ability to influence social and economic policies and measures in the interests of the people; and also achieving wider and better organization that allows trade unions to provide avenues for self-assistance and mutual benefit societies among workers.

Kwasi Adu-Amankwah,
General Secretary, ITUC Africa
(see LO/FTF Council and ITUC-Africa 2015)

This growing awareness among trade unions about the need to move out of informality to promote inclusive growth and to achieve decent work for all led to the adoption of a new international instrument, the Transition from the Informal to the Formal Economy Recommendation, 2015 (Recommendation No. 204), by the International Labour Conference in June 2015. Similarly, the concern received the full support of policy-makers and employers’ organizations worldwide.
OPPORTUNITIES PROVIDED BY ILO RECOMMENDATION No. 204

• Trade unions believe that implementation of the Recommendation No. 204 can change the living and working conditions of millions of people in Africa, Latin America and Asia-Pacific regions and boost the economic and social development of the continent.

• Recommendation No. 204 is a unique instrument developed by ILO to provide guidance to countries on ways of understanding and delivering a transition from the informal to the formal economy.

• The purpose of transitioning from the informal to the formal economy is to increase worker's welfare and reduce decent work deficits, reduce unfair competition between enterprises, protect and expand public revenues in order to build national social protection schemes.

• We should take advantage of Recommendation No. 204 to effectively boost the voice of trade unions while at the same time ensure that the welfare of informal economy workers is enhanced through a genuine and effective social dialogue.

Maria Helena André,
Director, ILO Bureau for Workers’ Activities,
23 October 2017

The adoption of the Recommendation was a major step forward in recognizing the realities of the informal economy and, in particular, the decent work deficits for nearly 2.5 billion people, comprising almost half of the world’s working population.

For many years, trade unions have been addressing the needs of informal economy workers and operators, but the Recommendation has brought renewed commitment to organize informal economy workers into the trade union movement.
VII. Freedom of association, social dialogue and role of employers’ and workers’ organizations

31. Members should ensure that those in the informal economy enjoy freedom of association and the right to collective bargaining, including the right to establish and, subject to the rules of the organization concerned, to join organizations, federations and confederations of their own choosing.

32. Members should create an enabling environment for employers and workers to exercise their right to organize and to bargain collectively and to participate in social dialogue in the transition to the formal economy.

33. Employers’ and workers’ organizations should, where appropriate, extend membership and services to workers and economic units in the informal economy.

34. In designing, implementing and evaluating policies and programmes of relevance to the informal economy, including its formalization, Members should consult with and promote active participation of the most representative employers’ and workers’ organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

35. Members and employers’ and workers’ organizations may seek the assistance of the International Labour Office to strengthen the capacity of the representative employers’ and workers’ organizations and, where they exist, representative organizations of those in the informal economy, to assist workers and economic units in the informal economy, with a view to facilitating the transition to the formal economy.

Source: ILO Recommendation No. 204
II - Organizing the informal economy

The ILO Recommendation No. 204 is grounded in a rights-based approach. Fundamental principles and rights at work concerned all workers and were a key element in the transition to the formal economy. Immediate action was required to respect and ensure those rights.

Plamen Dimitrov,
Workers Member, Bulgaria.
1 June 2015.
For trade unions, organizing the informal economy is both a challenge and an opportunity. It is a challenge because of the fundamental differences and constraints between informal and formal economy workers. Moreover, the organization and objectives of trade unions do not permit a simple extension of their traditional activities to cover informal economy issues.

On the other hand, it is an opportunity because the informal economy may provide the motivation of renewing the trade union movement through expanding membership and collective bargaining coverage in order to protect labour rights, strengthen the collective voice of workers and influence social and economic policies. Against this background, the trade union movement in general are committed to promoting workers’ rights in the informal economy, ensuring the improvement of their working conditions and enabling them to play a decisive role in the economic and social development process of their respective countries.

WHY ORGANIZE INFORMAL ECONOMY WORKERS INTO TRADE UNIONS

• The poorest segments of the working people, especially workers in the informal economy, are the most vulnerable and least able to make their voices heard by policymakers, governments, employers, international agencies and others.

• Informal economy workers need to organize to build their confidence and power to collective action, to gain recognition, and for effective voice and representation in their endeavour for formalization of their work.

• It is important to develop democratic, representative membership-based organizations able to influence changes of the hostile economic, policy and legal environment in which they work.

• Organizing into the formal trade union structures provide informal economy workers and their associations access to a long-standing and hard-fought tradition of building democratic, representative membership-based organizations.

• Organizing into trade unions provides access to representation by the already-recognized voice of labour at all levels.

• Organizing informal economy workers into trade unions allow for building a strong and united voice of labour.

Trade unions all over the world have embarked on organizing workers in the informal economy, and have learnt important lessons on how to integrate the diverse group of informal economy workers and operators into the formal structures of the national and international trade union movement. Revising internal organizational structures is an important pre-condition before formalizing the informal economy.

Various approaches have been developed to secure democratic representation through affiliation or association of individual operators or informal economy associations to the trade union movement, provision of relevant and practical member services, advocacy on specific demands, organizational development, and collective representation vis-a-vis national and local authorities.
ORGANIZING INFORMAL ECONOMY WORKERS INTO TRADE UNIONS – A TRADE UNION GUIDE
However, trade unions often have difficulty interacting with the informal economy. Trade unions face many obstacles, both internal and external, in their quest to organize workers in the informal economy. The following dilemmas and trade-offs often pose problems to trade unions:

- Who to organize in the informal economy (including own-account workers, employees and/or apprentices);
- How to organize individuals operating in the informal economy or informal economy associations (affiliating to or associating with the trade union movement);
- Constitution and representation of the informal economy operators (how to secure democratic representation and at the same time maintain the role of trade unions as a social partner in the formal sectors);
- Membership dues, structure and collection of membership dues (how dues and services can be differentiated);
- Services and benefits to be offered to informal economy workers and operators (existing trade union services such as legal assistance, awareness creation, workers’ education, skills training, new business services such as skills development, protection of labour and civic rights);
- Ensuring a democratic culture and traditions in informal economy associations.

The informal economy refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements. Such activities may occur outside the formal reach of the law, where the law is not effectively enforced or where, by its very nature, it makes compliance difficult. Workers and economic units in the informal economy are highly diverse, including wage workers, employers, own-account workers and contributing family workers; small and micro-enterprise owners/employers as well as larger enterprises; and unrecognized employment relationships and undeclared work. Informal jobs exist in both public and private spheres, and include work undertaken in formal sector enterprises, informal sector enterprises and in private homes (mainly domestic workers).

* This definition comes from ILO Recommendation No.204. The term excludes illicit activities, such as the production of drugs and firearms, human trafficking and money laundering. A statistical definition of the informal sector was included in a resolution adopted by the 15th International Conference of Labour Statisticians (ICLS) in 1993. Additional guidelines adopted by the 17th ICLS in 2003 set out a broader conceptual framework for the measurement of informal employment (see pp.12-15 of the report).
III - Guidelines on organizing informal economy workers in the trade unions
(a) Who to organize

In seeking to organize the larger and often highly diversified group of informal economy workers and operators, one of the first challenges for trade unions is to agree on what the target group is, in other words, who to organize?

The term “informal economy” accommodates considerable diversity in terms of workers, enterprises and entrepreneurs with identifiable characteristics. They experience specific disadvantages and problems that vary in intensity across national, rural, and urban contexts.2

The scope of informal economy activities is wide. To name, but a few, these include trading, restaurants, food processing, clothing, metal fabrication and repairs, wood processing, handicrafts, construction, garages, repair services, and transport. These activities exist also in the formal economy. Women constitute a large part of informal economy operators and often face long working hours, constant threats of dismissals and sexual harassment.

The International Symposium on “Trade Unions and the Informal Sector” organized by the ILO in 1999 identified three main categories of the workforce in the informal economy as:

- Owner employers who employ a few workers and apprentices. While they generally do not constitute a target group for trade union organizing, they do however represent either a potential direct negotiating partner or are indirectly involved in an employment relationship with many of the informal economy that the trade unions might attempt to represent.

- Own account workers are usually self-employed, work alone or with unpaid employees who are generally family members and apprentices. Their activities are hindered by lack of credit, skills for conducting their business, credit for investments, raw materials and access to amenities like water, electricity etc. Included in this group are street vendors, many of them women. Vendors are the most visible segment of informal economy workers and their roles as suppliers of a wide range of goods and services to low and middle-income families are significant.

- Dependant workers are paid workers who work in micro-enterprises under harsh, unsafe and unhealthy conditions and usually do not have access to the benefits enjoyed by their counterparts in the formal sector. Included in this group are unpaid workers who are in most cases family members and apprentices. Their activities are not recorded in statistics because of the nature of their work, which is often based on tradition and customs.

In a bid to boost ties with informal economy workers, trade unions are highly encouraged to approach the easier categories of workers to organize, or the ‘lowest hanging fruits’. Good examples exist in Fiji and Peru, where one strategy focuses on addressing the decent work deficits of former formal workers. These workers, for a variety of reasons, have gravitated to the informal economy, but they are easy to organize as they still associate themselves with trade unions. This approach provides trade union organizations with a highly focused category of informal economy workers who can extend their reach to a large majority of other self-employed operators, apprentices, and home-workers.

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2 The term “informal economy” is preferable to “informal sector” because the workers and enterprises in question do not fall within any one sector of economic activity, but cut across many sectors.
The case of Nepal provides another example of how to reach out to the entire informal economy. The General Federation of Nepalese Trade Unions (GEFONT) and its affiliates have divided the informal economy workers into three groups: 1) Self-employed, 2) Individual wage earners including home workers, and 3) Small enterprises (for example in the transport and construction sector). The group of self-employed and individual wage earners have organized themselves into sector-based informal-economy unions. However, there are situations when individual wage earners view themselves as employers, in which case trade unions encourage them to join employers’ associations.

There are many cases around the globe where sectoral unions target informal economy workers within their own sectors to join trade unions. One notable example is the case of the Tanzania Union of Commercial and Industrial Workers (TUICO) where individual wage earners, self-employed operators and micro or small-scale entrepreneurs opt to register directly as members within the existing union structures. Similar approaches are also evident in Peru.

In such situations, many existing sectoral unions have put much effort into addressing the concerns and challenges of informal economy workers within the different sectors. Much work still remains in this regard, especially on how to reach out to the large groups of young people in informal apprenticeships, workers in micro-enterprises and small-scale traders.

