



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

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1. Introduction

In South Africa, as is the case internationally, there are a growing number of people working in the informal economy, both self employed in unregistered enterprises and as wage workers in unprotected jobs. Individual incomes in the informal economy tend to be extremely low. This combined with lack of state protection makes informal workers a particularly vulnerable group. Collective action however can result in significant improvements in working and living conditions. Strengthening organising efforts is thus a critical challenge.

This paper, rather ambitiously perhaps, aims to give an overview of organising efforts in the informal economy in South Africa in the post apartheid period. It starts with an analysis of the nature of the informal economy in South Africa. Using Statistics South Africa and other data sources, it reflects on what is known about those working in unregistered enterprises, domestic work as well as the nature of informalisation in formal firms. Fluctuations in employment type over time, gender, race, income as well as sectoral union densities are considered. The objective of this section is to outline the nature of the organisational challenge.

Attention is then turned to experiences of self organisation in the informal economy. Having outlined what existing research suggests may be overall trends, two case studies – the African Council of Hawkers and Informal Business (ACHIB) and the Self Employed Women's Union (SEWU) are presented. The section following, concentrates on organising efforts within the trade union movement. The activities of the Congress of South African Trade Unions (COSATU) and its affiliates are assessed.¹ The activities of unions who were identified as making progress in organising those working under precarious conditions both for formal and informal employers are outlined. Organising efforts in retail, cleaning, security, transport, clothing, construction and domestic work are considered. The penultimate section focuses on common challenges while the conclusion gives some preliminary suggestions as to the way forward.

This paper draws largely on previous research both conducted in the School of Development Studies as well as other projects that have picked up on this issue most notably the International Labour Organisation's funded study on Organising in the Informal Economy conducted by the Community Agency for Social Enquiry (see Goldman, 2004 for an overview). This was supplemented by data analysis, primary document analysis and select key informant interviews. This is by no means an exhaustive analysis but aims to form the basis for further empirical work.

2. The Informal Economy in South Africa

Statistics South Africa (Stats SA) (2006, xxiv) defines what they call the 'informal sector' as follows:

'The informal sector consists of those businesses that are not registered in any way. They are generally small in nature, and are seldom run from business premises. Instead, they are run from homes, street pavements or other informal arrangements.'

This is in line with the International Conference of Labour Statisticians (ICLS) international statistical definition which uses the term 'informal sector' to refer to employment and production that takes place in small and/or unregistered enterprises. At the 90th session of the International Labour Conference which focused

¹ It is not clear what measures, if any, have been adopted by other national trade union centres.

on decent work and the informal economy, a broader definition was adopted. The term informal economy was used referring to 'all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements' (ILO, 2002). Consequently the 2003 ICLS broadened the definition to include certain types of informal wage employment outside informal enterprises. The data reflected here is Stats SA data so uses an enterprise based definition of informal employment. In this section attention is first paid to those working in informal enterprises and then those employed by registered firms but under precarious work conditions.

Statistics South Africa (Stats SA) introduced the six monthly labour force surveys (LFS) in 2000. Since then South Africa has had comparatively good labour market statistics. The statistics presented below are based on analysis of the September Labour Force Surveys for the period 2000 through 2005 and aims to give an overview of the South African labour market. Table 1 represents the population by employment status and sector for South Africa.

Table 1: Population 15+ by employment status and sector, 2000-2005

	2000	2001	2002	2003	2004	2005
Formal agriculture	686,219	678,910	826,343	845,182	639,194	591,772
Formal other	6,865,361	6,927,409	7,075,966	7,512,036	7,739,645	8,075,451
Domestic work	1,215,165	1,070,362	1,053,834	1,204,010	1,085,946	1,080,341
Informal agriculture	1,083,211	412,193	576,781	394,515	474,304	381,087
Informal other	1,802,050	1,797,722	1,590,343	1,779,371	1,800,332	2,340,984
Don't know	110,516	119,032	60,288	39,875	52,488	35,457
Unspecified employed	206,752	28,562	29,123	17,254	19,606	42,422
Unemployed	4,088,846	4,541,111	4,846,492	4,578,243	4,143,553	4,501,277
Not economically active	12,657,110	13,591,432	13,740,966	15,747,509	15,392,429	14,751,856
Total	28,714,426	29,166,734	29,800,137	32,117,995	31,347,498	31,800,646

Source: LFS²

Table 2 presents the same information as the previous table, but this time in terms of percentages, and restricted to the employed.

