



## **Dealing with the Informal Economy: A challenge for Trade Unions in Southern Africa**

**Regional Workshop  
Windhoek, Safari Court Hotel, 18.-19.October 2006**

### **I. Background**

Trade unions in Africa and elsewhere are faced with challenges of shrinking membership base due to job losses in the formal economy, where they have traditionally organized. The job losses coupled with the jobless growth in the formal economy has thus resulted in the growth of the informal economy. This predicament has forced or led many trade union federations to expanding their organising spheres to the informal economy whilst other trade unions are considering dealing with this situation. Faced with this dilemma, trade unions and their federations are called upon to show a much more proactive attitude in dealing with the informal economy. While some unions have already gained quite some practical experience others have just started to look into the phenomenon.

The experiences of trade union's involvement in the informal economy differs from country to country. For instance, the ZCTU-Zambia and the independent mineworkers union MUZ have been actively participating in the FES-supported CISEP (*Concept for Informal Sector Employment Promotion*) project, with a view to promote self-employment for retrenched union members. ZCTU also counts among its affiliates the Alliance of *Zamiban Informal Economy Associations* (AZIEA), which consists of 12 paid-up affiliate organisations and claims to represent over 50.000 members in the IE. In Zimbabwe, the *Zimbabwe Chamber of Informal Economy Associations* (ZCIEA), which was born out of an ZCTU-CTUC project, is associated but not affiliated to ZCTU-Zimbabwe. In Mosambik, OTM was instrumental in the creation of the *Associação dos Operadores e Trabalhadores do Sector Informal* (ASSOTSI) in 1999. ASSOTSI mainly organises market vendors in Maputo. It continues to receive assistance from OTM. In South Africa, COSATU announced some time ago the creation of a informal sector union. NUNW in Namibia has just started looking at the possibilities of intervention in the informal economy. Thus far, the NUNW has held workshops and seminars on this issue to raise awareness amongst its affiliates and map out organising strategies.

Previous experience as regards trade union involvement in the informal economy often seemed to have been guided more by the availability of external donor funds for IE projects, than by a clear strategic vision about the role trade unions can play. Experience has shown that there is no one-size-fits-all-approach to trade union /intervention in the informal economy. However there are lessons that can be learned on what seems to work best under which circumstances, where the practical difficulties are, where trade unions better keep their hands off etc. To advance trade union involvement in the IE both quantitatively and qualitatively, unions in the region could benefit a lot from a structured exchange on quite a number of issues.

Issues in this regard which merit a comparative analysis and exchange of experience, include:

- a shared understanding of which models of organisation are available (direct recruitment to local or national unions, establishment of new informal worker's union / associations, alliances/ partnerships between unions and autonomous IE workers's associations) and which may work best under which circumstances;
- successful organising techniques, based on the assumption that traditional trade union organising techniques cannot be simply transplanted into an IE context;

- the identification of key campaigning issues and key counterpart institutions for representation
- collective bargaining in the informal economy
- an inventory of key services that trade unions and their informal sector antennae or partners can provide to operators/own-account workers and / or dependant workers in the IE
- the issue of sustainability / prerequisites for trade union action in the IE (is TU support to the IE only possible, if there is external donor funding available? Is there a need for a change in 'trade union culture'?)

## **II. Objectives**

Based on country papers, the workshop tries to enter into a comparative analysis of experiences and lessons learned from a trade union perspective. The objective would be to provide unions (mainly trade union centres) with experiences, information and ideas that can inform their policy and their concrete activities as regards the informal economy with a view to enhance trade union's involvement in the IE both quantitatively and qualitatively.

## **III. Participants**

Approx. 20-25 participants; From trade union federations in selected countries of the Southern African region which have experience or show an interest in trade union involvement in the IE (The following countries have been identified: Malawi, Mozambique, Namibia, South Africa, Tansania, Zambia, Zimbabwe). Informal sector associations with trade union linkages (e.g. ASSOTSI, ZCIEA, AZIEA, NAMSTA and its affiliates); Selected international organisations involved in IE organisation (WIEGO, StreetNet, IFWEA); trade union research organisations in the region; Representatives from local business/ SME-promotion (e.g. JCC-Namibia)

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