The most prevalent organizing strategy involves situations where national trade union centres have opted to expand their outreach by accommodating groups of workers and operators through affiliating or associating existing informal economy associations. In these cases, the decision of who to organize remains with the individual sector unions or informal economy.

In Ghana, the Ghana Private Road Transport Union (GPRTU) accepts all workers and operators in the transport sector as members. This organizing strategy has also exposed the union to internal conflicts between workers and operators on the one hand, and vehicle owners on the
other. Whilst the GPRTU is committed to promoting and defending labour rights, and promoting
decent work and a decent living for all, it also needs to meet additional expectations, including
the need to develop business opportunities and assist members to get access to loans and basic
business skills.

However, in **Uganda**, the **Amalgamated Transport and General Workers’ Union (ATGWU)**
has taken a different approach. It does not allow informal economy workers and operators
into the union, but instead has a memorandum of understanding with different informal economy
associations within the transport sector. In a way, the ATGWU has opted to keep the informal
economy workers and operators at arms-length of the formal union structures.

### WHO TO ORGANIZE: LESSONS LEARNT

National trade union centres and sector unions have endeavoured to improve
the working and living conditions of large groups of workers and operators in the
informal economy. In return, due to the dire working and living conditions, informal
economy workers and associations have a strong interest in belonging to the
trade union movement, either as direct members or through their associations.

Irrespective of how the decision on who is to be organized is reached, accommodat-
ing a mixed membership of formal and informal workers and operators in
trade unions will always present a challenge. In such circumstances, as trade
unions promote and defend labour rights, decent work and decent living for all,
they are also expected to venture into new areas of work needed by the informal
economy operators, such as development of business opportunities and access
to credit facilities and basic business skills.

Moreover, efforts in organizing the informal economy have the potential of intro-
ducing fundamental conflicts within trade unions.

Trade unions are encouraged to discuss the question of who to organize. It is
important to define precisely the most relevant target groups (including gender
and sectoral approaches). Moreover, trade union leadership should discuss how
to prevent and contain the potential internal conflicts brought about by bringing
into the trade union organizations a diverse group of informal economy opera-
tors, with their wide-ranging expectations and entrepreneurial needs.

Former formal workers constitute an easy target group as they are already aware
or the benefits of belonging to a trade union and the need to stand together. This
means it is encouraged to retain former union members, even if they are now
operating in the informal economy (as regular or associate members of the trade
union).

Trade union leadership should discuss how to prevent the potential internal
conflicts brought about by bringing into the trade union organizations a diverse
group of informal economy workers and operators.

It is also emerging that some individual entrepreneurs and groups of small-scale
employers may find their interests better accommodated by employers’ associ-
ations.
(b) How to organize

There are many approaches on how trade unions organize workers in the informal economy into the trade union movement. The most common approaches used by the trade unions are:

- Organize individual informal economy workers or operators into sector trade unions;
- Associate or affiliate informal economy associations to the existing sector trade unions;
- Recognize informal economy associations as trade unions and affiliate them to the national centre; and
- Associate groups of informal economy operators as cooperatives.

In Tanzania, TUICO organizes individual workers from the informal economy into the union, and provides equal rights for all dues-paying members.

In Sierra Leone, the Sierra Leone Labour Congress (SLLC) organizes the association of informal economy into the trade union movement. The SLLC helps informal economy operators first to register as trade unions under the labour laws of Sierra Leone and then affiliate with the Sierra Leone Labour Congress.

In Ghana, the Trades Union Congress (TUC) has created a special union called the Union of Informal Workers Association (UNIWA). UNIWA has a mandate to organize different informal economy workers association into its fold. By the end of 2017, UNIWA had organized 17 different informal workers association. Hence, UNIWA has become an umbrella organization and a unifying voice for all informal economy workers and operators. It has an observer-status at TUC congresses, and the General Council and Steering Committee of TUC.

Similarly, in Zambia, the Zambian Congress of Trade Unions (ZCTU) has created a nation-wide umbrella association for informal economy association called the Zambia Informal Economy Association (AZIEA) and Association of Vendors and Marketers in Zambia (AVEMA) which are associate members of the Zambia Congress of Trade Unions.

In Zimbabwe, the Zimbabwe Congress of Trade Unions organizes the informal economy workers and operators through its associate affiliate, the Zimbabwe Chamber of Informal Economy Association (ZCIEA).

When it comes to organizing informal economy workers through sector trade unions, Nepal and Uganda are vivid examples. In Nepal, GEFONT, the national trade union centre in Nepal takes a sector-based approach. Here, GEFONT organizes workers sector by sector without discriminating between the formal and informal economy, or between self-employed or employed workers. All affiliates have equal rights. As such, the dues are also the same for all affiliates irrespective of whether they work in the formal or informal economy. This system is different from the first two approaches where the trade unions target individual informal economy workers and the association of existing informal economy workers.

In Uganda, the Amalgamated Transport and General Workers’ Union (ATGWU) has developed series of memoranda of understanding with informal economy associations within the transport sector in the informal economy. Hence, they organize workers through sector unions.

The last approach is the process whereby informal economy workers or associations decide to form cooperatives to champion their own interests. In Benin, the Union Nationale des Syndicats des Travailleurs du Bénin (UNSTB) has been actively organizing and supporting professional associations of tailors, hairdressers and caterers to form and develop cooperatives. Through these cooperatives, they are able to support each other and also produce and sell to large clients.
From the examples above, we have outlined the different approaches in organizing workers in the informal economy into the trade union movement. More information on the approach used in each country is given in the case studies in this document.

**HOW TO ORGANIZE: LESSONS LEARNT**

Organizing individual informal economy workers into sector trade unions is an audacious task and can be time consuming. It also requires members from the formal economy to accept the fact that they may be required to pay higher level of dues than their counterparts in informal employment do.

The most commonly method used involves associating or affiliating existing informal economy associations into the trade unions.

Trade unions need to be careful in setting up the right expectations in relation to the different groups within the informal economy. They need to be aware of the different trade-offs and balances between the capacity to represent and provide services and benefits – and members’ active participation in activities, and payment of dues. The ability to meet high expectations from newly organized members is pivotal in retaining members.

Effective organizing depends on the trade unions’ ability to highlight the benefits for informal economy members.
(c) Constitution

Trade unions are democratic organizations governed by the tenets of their constitution. The constitution of the trade union defines the aim and objectives of the organization. The constitution defines the distribution of power between the members of an organization, their elected bodies and the office holders. Furthermore, the constitution guarantees effective democratic participation within the trade union movement. Thus, the union’s constitution outlines the processes of electing or appointing people into leadership. Normally, in addition to the constitutions, there are policies introduced by union conferences or congresses which set more specific targets, for example committing a union to allocate a certain level of resources for organization and recruitment, or to target particular companies or organizations.

Therefore, the constitutions of many existing national trade union centres are tailored towards formal sector workers. Trade union centres that want to organize informal economy workers and operators would have to make changes to their constitutions to accommodate them. Modifications to trade union constitutions are needed to ensure effective participation of informal economy workers or operators. If this is not done before they are brought in, the informal economy workers and operators could feel isolated or marginalized, thereby defeating the purpose of organizing the informal economy workers into the trade union movement.

The guiding principle should be how to effectively bring about changes in the constitution of the trade unions to attract informal economy workers. Hence, the constitution should be constructed to secure fair and representative organization for both formal and informal economy workers and operators. The challenge is to balance the dues (often very little) paid by informal economy workers with the level of representation.

In Ghana, the Trades Union Congress (TUC) Ghana has revised its constitution to accommodate the Union of Informal Economy Association (UNIWA) as an associate member of the TUC. The constitution of the TUC provides UNIWA with a fixed number of observers during the TUC congresses, General Council and the Steering Committee. In other words, the constitution of the TUC has made provisions on how to incorporate the informal economy amongst its ranks.

5. SPECIAL PROVISIONS FOR UNION OF INFORMAL ECONOMY ASSOCIATIONS OF TUC (UNIWA OF TUC)

(i) The UNIWA of TUC, having been promoted by the TUC as a platform for organizing, coordinating and servicing associate members in the informal economy, shall represent the collective interest of all associate members without undermining their individual autonomy; And to that extent, each associate member of the TUC operating in the informal economy shall remain a bona fide associate member of the TUC except that representation on the governing structures of the TUC shall be through UNIWA of TUC.

(ii) Article 5(5) (1) notwithstanding any workers association seeking to be a member of UNIWA of TUC shall first seek membership as an associate member of the TUC in accordance with the requirements of this Constitution and Internal Regulations.

Ghana TUC Constitution (2016)
In Uganda, the new constitution of the National Organisation of Trade Unions (NOTU) has adopted a new differentiated voting system for the informal economy members, with a proportional representation according to numbers of paid-up members. The new formula is:

- 1 – 500 members = 5 delegates
- 501 – 5000 members = 7 delegates
- 5001 – 10,000 members = 9 delegates
- Over 10,000 = 1 additional delegate for every 5,000 members.

The NOTU constitution also allocates some seats for informal economy representation on its Executive Board, and another two seats in the General Council.

With regard to the Sierra Leone Labour Congress (SLLC), the national centre decided to allocate one delegate per 3,000 members from the informal economy while one delegate each per 1000 members is allocated to formal sector trade unions at the congresses of the SLLC. Furthermore, this allocation only applies to paid-up members in both the formal and informal economy workers.

In the case of GEFONT in Nepal, since both formal and informal economy workers and operators pay the same level of dues, the union does not differentiate the representation structure. Representation is equal and fair to all affiliated unions in both the formal and informal economy.

**CONSTITUTION: LESSON LEARNED**

Trade unions desiring to organize informal economy workers into their fold must endeavour to sort out issues of representation and participation of informal economy workers in existing structures and bodies of the trade unions.

Review of union constitutions should seek a balance between representation, voting rights and membership dues.

**(d) Dues structures and collection**

Trade unions are membership-based organizations and get most of their income from membership dues. Workers contribute monthly dues to the union that represents their interests. This means that the sustainability of any trade union relies on robust membership dues and effective collection structures to be able to continue to service and provide benefits to attract and retain its members.

However, by wishing to engage with the informal economy, trade unions are faced with the need to compromise on payment of membership dues. This is largely due to the low financial returns and low understanding amongst informal economy workers about the correlation between membership dues and benefits received when belonging to the trade union movement.