Table 2: Distribution of employed by sector, %, 2000-2005

	2000	2001	2002	2003	2004	2005
Formal agriculture	6	6	7	7	5	5
Formal other	57	63	63	64	66	64
Informal other	15	16	14	15	15	19
Informal agriculture	9	4	5	3	4	3
Domestic	10	10	9	10	9	9
Total	100	100	100	100	100	100

Source: LFS

From these tables it is clear that there are significant numbers of South Africans who are not working in formal jobs. In absolute terms 4 million informal workers are recorded at national level in 2000 and 3,7 million in 2005 for the informal economy broadly defined i.e. including those working in informal enterprises, domestic work

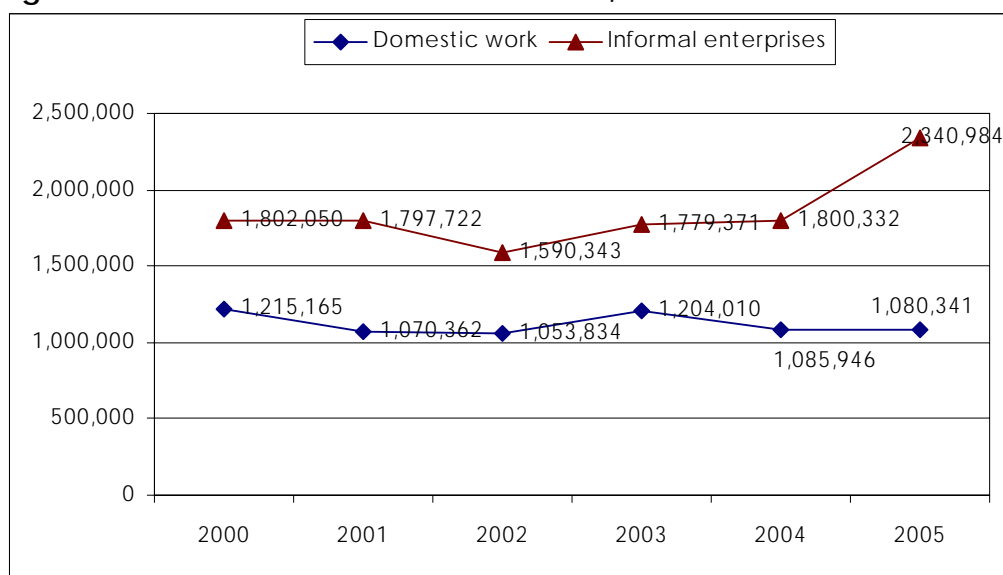
² This table draws from calculations made by Debbie Budlender.

and informal agriculture.³ This constituted 34% and 31% of the labour force in 2000 and 2005 respectively. Further there is a very large group of people who are unemployed⁴.

There are two issues that are noteworthy when South Africa's labour market is compared to other countries in region – the unemployment rate and size of the informal economy. Rodrik (2006:39) cites the average urban unemployment rate in sub Saharan Africa (excluding South Africa) is 16%, in comparison to South Africa's 29.3% in a comparable period. Further the percentage of informal employment as a share of non agricultural employment in sub Saharan Africa (excluding South Africa) is 74.8%.

Using the data from Table 1, the figure below represents the fluctuations in employment in informal segments of the labour force.

Figure 1: Trends over time in informal work, 2000-2005



What is clear from this graph is there are fluctuations in informal employment. With respect to employment in informal enterprises, this has been an area of employment growth in the post-apartheid period. This is reinforced in Casale, Muller and Posel (2004) who recalculated Stats SA data to ensure comparability of years for the period 1997 to 2003. Using figures from the October Household Survey, they calculated that in 1997 there were 1 161 300 people reported to be working in informal enterprises. The comparable figure according to our calculations for 2005 is 2 340 984. The figures for domestic workers seem to be more constant.

³ There has been considerable debate about the reliability of informal economy statistics (see Devey, Valodia and Skinner, 2006a). The figures for subsistence agriculture have been hotly contested with serious questions being raised with regard to their reliability (see Aliber, 2003) they are excluded from further analysis. With respect to those working in informal enterprises it is informative that in the years where incentives have been given to fieldworkers to find informal work due to an additional survey being carried out, that significantly more informal work has been registered. This seems to suggest that there is undercounting. This should be born in mind when considering these figures.

⁴ An abiding question in the South African context is why more people are not working informally i.e. what the barriers to self employment are.

Table 3 below outlines the sex and race composition of formal and informal employment (excluding agriculture).