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3 The new constitution will be promulgated by the NOTU Congress to be held in Kampala, 12-14 December 2018.
In many instances, trade unions are obliged to adopt compensatory measures that will ensure they subsidize membership fees from informal economy members, at least in the short-term. There are four main approaches to how this can be done:

(i) equal dues with equal rights,
(ii) reduced dues with equal rights,
(iii) reduced dues with reduced rights, and
(iv) minimal service fee.

The “equal dues with equal rights” approach is adopted in Argentina, Fiji, Nepal and Peru. In this case, trade unions collect the same fixed amount or percentage of dues from both formal and informal economy members. Both categories of members have equal rights in the union. However, due to often limited and constantly fluctuating incomes, this approach brings with it inefficient and erratic collection of dues from informal economy workers. All the same, the experience from Nepal shows that when informal economy workers receive practical and everyday benefits for their contributions they are also motivated to pay their dues to the local union committee especially when collected daily.

The “reduced dues with equal rights” approach is aimed at attracting new members from the informal economy by charging reduced membership dues (either fixed amounts or percentages) while they retain equal rights and benefits. Examples from Tanzania and Uganda show that informal economy membership dues can be up to seven times less than those paid by formal wage earners.

This approach is premised on strong worker solidarity across the formal-informal union divide. It demonstrates the acceptance of financial cross-subsidization by the stronger formal sector unions. Some trade unions have realized that the future political leverage of the trade union movement relies on the numerical strength of informal economy workers – regardless of the cost of membership.

The “reduced dues with reduced rights” approach seeks to balance a reduced level of membership dues with equally reduced rights and benefits. The case of Sierra Leone shows that the informal economy unions only pay a fixed fee to the national centre per 100 members. However, informal economy members have reduced representation at the national Congress.

In Uganda, the reduced dues payment is counter-balanced with reduced representation at the Congress and within other constitutional bodies, such as the National Governing Council and Management Board. The “minimal service fee” approach only charges a minimal “service fee” to each informal economy association. This normally means that the association is only associated to the national centre and not seen as a fully-fledged affiliate.

The constitution of TUC-Ghana, permits the umbrella body for informal economy associations UNIWA to remit only 15% of dues collected from its associate organizations. In turn, each member-association of UNIWA pays USD 10 annually to the umbrella body.
The ‘reduced dues’ and ‘minimal service fee’ approaches have the advantage of providing informal economy associations or individual members unions with a realistic chance of paying their subscription dues and receive some services and benefits. In return, they trade-off with reduced democratic influence and representation.

### DUES STRUCTURES AND COLLECTION: LESSONS LEARNT

Subscription fees provide sustainable chances for unions to manage their internal affairs without undue external influence. Coupled with robust methods of collecting the dues, the unions will be able to provide services and benefits to the membership. The admission of informal economy workers into trade unions may require further consideration on the level and structure of membership dues. In return, the increased membership will bring with it bolstered numbers and further political influence. All the same, there is the need for honest and frank discussions and the establishment of checks-and-balances within trade unions to ensure the beneficial effect of solidarity and subsidization of dues between and within the informal economy workers and organizations by formal sector unions.

At the same time, the reduced representation and influence in the trade union structure does not actually discourage informal economy workers and associations from taking responsibility for the political and organizational development.

### (e) Services and benefits offered to informal economy workers and operators

The main purpose of establishing a trade union organization is to bring workers together, with the principle aim of defending and protecting labour rights and interests. The effectiveness of trade union organizing depends on its ability to recruit and retain members to achieve its goals. In this regard, unions will be able to recruit and retain members if they clearly show the benefits of membership.

While organizing in the informal economy is an opportunity for trade unions to gain substantial numerical strength, it comes with increased expectations and a greater ability to represent and deliver the benefits and services expected from informal economy members. Provision of services and benefits are therefore important for trade unions to consider when recruiting new members from the informal economy. Once organized, it is important to prioritize building the trade unions’ ability to deliver practical and affordable services and provide them with representation and a collective voice.

The main services offered by trade unions to its informal economy members include activities relating to negotiation and representation including collective bargaining, training and education, representation (at enterprise, national and international levels), counselling, and generic advisory roles. On the other hand, benefits include all non-statutory, non-wage incentives provided by trade unions outside traditional collective agreements.
The case studies of Argentina, Malawi, Peru and Zambia show that trade unions are successful at listening to concerns and daily challenges of informal economy workers. In many cases, trade unions have been able to satisfy the needs of informal economy workers by providing a strong and collective voice and assistance on traditional core competencies such as representation, negotiation or mediation. There are situations where trade unions have entered into dialogue and agree with the local community, municipal administrations and authorities (such as police and tax collectors) on diverse issues including market space, fair taxation, sanitation facilities, and improved relations with traffic police.

Informal economy workers have also benefited from trade union representation in lobbying for the extension of national labour law, social security, occupational health and safety, vocational training and education, fair taxation, and trade initiatives. The case studies from Ghana and Zimbabwe depict how trade unions have led high-profile delegations to national tripartite boards on matters related to the informal economy. This includes extensions of social protection and health insurance schemes to the informal economy.

Trade unions have enhanced the capacity of informal economy associations and of its membership. This has mostly taken the form of providing training and information to informal economy associations on basic principles and democratic structures as well as training leaders and staff on organizational management and other issues such as labour rights, occupational health and safety, gender equality, and national labour legislation.

Some of the innovative services provided by trade unions include professional entrepreneurial training. The case of Benin shows how UNSTB has been able to shift from working primarily under a ‘wage-earner culture’ towards prioritizing the social economy and providing technical support to cooperatives and own-account workers or economic units. UNSTB pursues a dual strategy of providing on the one hand core trade union and labour rights training, and on the other hand entrepreneurial, vocational and business skills (either generic or customized). This has had the effect of strengthening its members’ income, increased productivity and an equitable social
economy. In some instances, UNSTB has solicited the support of external partners (for example, microcredit providers and professional training institutions) because they do not have the expertise themselves.

Other examples from Argentina, Malawi and the Philippines confirm that national trade union centres promote the social economy through cooperative business development, savings and credit accounts for union members and workers funds. In addition to this, the formation of welfare and solidarity funds provide benefits to members in case of accidents, funerals or other social incidents.

Another service offered to informal economy associations and workers is access to trade union networks and alliances. For example, through the ILO, the International Trade Union Confederation (ITUC) has negotiated with employers and governments on behalf of informal economy members (for example during the two-year discussion at the International Labour Conference in Geneva leading to the adoption of ILO Recommendation No. 204). This type of network is normally out of reach to most informal economy workers.

SERVICES AND BENEFITS: LESSONS LEARNT

Workers from the informal economy have high expectations when they engage with trade unions. These expectations need to be moderated while at the same time give the necessary priority to building the union’s ability to provide services and benefits of importance to informal workers.

Informal economy workers need of a strong collective voice and assistance on traditional core competencies of trade unions, on such issues as representation, negotiation or mediation in their dealing with the local administrations and authorities (including police and tax revenue collectors, allocation of market space, fair taxation, sanitation facilities, etc). These services can be referred to as ‘low hanging fruits’ because trade unions may only require to broaden their scope of representation and bargaining to enter into some common understanding with local authorities. The use of the existing in-house capacities and competencies (for example the use of union negotiators and paralegal training) can help in meeting the needs of the informal economy.

One of the top services needed by the informal economy is access to financial services, micro-credits, and business and entrepreneurial training. Trade unions may need to go beyond their in-house capacity to provide some of these services. It is important to build a network of external resources and organizations such as vocational training centres, and banking and financial institutions.

In addition to the traditional efforts of collective bargaining for better work conditions and wages and work contracts, trade unions can be engaged in the facilitation of worker-friendly financial products, which can benefit the union as well as workers. By expanding their responsibilities and goals to the financial inclusion of workers, trade unions can achieve greater visibility in society, renew interest in the trade union movement, and achieve greater union membership. Potentially, large numbers of financially excluded, non-unionized workers could be attracted to trade unions because they can facilitate access to workers that might be denied access by commercial banks or would be dependent on over-priced financial products from non-union affiliated financial institutions.
(f) Democratic structures and culture

The culture of democracy is a precondition for society to recognize trade unions as legitimate representatives of workers. At the same time, trade unions are more effective in membership recruitment and organizing if run democratically. This is because democracy makes leadership more responsive to the preferences of members. Unions have also succeeded in their organizing campaigns by focusing on developing a culture of organizing that permeates everything the union does. This includes a serious commitment of staff and financial resources to organizing at all levels. Organizing costs money—for organizers, transport, accommodation, and communications.

However, the culture of democracy for organizing may vary greatly between unions and the informal economy operators and workers. The changes may reflect social relations and work organization at the point of production, the values and attitudes of the officials and activists involved, and the strategic value of the bargaining unit to the union.

The main tenets of a union’s democratic culture are a democratic constitution, rules and regulations, regular, free and fair elections, regular meetings, and equal gender representation—from workplaces to sector unions and national centres. Therefore, it is not clear if accepting large numbers of informal economy workers and operators into the trade union movement would maintain this culture.

Training of local leadership, shop stewards, and organizers is the backbone of trade unions. This service can be extended to the informal economy as a way of introducing the democratic culture.

The case studies from Ghana, Sierra Leone and Zimbabwe illustrate the fact that adherence to basic democratic principles is a precondition for any union or association to become an affiliate of the national trade union centre. No single individual can own a trade union. In addition, personal rule is not tolerated in trade unions.

Another cultural development in the trade union was the realization that the labour force is now more evenly balanced between men and women. This has led to the need for all organizing campaigns to put in place a policy to promote gender equality by educating both men and women, through the appointment to positions of leadership and striving for at least 30% female representation in every activity. The composition of informal economy operators may challenge this notion.

Trade unions have come to adopt modern ways of keeping their members informed about the ever-changing challenges in the labour market and society. For example, with the increasing costs of producing magazines, newspapers or newsletters, most trade unions have opted for online communication and the occasional use of radio-slots depending on resources and funds available. For example, today, we can see examples in Kenya where the unions have provided the national labour laws in a smartphone application. Trade unions are increasingly using social media like WhatsApp groups, Instagram and Facebook to spread information, update and follow-up on meetings and discussions.

The increasing use of smartphones in even the poorest countries followed by the mushrooming of social media and different apps are presenting new opportunities for trade unions to keep members updated and provide a means for two-way dialogue with members on a wide range of issues. It is a strong instrument for internal feedback communication between trade union leaders from national centres and affiliated unions to strengthen solidarity and collectivism, including with informal economy workers.
DEMOCRATIC STRUCTURE AND CULTURE: LESSONS LEARNT

Face-to-face training still is the main vehicle to uphold a democratic trade union culture – even when information and discussions need to trickle down to the large groups of members within the informal economy.

However, social media is increasingly being utilized to disseminate information and promote networks between members and activists. New technologies are providing an opportunity for a more versatile communication platform between trade unions and informal economy associations.
IV - The Case Studies
Introduction

There are over 7 million informal sector workers in Argentina, constituting about 46.8% of the working population. Informal economy workers are amongst the country’s most marginalized groups, with many living in the outer urban areas characterised by poor public infrastructure, low levels of state and public services penetration and illegality. However, the government of Argentina does not give recognition to the country’s informal economy workers.

The informal sector worker movement in Argentina comes from a varied political spectrum. There are extremely different political positions under the same organizational umbrella which gather around the united aim of creating the social, economic and political conditions for informal economy workers to develop fully as persons with dignity.

Who to organize

CTA does not distinguish between formal and informal workers. In fact, informal economy workers comprise half of the membership, i.e. about 750,000 members. There are three types of memberships derived from the informal economy as follows:

- 200,000 workers, who are part of 160 union organizations that have simple registration (90,000) or registration in process (70,000).
- more than 500,000 members, who are direct affiliates or are part of around 200 organizations corresponding to the social movement sector. This group includes workers who are not registered with social security, and 10% are non-salaried workers.
- about 40,000 members, who correspond to retirees and pensioners, grouped in a federation.

Some of the self-employed sectors within the CTA are classified in the following structure: the first category covers service providers such as newspaper and magazine sellers, actors and musicians, press workers, sex workers, hawkers, and street vendors. The second classification covers the transportation sector which includes taxi drivers and remiseros, messengers in motorcycles, carriers, community transport workers and related professions. The third category covers the social economy that includes self-managed workers ‘enterprises, garbage collectors’ cooperatives. The fourth category is the rural sector, which includes small producers and independent wine producers.

The fifth group is drawn from the urban social movements that comprise of Tupac Amaru Group, Land and Housing Habitat Federation (FTV-H), Occupant Occupiers Movement (MOI), Territorial Liberation Movement (MTL), Federation of Villas, Nuclei and Marginal Areas, Union of Workers Unemployed (UTD). The sixth and final group is that of the indigenous people grouped into movements, associations, communities and unions at a provincial level.

How to organize

The CTA has established a dedicated department and a coordinator to organize informal economy workers associations. According to Article 4 of the union statute it is also possible to have information economy organizations to have direct affiliation to the national centre.
Constitution

In spite of the legal bottlenecks that prohibit the unionization of informal economy workers, the Central de Trabajadores de Argentina (CTA) has invoked the Argentine National Constitution and ILO Convention No. 87 to declare that all workers have the rights to be protected. Since the 1990s, CTA-A has included in its statutes the possibility to affiliate informal economy workers to be amongst its 1.5 million members.

The CTA has clearly stated in its statutes (Articles 2) and guaranteed the unionization of the informal economy by stating that it full geographical jurisdiction of organizing workers in the entire territory of la República Argentina, including direct affiliation of uniones, asociaciones o federaciones de trabajadores, cooperativas populares unions, associations or federations of workers, popular cooperatives y asociaciones civiles que acepten los principios, propósitos y fundamentos de and civil associations that accept the principles, purposes and foundations of the Organization.

The statutes allow the unionization of the categories of workers:

a) las/os trabajadores con empleo; a) workers with employment;

b) las/os trabajadores sin empleo; b) workers without employment;

c) las/os trabajadores beneficiarios de alguna de las prestaciones del régimen de seguridad social; c) workers who are beneficiaries of any of the retirement benefits and are covered by social security;

d) las/os trabajadores autónomos y cuenta-propistas en tanto no tengan dependencia; d) self-employed and self-employed workers as long as they do not have trabajadores bajo su dependencia;

e) las/os trabajadores asociados o autoadministrativos; e) associated or self-managing workers; and

f) las/os trabajadores de la actividad doméstica. f) domestic workers.

Article 2 - A worker is understood to mean all individuals who, with their personal, physical and/or intellectual work, develop or have developed, an activity directed to the satisfaction of their material and/or spiritual needs, without having other workers under their economic and/or legal dependency. These include: workers active in an economic dependency relationship, whether or not recognized by law or administration as legal subordination; workers without work; workers not registered in social security, workers who hold any of the benefits of the pension or welfare system, public or private, national, provincial or municipal; the self-employed and/or self-employed workers, as long as they do not have other workers under their economic dependence, workers who work in their homes with or without economic subordination, workers who work in households in economic dependence relationships... (non-exhaustive list)

Dues structure and collection

Article 43 of the CTA statutes does not distinguish the dues structure between informal and formal economy workers. The quotas and contributions of the affiliates are fixed at 0.2% of the income received. There are also other ways to raise funds such as the extraordinary contribution of their organizations for certain actions or through financial campaigns.
Services and Benefits

The CTA has defended its approach in several presentations before the ILO’s supervisory bodies, obtaining consideration of their approaches, which led to recommendations to the Argentine government. These measures have been influential as the Supreme Court of Justice of the Nation has made several favorable judgments, which have been the basis for a future transformation of the Argentine labour system.

THE CONFEDERATION OF INFORMAL ECONOMY WORKERS (CTEP)

In addition to the CTA, there is the Confederation of Informal Economy Workers (CTEP) in Argentina. The CTEP was formed in December 2011 and acts as a relational space where individual informal economy workers can learn to express their problems (self-trust), acquire rights granted to other workers (self-respect) and gain greater legitimacy for their work (self-esteem).

The aim of CTEP is to transform the informal economy work from informal, infra-productive and subsistence work to dignified, formal and productive work, so as “to enable workers to enjoy the possibility of developing themselves as persons, creating, loving, playing, taking leisure, sharing with family and friends, enjoying art and culture, doing sport, discovering the world.” In other words, the CTEP was formed to ensure decent work for all informal economy workers in Argentina. It is important to state that different categories of informal economy workers came together to form the CTEP.

The CTEP does not organize individual informal economy workers. It organizes through different associations and branches of garment workers, motorcyclists, street vendors,
stall holders, craftsmen and women, small farmers, vegetable producers, brick makers, and workers in recuperated factories.

It should be noted that CTEP is not registered as a trade union, but as a civil association. The government has declined the CTEP union status under the pretext that informal economy workers are not “workers”. Among the reasons for this rationale include: the government’s refusal to acknowledge that there are workers whom the formal sector cannot and will never be able to absorb, the fear of other unions losing their political power, and the fear of a race to the bottom with the risk of legitimizing the informal economy. Recognition of union status would be a crucial step to construct a platform for the voices of informal economy workers to be heard and for dialogue to take place.

The CTEP has been able to maintain its political independence and is proud to house under its roof Christian social democrats, socialists, Marxists, etc., who share the same aim of improving the lives of informal economy workers through the transformation of the unjust structures which deprive them of opportunities to live well as persons. So far, the locus of this transformation has been the informal economy workers themselves, and local and national state institutions. There is a burgeoning attempt to reach international organizations, such as the International Labour Organization, and build an international structure where the voices of the excluded and marginalized can be heard and listened to.

The CTEP has also created an integral health and education programme, which includes a mutual insurance scheme, medical and dental consultations and health prevention. The majority of the workers do not have access to a stable income which allows them and their families to live decently and to access health insurance, pension security, and other socio-economic rights. It is estimated that approximately 20,000 workers, or about 0.3% of informal economy workers in Argentina have decent work. In other words, 0.3% of the informal economy workers in Argentina have access to benefits such as health insurance, pension and protection against labour accidents.

The CTEP has also been involved in campaigning and engaging the public authorities who have refused to recognize informal economy operators and therefore have been harassing them daily in Argentina. The CTEP is also involved in organizing educational programmes for informal economy workers in Argentina.

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**UNION NATIONALE DES SYNDICATS DES TRAVAILLEURS DU BENIN (UNSTB)**

**Introduction**

In Benin, the proportion of informal economy workers in the labour force is 95% with more than 50% in the non-agricultural sector. Only fragments of informal workers are covered by formal labour market regulation.

The national centre Union Nationale des Syndicats des Travailleurs du Benin (UNSTB) is the first and one out of five national centres in Benin and has for many years been organizing and serving informal economy workers like traders and market women, motorcycle mechanics, vulcanizers, tailors, hairdressers, and taxi motor drivers through unions.
business cooperative to enable members to jointly purchase clothes and other raw materials while at the same time preparing them to market and accept orders with a volume exceeding the capacity of the individual tailor. Through this, the strategy is primarily to assist members to improve their living and working conditions, but at the same time highlight a viable enterprise model that increases productivity, incomes and an equitable social economy.

As a membership service to the cooperative, UNSTB has trained tailors in entrepreneurial business skills (business management, accounting, marketing), short-cycle vocational training in tailoring/fashion and design, trade union rights and legal assistance, negotiation techniques and members’ mobilization. In addition, tailor apprentices rotate in the cooperative while study-circle multiplier-strategies are used to train more (potential) members.

The cooperative, Maison des Créateurs, has managed to obtain orders of tailor-made school uniforms and, facilitated by the UNSTB, to access foreign markets in Cameroon, Chad and the Republic of Congo. At the same time, UNSTB has also entered partnerships with professional training institutions and micro-credit providers to build relevant services for informal economy operators.

UNSTB has ventured into the untested territory of providing business services to own-account workers. No doubt, this has, and still is a challenge to UNSTB as a national centre as well as to the cooperative Maison des Créateurs. There are still unsolved questions on, for instance, how to develop an effective market analysis and professionalize procurement and sales management to make the cooperative more economically viable. Going further down the road, future strategic thinking of UNSTB has focused on how to include more realistic/modest requirements for start-up capital as well as a clearer distinction between the need for business skills for cooperatives and the management of the trade union organizations. As a collective voice for informal economy workers, the UNSTB lobbies for national health care and social security coverage to be extended to informal economy workers and operators. Here, UNSTB plays an important role in pressuring government to ensure that the Health Insurance for the Strengthening of Human Capital (ARCH, previously RAMU) remains the government priority and responsibility and is opened up for a more effective dialogue with trade unions as well as business organizations.