Table 3: Employment by sex and race, September 2005

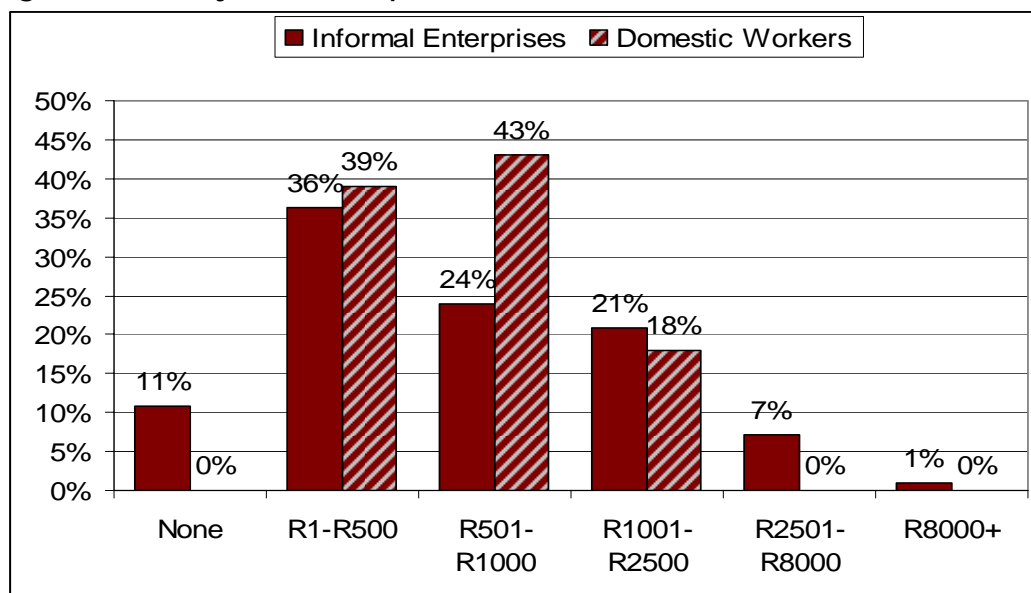
	Formal Emp.	Informal Emp.	Domestic Workers	Total Population
Male	63.1%	56.3%	3.4%	49.2%
Female	36.9%	43.8%	96.6%	50.8%
Black	60.1%	90.7%	91.4%	79.4%
Coloured	13.1%	4.7%	8.6%	8.8%
Indian	4.8%	1.1%	0.0%	2.5%
White	22.0%	3.4%	0.0%	9.3%

Source: Own calculations, LFS

From this data it is clear that although more men than women work in both the formal and informal enterprises, there are proportionally more women working in the informal than formal economies. Unsurprisingly women dominate domestic work. In terms of race, Black South Africans dominate informal employment – in enterprises and domestic work.

Figure 2 below reflect monthly income figures for both those working in informal enterprises and domestic workers.

Figure 2: Monthly income, September 2005



Source: Own calculations, LFS

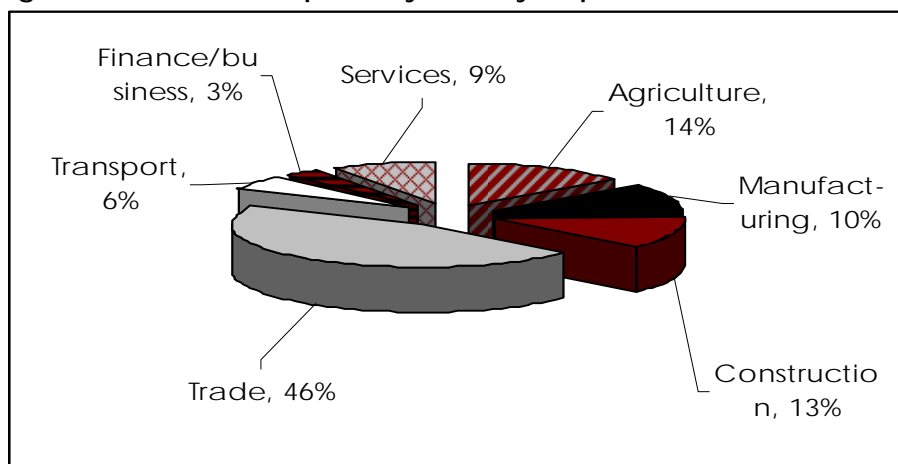
Sixty nine percent of those working in informal enterprises and 82% of domestic workers reported earning R1000 and below, suggesting as is the case internationally that there is a close correlation between being poor and working informally.⁵ The figures also suggest there is more differentiation of earnings among those working in

⁵ For international evidence of the relationship between poverty and informality see Sethuraman's (1998) review.

informal enterprises – with 11% reporting earning nothing and 8% reporting earning more than R2500 a month – while no domestic workers reported earning at these two extremes.

Figure 3 below graphically represents informal enterprises by industry. From this it is clear that nearly half of those working informally are involved in trading and a relatively small number are involved in manufacturing.

Figure 3: Informal enterprises by industry, September 2005



Source: Own calculations, LFS

Table 4 represents the sex breakdown for those working in informal enterprises by sector. From this it is clear that women dominate services, wholesale and retail trade and manufacturing, while unsurprisingly men dominate construction, transport, financial and business services as well as agriculture.