FIJI TRADE UNION CONGRESS (FTUC)

Introduction

The Fiji labour market has in recent years been hit by increasing privatization of public enterprises and an informal economy that employs over 70% of the labour force. The informal economy in Fiji is mostly characterized by public and private employees who have been retrenched, subcontracted or outsourced. Another large group consists of unorganized and own-account market and street vendors.

Fiji Trade Union Congress (FTUC) is the largest national confederation with 26 affiliated unions that mostly represent formal sector members from transport (docks), university, security, tourism sectors etc. FTUC has one informal economy union for sugarcane farmers.

How to organize?

Over the years, the FTUC’s main organizing principles rely on a sector-based strategy. Firstly, FTUC follows a mainstream sector-strategy where isolated and outsourced workers are (re)organized into the existing trade union structures of FTUC. FTUC formal unions negotiate with the private companies with a view to protect and formalize the precarious, out-sourced and temporary workers to permanent staff. This trend is particularly aggressive in transport
(dock and airport staff), security, and hotel and tourism industries.

Traditional service delivery has focused on labour rights, labour court litigation, enterprise management and collective negotiations on remuneration, leave, social security etc.

Currently, FTUC is planning to form alliances with informal economy associations through a local grass-roots and community approach. They plan to encourage informal economy workers to establish associations of, for example, street vendors, market operators etc. and train them on trade unionism, constitutional democracy, business training and the benefits of being organized by relevant sector trade unions in future. While the informal economy associations need the organizational experience and political leverage of the unions, FTUC needs the numerical strength to build more power to leverage more concessions on larger macro-economic issues in the national tripartite Forum.

**Dues structure and collection**

Recognizing the income instability that characterizes the informal economy, FTUC’s main focus is to increase its own financial base and budget through improved dues payments by salaried workers (on average $3 weekly) in order to reach out and serve own-account workers from the informal economy.

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**TRADES UNION CONGRESS (GHANA TUC)**

**Introduction**

With over 90% of the total workforce employed in the informal economy and nearly all new jobs being created in the informal economy, Ghana TUC has since the early 1990s prioritized the organization of informal economy workers into sector unions in order to effectively protect their socio-economic interests, labour rights and working conditions. Ghana TUC has prioritized the lack of representation and a collective voice on behalf of informal economy workers.

**Who and how to organize**

The organizing focus of Ghana TUC is primarily based on own-account workers. Other categories like apprentices and wage employees in informal markets are less visible and, despite being highly vulnerable, have proved difficult to organize.

To address the needs of informal economy workers and at the same time consolidate its legitimacy as the voice of the working people, Ghana TUC has now applied a strategy of organizing the informal economy through existing informal economy associations that are affiliated to the umbrella body Union for Informal Workers Association (UNIWA).

The initial step in the strategy was to admit informal economy groupings to associate directly to the national centre to the extent that relevant sector-unions did not have the intent and/or capacity to incorporate them. The national centre reached out and functioned as an ‘incubator’ for informal associations to build their capacity, write their constitutions and register their unions in order to organize informal economy workers within their jurisdictions.

The next strategic step was in 2015 to revise the constitution of Ghana TUC and create UNIWA as an umbrella association to provide informal economy workers with a joint repre-
sentation within the structures of Ghana TUC. Today, UNIWA represents 20 informal economy associations with primarily own-account traders, caterers, porters, musicians, actors, physically disabled, etc.

In addition, three sector-based formal economy unions GAWU (General Agricultural Workers Union), TWU (Timber Workers Union) and GPRTU (Ghana Private Road Transport Union) have continued to organize individual members in both the informal and formal economy. Several lessons are evident from this approach:

1) Organizing workers through existing associations has proved more effective in the initial phases rather than organizing individually;
2) Admitting informal economy associations through membership of UNIWA allows them gradually to adopt trade union traditions and strategies;
3) Forming an umbrella body like UNIWA can make informal economy associations more visible, credibly representative and empowered to influence national policies through their association to TUC Ghana;
4) The numerical strength of UNIWA and TUC Ghana improves their political advantage over other stakeholders.

The organizing strategy of TUC Ghana has at the same time implied a number of trade-offs. Organizing in the informal economy has contributed to building up the numerical strength of the trade union movement, but it has also been a costly investment. It has required (and is even dependent on) external financial support. Today, it is still a challenge for Ghana TUC and UNIWA to collect dues from UNIWA and its members as well as for member organizations to provide self-contributions to cover low-cost training activities, meetings etc. and strategic means to reduce dependency on TUC Ghana.

**Constitution and representation**

By constitution, TUC Ghana has ensured representation of informal economy associations in its general council, executive board and steering committee with a fixed number of observers. This is with a view to align them gradually to the constitutional and democratic traditions and structures in the trade union movement.

Since a democratic constitution is a precondition for being member of the trade union family, the legal department of Ghana TUC has assisted UNIWA and its member associations to revise or develop their separate constitutions, finalize registration and certification of associations, acquire resolutions from members etc. Constitutions must be in line with the Ghana TUC constitution in terms of equal opportunity for participation, free and fair elections, affirmative action and non-partisan politics and regular meetings in its leadership structures. For instance, individual queen mothers in informal economy markets are not in line with democratic structures and cultures of Ghana TUC.

Since associations are only associated to the Ghana TUC they enjoy observer status within the organization. The Congress is currently looking into how to constitute a fair representation of UNIWA and its associate members that is proportional with the amount of dues they pay. Currently, membership dues per member association of UNIWA is USD 10 annually. Of this amount, 15% goes to Ghana TUC (its executive committee decides on future rates).

Collection of membership dues is key because it contributes to higher levels of self-reliance from the informal economy associations. It is a necessity in order to, on the one hand, reduce dependency on external funding and, on the other hand, avoid internal questions from formal affiliates if services to informal economy members rest solely on the dues from ‘formal’ members.

**Services and benefits**

Trade unions have trained UNIWA informal associations in a range of topics such as leadership/trade union management, organizing, labour rights, health and safety, collective bargaining and negotiations with local authorities, professional trade skills, business management (accounting, book-keeping, market analysis etc.), and assisted in the establishment of a pension scheme for informal economy workers. Ghana TUC uses its existing pool of trainers to provide training and information to UNIWA and the individual associated members.
**MALAWI UNIONS OF THE INFORMAL SECTOR (MUFIS)**

**Introduction**

The Malawi Labour Force Survey 2013 estimated that nine out of ten employed persons in Malawi are predominately engaged in informal employment.

**Who to organize**

With the aim of bringing together informal economy workers, Malawi Congress of Trade Unions (MCTU) established the Malawi Union for the Informal Sector (MUFIS) in 2000. This organization was established to organize, promote, protect, and negotiate issues dealing with the rights of informal economy workers and business training. By 2014, MUFIS was recruiting informal economy workers and had already had 2,200 paid-up members. MUFIS is open to all informal workers, who can become members in its local branches.

**How to organize**

Strategies used in Malawi to organize the informal economy workers and operators include face-to-face approaches to some informal economy workers with the aim of attracting them to MUFIS. MUFIS also targets the various informal economy workers’ groups for its membership. Those individuals and groups that accept to join MUFIS are then asked to fill in membership forms and issued with MUFIS membership cards. There are three other unions that organize some categories of workers in the informal economy such as domestic workers and smallholder farmers. These include the Tobacco and Allied Workers Union of Malawi (TOAWUM) and the Commercial Industrial and Allied Workers Union (CIAWU).

MUFIS continues to develop innovative programmes aimed at organizing informal economy workers. They have established a national network and employed a full-time regional coordinator operating in each district of Malawi. These coordinators assist in servicing the informal economy workers across the country. The vision of MUFIS is to assist, represent and educate its members to improve their businesses, and its objectives are to protect the rights and interests of members, encourage full participation by members in the union, promote legislation that is in members’ interests, and to affiliate with both local and international organizations that have similar objectives to MUFIS.

**Constitution and Dues**

The constitution of MUFIS fixes dues for members at K1,000 per year paid to the national headquarters and pays K15.00 per member to the national centre (MCTU). MCTU and MUFIS work to formalise those working in the informal economy, by advocating for the provision of decent benefits. The dues are used in managing the affairs of the union.

**Representation and Social Dialogue**

Unlike many other countries in Africa, the Malawi Union for the Informal Sector (MUFIS) was registered by the Government of Malawi through the Ministry of Labour in May 2004. Thus, MUFIS has a legal status in Malawi. However, most tri-partite meetings between the Ministry of Labour, employers, the Employers Consultative Association of Malawi (ECAM), and trade unions lack representation of workers from the informal economy. MUFIS is beginning to raise this issue with its members and the government. It is expected that MUFIS will be considered for representation at tripartite meetings in Malawi.

**Membership Benefits and Service**

MUFIS is very much concerned about the needs of its members and has responded to their urgent economic needs by analyzing the gaps in skills and resources for workers in the informal sector and by beginning to construct programmes and positions to address them. For example, in Malawi there is a lack...
of comprehensive legislation on social protection and social security, and the existing social protection schemes do not reach out to the wider segment of the informal economy. MUFIS reports that informal sector workers are not actively involved by government as key stakeholders in the design and implementation of social protection schemes.

Furthermore, MUFIS has also begun a programme of training members in savings and credit cooperatives. In collaboration with a local bank, MUFIS established a savings and credit account (co-operative) for women union members. This is viewed as a support mechanism to the women union membership towards promoting thriftiness, savings, and easy access to credit on reasonable terms to improve individual enterprises of the targeted group.

MUFIS, with the support of partners, has begun promoting co-operative business development and business skills among members. For example, record keeping among workers in the informal economy is generally poor. This is aggravated by low education levels and a lack of business management skills. As such, workers in the informal economy rarely keep records of basic information such as hours worked per day, output or sales per day, violations of workers’ rights, accounts, or formal contractual agreements. In response, MUFIS runs training activities in marketing, stock, costing, financial management, business planning and legal requirements.

MUFIS hopes to benefit from additional capacity building and training. Among its aspirations, MUFIS hopes to provide funding to support small business development, business management skill training workshops, and greater mobilization of resources such as an employee with a computer and Internet access. The latter could help to raise awareness and foster more visibility. MUFIS continues to bring together more voices by building its membership and to negotiate with authorities. It continues the struggle for the validity and legitimacy of informal workers on the streets of Malawi.

GENERAL FEDERATION OF NEPALESE TRADE UNIONS (GEFONT)

Introduction

Formalizing the informal economy in Nepal is a great challenge to the trade union movement. A majority of the workforce works in the micro enterprises or even in an informal manner in companies. In recent years, the national centre GEFONT has intensified its lobbying of the government to recognize informal economy workers. Until 2017, labour laws only covered enterprises hiring more than 10 workers – leaving the majority of the workforce working in micro enterprises or informally without recognition or protection by labour laws. In late 2017, the revised Labour Act, however, improved the coverage of informal economy workers.

Who to organize

GEFONT has for the past 25 years been organizing individual workers in micro-enterprises and within the informal economy into the trade union movement in Nepal. There are three categories of workers: Informal workers without any legal protection, precarious workers under formal employment with daily wages and
temporary contracts (organized under formal industry unions), and finally self-employed and own-account workers.

Focus has been on the transport sector, mountaineering and trekking guides, gradually expanding into the construction sector, agriculture, domestic and home-based workers. Today close to half of all GEFONT members are either in the agricultural or non-agricultural informal economy. Nine informal economy unions (of a total of 19) organize self-employed people like auto-mechanics, beauticians, barbers, trekkers, rickshaw pullers, agricultural and transport workers, painters, plumbers, builders, street vendors and home workers.

**How to organize?**

GEFONT does not distinguish between formal and informal economy in terms of constitutional matters and provides equal opportunity to establish affiliates irrespective of their employment status. While GEFONT cannot establish plant-level unions, it is allowed by law to form national federations based on the nature of their work. Thereafter, they normally form provincial and local committees to organize individual members. Local committees play an important role in dues collection.

**Dues structures and collection**

GEFONT follows an “equal pay and equal rights” approach with 1% of monthly minimum wage (annually) regardless of employment status. GEFONT collects membership dues individually by local committees to GEFONT accounts. If dues are not paid up in time, then members are simply not entitled to services and benefits after the deadline. Here, dues collection by local union committees appears to work effectively. Informal economy workers pay up because they receive practical and everyday benefits for their contributions.

**Services and benefits**

In 2017, the Parliament endorsed two new pieces of legislation after years of lobbying by GEFONT to extend the labour and social security acts to informal economy workers. As part of the services rendered to informal economy workers, the labour law now recognizes their rights and covers all workers in enterprises employing as few as a single worker regardless of their employment status – be they migrant, outsourced or part time workers. They are also protected by the social security system.

With the newly introduced legislation in place, the major challenge for the Nepali trade union movement is to ensure that the laws are implemented and enforced. Focus is now to ensure that all workers are made aware of their rights.

Unfortunately, the labour act is not yet applicable to self-employed people, and with a number of self-employed people being members of GEFONT, the centre is lobbying to incorporate a clause in the Social Security Act to protect self-employed people and give them access to the National Health Insurance Scheme. As members of a federation under GEFONT, the informal or self-employed members pay the same dues and have the same rights as other members. Depending on the capacity of the federation, they are offered professional training (beauticians, auto-mechanics), legal assistance and cash payments for families in case of a jail-sentence following road accidents (transport workers), and organizing training from GEFONT.

GEFONT and affiliated unions provide services related to registration of unions, consultations between street vendors and municipalities, and awareness training on legislation, trade unionism and labour rights through the trade union school. Finally, GEFONT provides solidarity assistance to members through a solidarity fund paid by local union branches with a fixed amount of USD 230.
PERU CENTRAL UNITARIA DE TRABALADORES
DEL PERU (CUT)

Introduction

In Peru, the informal economy dominates the labour market with over 70% of the workforce operating in small businesses, such as self-employed or non-professionals working in agriculture, fisheries, mining, micro-industries, retail and minor services. Precarious and high-turnover employment, indecent working conditions, low social security and ignored fundamental rights of freedom of association are some of the main characteristics of the informal economy that are not covered by legislation or any existing regulation.

Who to organize

The national unitary confederation of workers CUT has 12 affiliated unions and represents over 40,000 workers. It has been struggling due to declining organizational rates after aggressive privatization and informalization in Peru. With an organizational rate of 5%, CUT recently had to adopt new statutory rules that include workers from the informal economy who are non-organized – and represented by non-recognized associations.

In Peru, CUT is the only national centre that organizes workers from the informal economy. The focus is mainly on two groups: previously salaried workers with temporary employment in predominantly formal, multinational and public enterprises, and self-employed and own-account workers.

CUT and its affiliated unions organize the informal economy because it is important to improve decent work deficits and minimum wages in Peru as a powerful and influential social partner in social dialogue there.

In light of the low organizational rate of 5%, it is central for CUT and its affiliated unions to organize informal economy to strengthen and boost the trade union organizations to regain their numerical strength and influence as a key social partner in social dialogue in the labour market of Peru.

How to organize?

Through different organizing models and creative strategies, CUT is tackling some of underserved needs of the informal economy through twin-organizing strategies. One strategy is to recruit individual members from the informal economy into their existing sectoral organizations according to relevant trades. They have been provided with ID-cards serving as identity documents. A process is currently underway to consolidate sectors for land stewards and manual transport operators in the wholesale markets. Another strategy is to gradually organize associations from the informal economy into union branches, national unions and confederations once applications, nominations of representatives, membership fees have been approved by the relevant union structures and decision-making bodies. Currently, associations of street vendors and craftsmanship have applied for affiliation.

Services and benefits

In terms of services, CUT and the affiliated unions have utilized their existing bi/tripartite and constitutional platforms and represented informal economy workers vis-à-vis the Ministry of Labour to improve framework conditions of informal economy operators and lobby for recognition and social protection of e.g. street vendors. Trade union leaders have also represented informal economy workers in ad-hoc tripartite negotiations to promote the public image and formalization of the informal economy as provided for in ILO recommendation 204. Similarly, CUT has provided the informal economy with a collective voice by publicly criticizing outsourced and temporary work in supply chains in the telecommunication sector.

Practical benefits that impact positively on both incomes and productivity are provided as traditional service delivery, such as legal advisory services, psychological assistance for members/families, representation before public agencies, trade union and training, skills
training, labour and civic rights protection, social protection provision to self-employed and own-account workers etc. Informal economy associations also receive capacity building on trade unionism and basic principles of democratic structures of unions to prepare their members for the trade union culture and democracy. Conversely, trade unions in CUT also need capacity building on topics such as entrepreneurial business training and legislation.

TRADE UNION CONGRESS OF THE PHILIPPINES AND ALLIANCE OF WORKERS IN THE INFORMAL ECONOMY SECTOR

Introduction
There are 15.6 million informal economy workers, which accounts for 38% of the total working population in the Philippines. Although the percentage of Philippine’s labour force in the informal economy is relatively low compared to countries in Africa and Latin America, the government is putting in place measures to support informal economy workers because of the significant role they play in reducing the rate of unemployment in the Philippines.

How to organize
Given the high proportion of informal economy workers in the Philippines, the Trade Union Congress of the Philippines (TUCP) changed its constitution in 1987 to include the informal economy within its membership. Organizing informal economy workers and operators in the Philippines was difficult until the mid-1990s. These difficulties are due to a lack of policies, unclear definitions, a lack of recog-
nition of informal economy operators as workers, and a limited legal framework. The Trade Union Congress of the Philippines (TUCP) was instrumental in undertaking research activities, lobbying for labour legislation and developing policies affecting the lives of women and children in the informal economy. TUCP has also enhanced the capacity of trade unions and representatives of community associations by building coalitions with the Informal Sector Coalition of the Philippines.

TUCP started lobbying for organizing campaigns based on burning issues such as a lack of access to productive resources (training, credit, capital and market), a lack of access to social protection (SSS, PhilHealth) and housing, statistical invisibility, a lack of representation in policy making bodies, and the elimination of child labour.

In August 2017, the members of the National Anti-Poverty Commission – Workers in the Informal Sector Council established the Alliance of Workers in the Informal Economy Sector (ALLWIES) as a fully-fledged institution to organize informal economy workers. ALLWIES is affiliated to TUCP.

ALLWIES is a Rural Workers Association (RWA), as per the Labour Code of the Philippines only allow workers associations organized for mutual benefits. Labour organization is defined to be for those workers for the purpose of collective bargaining under the same law. Following amendments to the constitution and by-laws, ALLWIES is now considered as a federation.

ALLWIES organizes traditional informal economic unit operators and its workers and, more recently, commission-based and domestic workers, farmers, fisherfolk, and women in informal construction. The main approach of organizing is “issue-based”, sub-sectoral, education and facilitating access to service providers.

**Representation and social dialogue**

Since the adoption of ILO Recommendation No. 204, ALLWIES has represented informal economy workers in various forums, including the National Anti-Poverty Commission (NAPC), Senate Committees, and at the ASEAN SME Policy Index 2018 and other forums of policy debate and programme development, including special regional and local bodies as provided in the Local Government Code.

The trade unions in Philippines work together to advocate for legislation to eliminate precarious employment in formal workplaces.

**Services and Benefits**

In order to extend social protection to workers in the informal economy, TUCP in collaboration with ALLWIES and NAPC-WIS have lobbied for a national health policy to ensure that both formal and informal workers are covered by the National Health Insurance Act of 2013. Section 5 of the National Health Insurance Law mandates the enrolment of members in the informal economy to have health benefits with the assistance of the financial arrangements provided by Philhealth. The law also allocated a seat in the Board of Directors of Philhealth for a permanent representation of members in the informal economy.

Some of the services offered by ALLWIES include providing access social protection programmes. These cover livelihood and employment, social health insurance, justice system, and drafting of local legislations and ordinances, negotiations with the government and private sector, capacity building and the Magna Carta for the original informal economy bill.

Furthermore, in an effort to make social protection affordable to low-income groups, ALLWIES and NAPC-WIS (and other non-governmental organizations) lobbied government to provide everyone with access to the National Health Insurance Program (NHIP). The programme provides less expensive health benefit packages. These health benefits cover hospitalization, including both doctors and hospital fees, the prescription of drugs and laboratory fees.

ALLWIES has also been involved in advocacy work in the following areas:

i. OSH for inclusive policies and updating the National OSH Profile
ii. Mainstreaming social and solidarity economy into the Great Women Project
iii. Inclusion of informal economy in the Labour Force Survey
iv. Extending nutrition security and maternity protection in the informal workplace

Trade unions have also been organizing the informal economy as associations or cooperatives through which members support one another by means of loans, post-production services, affordable consumer goods, insurance and other mutual benefits. Many of these cooperatives are formed by trade union members themselves or are organized among informal economy workers. TUCP has much experience in this area, especially in organizing farmers and women, providing social credit and supporting their livelihood activities. They are further supported by the Workers’ Fund, a non-profit organization created to service the three labour centres in their socio-economic projects and the formation of workers’ cooperatives.

Assistance given by trade unions to individual businesses has taken various forms, including training and consultancy, organizing cooperatives for joint business support services, and the provision of loans. The National Federation of Labour (NFL) assists beneficiaries of the agrarian reform in managing their own farms. One set of beneficiaries entered into a banana-growing contract with their former employer after the land titles covering the plantation were awarded to the workers. The Federation of Free Farmers, another affiliate of TUCP, is also involved.

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**SIERRA LEONE LABOUR CONGRESS (SLLC)**

**Introduction**

Informal and self-employed workers constitute over 93% of the workforce in Sierra Leone. Currently, one third of all affiliates in the national centre (Sierra Leone Labour Congress, SLLC) are from the informal economy. There are over 280,000 members from the informal economy, which is more than four times the number of formal economy workers. Membership ranges from minibus drivers and general transport workers, petty traders’ association, traders, musicians, photographers, bike riders, and fishermen. All informal economy unions are registered and affiliated trade unions and have established structures at township, district, regional and national levels to service their members.

**Constitution**

With a dramatic increase in membership from the informal economy over the last 6 years, the SLLC has made inroads into the informal economy due to effective organizing strategies by the SLLC. In 2012, the SLLC revised its constitution, internal trade union organizational structures and membership dues structure to allow fully fledged affiliates from the informal economy. Contrary to the traditional principles of “equal rights and equal pay”, one of the central approaches of SLLC towards informal economy workers was to reduce their membership dues to a negotiated rate. At the same time, the SLLC balanced the payment against reduced representation at Congress as a way to protect the weak financial positions of most informal economy unions while still serving them as affiliates of the SLLC.

**Dues structures and collection**

Recognizing the income instability within the informal economy, the SLLC has devised a special payment plan based on a principle of reduced dues/reduced rights and benefits to allow affiliated unions in the informal economy a realistic chance to pay up their (smaller) membership fees and thus to ease the financial burden of meeting their obligations to the SLLC.
In essence, a fixed fee is charged to informal economy unions as a group as opposed to per-member fees to unions operating in the formal sectors. The SLLC constitution prescribes that informal economy affiliates shall pay membership fees calculated for each 100 members. Membership fees shall be Le 50,000 (approx. USD 6.5) for every 100 memberships declared per year. Thereafter, the rates will be established each year by the executive council. The membership fees are payable in four quarters. Notwithstanding the above provisions, no member organization operating in the informal economy shall pay less than a minimum membership fee of Le 250,000 per year (approx. USD 32).

Bearing in mind that informal economy members pay less than their formal colleagues, the trade-off is a compromise of its democratic principles and cultures by operating with a model of less representation of informal economy members. For instance, despite having numerical strength, the SLLC constitution stipulates one (1) representative for the informal economy for every 3,000 members (compared to 1 delegate for every 1,000 members from formal sectors). The executive council is composed of one (1) informal economy coordinator and one (1) from each of the member unions (including the informal economy). The principles of representation are based on differentiation with informal economy unions getting one-third fewer delegates to the SLLC congress.

The SLLC’s approach in Sierra Leone is based on a number of pre-conditions that existed before the SLLC reached out to the informal economy systematically. Firstly, interest groups and associations within the informal economy workers existed. Secondly, the legal framework allowed freedom of association and the right to form trade unions. And, thirdly, the levels of harassment, exploitation and lack of social dialogue dominated the informal economy and presented a viable basis for organizing informal economy workers.

### Services and benefits

The strategy of the SLLC is on the one hand reactive in terms of capturing lost members from the formal economy and on the other hand proactive to include the informal economy and widen the future scope of trade union support.

The significant numerical strength of the informal economy workers has therefore strengthened the SLLC’s advocacy and collective voice on national policy development, with more than 344,000 members in 2017 compared to only 121,000 in 2012. By tapping into the vast pool of informal economy workers, the union density has increased and a stronger collective voice contributes to the SLLC’s advocacy in general. For instance, to attract and retain informal economy workers, the SLLC has strengthened its position in tri-partite forums to influence revisions of national labour legislation and social security schemes to include informal economy workers.

A more practical service rendered by the SLLC is the promotion of ‘micro-finance’ services to its informal economy members through negotiations with financial institutions and commercial banking on how to improve access to credits and loans with reduced interest rates.

In future, one of the most central priorities to the SLLC is to continue to train and educate workers in the informal economy on what it implies to be part of the trade union movement. Apart from helping new unions and associations to organize (potential) members through campaigns, awareness programmes and social media (Facebook, WhatsApp etc.), the SLLC assists new unions with their own constitution and elections, policies and code of conduct, internal structures and registration to safeguard accountability, transparency and democratic trade union cultures and avoid bad habits by individual leaders.
Introduction

TUICO is a sector-based union in Tanzania organizing over 80,000 individual workers from both the formal and informal economy into four sub-sectors: industrial, commercial, financial, consultancy and services. Today, more than 10,000 informal economy members are organized within the existing sectoral structures of TUICO in the consultancy and services sector with primarily own-account workers, employees among market vendors and motorcycle taxi drivers (boda boda) across major towns and cities in Tanzania.

Who and how to organize?

TUICO follows a classic sector organizing model where informal economy workers are organized into the traditional formal economy structures that already exist within TUICO. In this manner, TUICO crosses the formal-informal divide and directs its attention beyond traditionally unionized members in the formal economy. It includes small own-account segments of the labour market who have recently joined informal economy. They have the same rights as formal members.

Rather than organizing individuals directly from their workplaces, TUICO focuses on sensitizing un-elected leaders and members from already existing informal economy associations to bring informal economy workers under the wings of TUICO. Union branches are established for informal economy members – who often maintain their association membership – and are provided with services and training on topics such as trade unionism, leadership development, workers’ rights, decent work as well as how informal economy workers can enjoy the political leverage of TUICO vis-à-vis local and national governments.

Dues structure and collection

TUICO uses the ‘reduced dues/equal rights’. Recognizing the financial fragility of incomes among informal economy workers, TUICO has decentralized the decisions on collection of even low membership dues to its branch leaders. This pragmatic approach allows branch leaders to decide in dialogue with its members on how to structure and collect membership dues to TUICO. For comparison, informal economy workers in the commercial sector pay a flat token rate of approximately $0.50 to $1 per month, while members from the formal economy pay $3.50 per month on average. Collection of dues is conducted by union branch leaders and transferred manually to TUICO headquarters contrary to the automatic check-off system in the formal sectors.

A key factor in this is financial sustainability. The underlying assumption behind the TUICO approach is that the stronger helps the weaker through cross-subsidizing informal economy workers as long as there is the political will, and human and financial resources to do it. As in other similar cases, close monitoring of the political will is required by TUICO leadership.

Constitution and representation

While TUICO follows a strategy of reduced dues to informal economy members, the TUICO constitution follows a uniform principle of equal voting rights and representation regardless of informal/formal status of members. This approach illustrates on the one hand the need to carefully balance between solidarity to the weakest and political leverage to the largest sectors within TUICO. On the other hand, it also indicates a TUICO leadership that accepts the need for initial financial investments to strengthen its political leverage through the numerical strength of the informal economy.

Services and benefits

In addition to the above technical assistance and training and education, TUICO focuses on improving access to a health security fund on behalf of its informal economy members who
must contribute for three consecutive months before qualifying as members of TUICO.

Strategic emphasis has been placed on collective representation in terms of building capacity in the union branches for them to better enter into social dialogue with local government. Decentralized negotiating capacities are currently underway in all regions where negotiator teams assist union branches in their daily dialogue with local municipalities e.g. on budgeting, planning, tax payments, access to markets, sanitation, transport etc.

NATIONAL ORGANISATION OF TRADE UNIONS IN UGANDA (NOTU)

Introduction

In Uganda, labour legislation neither recognizes nor covers informal economy workers. Government and local authorities have generally not been willing to negotiate with the diverse groups of informal economy workers and associations.

Since 2013, the National Organisation of Trade Unions (NOTU) has raised the informal economy agenda and strategically geared itself to promote decent working conditions in the informal economy and represent workers from the informal economy collectively - in both affiliated unions and associations.

Secure democratic culture and traditions

With the ever-declining number of workers in formal employment, NOTU has realized that the informal economy constitutes its future lifeline. Following years of systematic capacity-building, research and strategic re-thinking of how to accommodate and serve workers from the informal economy, in 2017 it decided to amend the constitution to ensure democratic representation of informal economy workers.

As a result, informal economy associations and unions are now integrated into the executive structures of NOTU through the executive board (4 seats), general council (2 seats from each informal economy union) and informal economy committee (9 members) as a means to converge and serve all informal economy associations represented under NOTU.

Today, NOTU has directly affiliated two (2) informal economy unions representing market vendors and performing artists and three (3) ‘formal’ unions that have also started to represent informal economy workers from the transport, theatrical (domestic and general workers) and fishing sectors. Other affiliated unions also organize informal economy workers from the tailoring, plantation and agricultural sectors.

Apart from organizing individuals into informal economy unions like Uganda Markets and Allied Employees Union (UMAE), other NOTU affiliated unions organize informal economy associations instead. To illustrate, NOTU and the Amalgamated Transport and General Workers Union (ATGWU) have entered 13 memoranda of understanding with informal economy associations instead of individuals. Almost 90% of ATGWU members are in the informal economy.
Services and benefits

The urge for informal economy associations to join the trade union movement has partly been caused by its Government that issued a public management order in 2012 prohibiting citizens to gather collectively in public spaces. However, with trade unions exempt from the order, NOTU, its affiliates were given leverage to intensify its service provision and the affiliation of informal economy associations and workers.

NOTU carries out systematic capacity building of organizers, educators and trade union leaders to sensitize and serve informal economy associations to prepare them to join the trade union movement. NOTU strategy has been to assist informal economy associations to establish a democratic constitution with a democratically elected leadership and union structures to be more transparent and based on a trade union culture. This also includes taking up the challenge to secure members’ rights, negotiate with local authorities, provide advice on financial and business management, and develop campaigns on issues like pension schemes, fair taxation etc. In terms of services to informal economy associations in the transport sector, motorcycle taxi drivers (boda-boda) today are provided with safety education (incl. HIV/AIDS), access to get a drivers’ license, insurance coverage, formal employment contracts etc. Through an agreement between NOTU as a recognized intermediary with financial institutions, boda-boda drivers can today secure loans to buy taxi and/or motorcycles by providing deposits of vehicles (or logbooks) to the bank as collateral. NOTU and ATGWU both assist informal economy associations in establishing Savings and Credit Cooperatives (SACCOs) for this purpose.

NOTU represents informal economy workers with a collective voice and the increased numerical strength to successfully negotiate for an extension of the coverage of the National Social Security Fund (NSSF) to include informal economy workers.

ZAMBIA CONGRESS OF TRADE UNIONS

Introduction

The informal sector forms the largest part of the working population in Zambia. According to the 2014 Labour Force Survey, the informal economy employs about 83% of the labour in the country. However, more recent data in Zambia indicate that the informal economy currently employs more than 90% of the labour force.

Who to organize

The Zambia Congress of Trade Unions (ZCTU) resolved to organize informal economy workers through its Resolution at the last Quadrennial Congress held in Livingstone in 2014. Since then, the ZCTU has affiliated two informal groupings as associate members: the Alliance for Zambian Informal Economy Associations (AZIEA) and the Association of Vendors and Marketers in Zambia (AVEMA).

AVEMA has been an associate member of the ZCTU since April 2016. It organizes vendors and marketers in Zambia with the aim of giving a voice to the traders on the streets and in the markets. The association undertakes the organization of the various categories of workers in the streets and markets that are not known to the national trade union centre. Informal economy workers themselves are responsible for the organizing mechanism through their associations. The labour movement is only involved with informal economy workers during capacity building through workshops.

AVEMA is currently composed of 75,000 members across the country. Membership is largely drawn from the urban markets and regulated street vending spaces, and a few from the rural markets.

AZIEA is the national umbrella organization for other associations of informal workers in Zambia. It was launched in October 2002, as a result of a project on organizing in the informal economy undertaken by the Workers'
Education Association of Zambia (WEAZ) and the ZCTU. Its membership is open to organizations representing street and market vendors, hawkers, cross-border traders and other informal economy workers in Zambia. It was formed with the objective of strengthening the voice and bargaining capacity of informal workers, most of whom previously had no formal democratic representation.

The informal economy associations attempt to organize the unorganized, educate members on their civil and workers’ rights, establish formal collective bargaining structures between government and informal economy workers’ representatives, and campaign for policies and laws that are inclusive to the needs and rights of informal economy workers.

**Due structure and collection**

AVEMA has two types of membership dues: dues from the individual members of the association and dues from the selected branches of the associations across the country. The dues from individuals come from each member of the associations. These dues are further categorized as funeral or legal contributions. The funeral dues are contributed at the end of every month and collected and managed at a branch level. This means that every member is affiliated at the branch. There are also some funeral grants from the national executive committee in case there are insufficient funds during a particular funeral at the branch.

The legal dues are referred to as legal contributions. These contributions go towards court cases involving members of the association and the association itself. The legal dues are collected and forwarded to the national executive committee for management.

The dues from the branches are used to run the day-to-day operations of the association. The dues for each branch are based on its membership strength and level of resources. The branch’s level of resources may include fees from market toilets, off-loading services by bulk truck-carriers, commissions from local municipalities for collecting market charges and electricity fees on behalf of the municipalities. The remittances are a percentage of the daily revenue. The immediate supervisor for this task is the association’s national vice treasurer. Members with capital of less than USD 50 are exempt from contributing legal fees.

The main uses of the dues include:

- To provide logistics for the leaders of the association a) during negotiations with both the central and local municipalities for working conditions, i.e. sanitation and water reticulation systems at the trading place, b) during negotiations with both central and local municipalities to keep daily market and trading fees down, and c) during negotiations with other line ministries to protect our members from giant players on the market and prevent them from conducting business that will disadvantage informal workers.
- To provide legal representation for the members
- To provide salaries for security staff at various branches across the nation.
- To provide financial capital of up to 100 dollars through a loan.

**Services and Benefits**

Trade unions in Zambia are aware that informal economy workers are in need of medical care, education for their children, and employment injury protection. In this case, the ZCTU and the informal economy association are lobbying for policies to extend social protection to workers in the informal economy.
ZIMBABWE CONGRESS OF TRADE UNIONS

Introduction

In Zimbabwe, it is estimated that 94.5 percent of the labour force is in informal employment.

Who to Organize

The Zimbabwe Congress of Trade Union (ZCTU) through its associate affiliate (Zimbabwe Chamber of Informal Economy Associations (ZCIEA) has managed to recruit a total membership of 100,000 informal economy workers (out of a potential membership of 5 million) composed of fruit and vegetable traders, cross-border traders, hawkers, artisanal miners, brick moulders, street/market vendors, construction workers, and waste pickers. Out of those recruited, 60% of them are women and 40% men. About 15% of its members are youths.

How to organize

ZCTU has attempted to organize the informal economy since the 1990s. Initially, it provided training for retrenched workers who wanted to set up their own businesses or take over enterprises in distress and provide them with start-up capital. In the late 1990s, the Informal Sector Traders’ Association of Zimbabwe was established and affiliated to the ZCTU as an associate member. However, the association collapsed.

In 2001, the ZCTU once again attempted to bridge the gap between the trade union movement and informal economy workers with the aim of building the capacity of informal workers to secure economic and social justice. Consequently, a group of 22 informal business associations joined forces and established the Zimbabwe Chamber of Informal Economy Associations (ZCIEA).
At a workshop held in Harare in May 2003, the ZCIEA and the ZCTU consolidated their relationship on a strong bipartite basis, while the ZCTU continues to play a leading role in assisting ZCIEA. The leadership of both organizations attended the workshop and thereafter a Memorandum of Understanding was signed. The ZCIEA has a total of 30 territories, organized into 265 chapters formed of zones and committees. Each territory, with some autonomy, represents a province in the country.

It also sought to strengthen the organization and representation of informal economy workers by building alliances between them and trade unions. It was through this project that ZIECA, an apex body, came into being.

There are other informal economy unions and associations that are recognized by the ZCTU. These include National Association Vendors Union of Zimbabwe (NAVUZ), National Informal Economy Workers Union of Zimbabwe (NIEWZ), Zimbabwe Informal Sector Organization (ZISO) and Association Business of Zimbabwe (ABZ).

Benefits and services

Through the Informal Economy Desk established at the ZCTU, workers in the informal economy have been organized and educated about their rights. The ZCTU has also offered technical advice to ZCIEA on all matters related to operations of the informal economy.

Dues and due collection

Each informal economy worker pays US$6 per year to their territory. In turn the territory pays 30% of their collection to ZCIEA. ZCIEA then pays US$500 annually to the ZCTU as Service Fee. However, these dues do not go to the labour centre and very few members pay ZCIEA. The collection of dues is obtained from individual members and sent to the territory office.

Representation and constitution

In Zimbabwe, the relationship between informal economy workers and local authorities has been confrontational. For example, the government has called for the total removal of all informal traders from the streets of Harare. ZCIEA now promotes decent work in the informal economy through dialogue and negotiating mutual gains between its membership and local authorities. In this regard, ZCIEA has promoted more opportunities for decent work in the informal economy. ZCIEA is involved in social dialogue and negotiation skills with municipal authorities as well as with other stakeholders.

ZCIEA has held rallies for all informal traders to resist government directives that violate the national constitution.

ZCIEA is governed by a constitution and has developed various policies on HIV and AIDS, finance, youth, women and disabled people.
References


ABOUT THE BUREAU FOR WORKERS’ ACTIVITIES (ACTRAV)

The mandate of the Bureau for Workers’ Activities (ACTRAV) is to strengthen representative, independent and democratic trade unions in all countries, in order for them to play their role effectively in protecting workers’ rights and interests and providing effective services to their members at national and international levels, and to promote the ratification and implementation of ILO Conventions.

ACTRAV’s mission is to maintain close relations with the trade union movement around the world, to provide trade unions with the support of the International Labour Office and to strengthen their influence by promoting activities that defend and advance the rights of workers.

ACTRAV provides a link between the International Labour Office and one of its key constituents – the trade union movement. It ensures that trade unions’ concerns are incorporated into all the activities of the International Labour Office. ACTRAV enables trade union organizations to make full use of the potential of the Office. It also enables the Office to count on the support of trade unions in promoting and attaining its goals of social justice, fundamental rights at work, the defence and expansion of social protection, full employment and equality of treatment.

The ACTRAV mission is developed and implemented in cooperation with its structures in the field as well as with the ILO’s International Training Centre in Turin.

ABOUT THE DANISH TRADE UNION DEVELOPMENT AGENCY (DTDA)

The Danish Trade Union Development Agency (DTDA) develops and implements programme cooperation and methods on the basis of the values, objectives and networks of the trade union movement. The Danish Trade Union Development Agency contributes to the creation of fair, democratic, social and economic conditions in developing countries, through the promotion of sustainable labour markets with social dialogue, tripartite institutions and a democratic and well-functioning trade union movement. The work of the Danish Trade Union Development Agency is premised on the ILO’s Decent Work Agenda and its four pillars.

The Danish Trade Union Development Agency has over the last 20 years been giving increasing support to trade union partners in reaching out and organizing workers in the informal economy, lobbying for their rights, and for the recognition and transition from informal into formal employment. The main types of support has included organizing informal economy workers into trade unions, advocacy and campaigns for social protection, short-term vocational training, and bipartite and tripartite social dialogue.

The Danish Trade Union Development Agency has its headquarters in Denmark and has five sub-regional offices in Guatemala, the Philippines, Tanzania, Togo, and Tunisia. The work of the Danish Trade Union Development Agency is financed by the Danish trade unions, DANIDA and EU.

ABOUT THIS GUIDE

The aim of this guide is to offer practical policy-oriented guidance on how to address the institutional challenges in organizing the informal economy into trade unions. The guide is based on key lessons learned on how to integrate informal economy workers and operators into the formal structures of the trade union movement. The guide also addresses the benefits and challenges of organizing informal economy workers, and hereby enacts and supports the implementation of ILO Recommendation No. 204.

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