Table 4: Informal Enterprises by sector and sex, September 2005

	% Male	% Female
Agriculture, hunting, forestry and fishing	56.8%	43.2%
Manufacturing	45.9%	54.1%
Construction	92.8%	7.2%
Wholesale and retail trade	40.7%	59.3%
Transport, storage and communication	84.0%	16.0%
Financial and business services	64.9%	35.1%
Services other	41.9%	58.1%

Source: Own calculations, LFS

Although individual incomes in the informal economy are often low, cumulatively this activity contributes significantly to gross domestic product (GDP). Budlender, Buwembo, Chobokoane, and Shabalala (2002) estimated that the informal enterprises contributed between 8 and 10% to South Africa's GDP. In a recent study Lighelm (2006) calculates that country wide total expenditure in the informal economy stood at R51.7 billion in 2004. He goes on to point out, this compares well with two largest chain store groups with turnover figures of R32 billion and R27 billion respectively. He notes that R16.7 billion was spent on food and R15.9 billion on transport (mainly taxis).

As is the case internationally⁶, in South Africa there is substantial evidence of a growing informalisation of previously formal jobs. This has and continues to pose a significant challenge to the formal trade union movement. Budlender et al (2001:14) analysis using Stats SA data show that over 45% of workers employed in the formal sector display one or more characteristics of informality – do not have a written contract, a permanent position or paid leave. As early as the mid 1990's the International Labour Organisation's report on the South African labour market demonstrated that labour flexibility has been growing. For this research, a survey was conducted with nearly 400 manufacturing firms. Over a quarter (27%) of firms reported using part-time workers and 83 % of all firms had employed temporary or casual labour in the recent past (Standing, Sender and Weeks, 1996). These trends are confirmed in Theron and Godfrey (2000) study in which interviews were conducted with key informants in retail, mining, manufacturing (food, clothing, metal and engineering) catering and accommodation, construction and transport. Not only were firms making use of temporary employment contracts but almost all informants reported an increase in the use of labour brokers and employment agencies (2000:27). These trends are further corroborated in their more recent work tracking the rise in labour brokering (Theron, Godfrey and Lewis, 2005). This is particularly acute in certain sectors. For example Kenny's (2005) work on formal retail stores finds that on average only 35% of employees have permanent contracts and this figure excludes the subcontracting of non-core activities like cleaning and security. Clarke (2000) found that 70% of workers in one of South Africa's largest formal retail outlets Woolworths were casual. This process of informalisation of work poses a particular organisational challenge.

Having outlined overall trends, we turn our attention to union density figures. Table 5 reports trade union membership by sector as recorded in the September 2005 labour force survey. This data includes both the formally and informally employed. A union density of 31.5% is relatively high in comparison to other African countries. This is partly accounted for by the relative strength of South Africa's formal economy. What table 5 however demonstrates is how sectorally specific union density is. A relatively high proportion of those in mining and quarrying, community social and other services as well as electricity, gas and water supply are unionised, while very few of those working in private households, agriculture, construction, wholesale and retail trade among others are unionised. Unsurprisingly it is these sectors that are characterised by high levels of informality.

Table 5: Those reporting trade union membership by sector, September 2005

Trade union membership	Yes, 000	No, 000	Yes %	No %
Mining and quarrying	322	85	78.5%	20.7%
Community, social and other services	1 147	836	56.9%	41.5%
Electricity, gas and water supply	54	39	55.7%	40.2%
Manufacturing	558	857	38.3%	58.8%
Transport, storage and communication	164	340	31.5%	65.3%
Financial and business services	269	817	24.0%	73.0%
Wholesale and retail trade	416	1293	23.7%	73.5%
Construction	82	686	10.5%	88.2%
Agriculture, hunting, forestry and fishing	60	556	9.6%	89.2%
Private households	36	1 020	3.4%	95.7%
Total	3 108	6 529	31.5%	66.2%

⁶ See for example Standing 1999 for a review of international evidence.

In summary although South Africa's labour market has for some time been characterised by informality, in the post apartheid period numbers of people working informally – both in informal and formal firms have increased. What is clear from the data is that most informal workers are black and women are disproportionately represented. Further there is a close correlation between working informally and being poor. In understanding the nature of the organisational challenges in the informal economy in a South African context the race, sex and sectoral differences outlined above need to be born in mind.

Individually informal workers are weak but collective action has and can result in significant welfare gains. This is perhaps best demonstrated internationally by the experience of the Self-Employed Women's Association (SEWA) in India. Formed in 1972, SEWA is now the largest trade union in India with over 700 000 members (for an overview of SEWA's activities see Datta 2003, Chen et al 2005 among others). Attention is now turned to organising efforts in South Africa.

3. Self-organisation in the Informal Economy

The size and diversity of the informal economy is match by the diversity of organisations within it. The research that has been done on self organisation in the informal economy suggests that it is a particularly fluid environment, with existing organisations changing structure and focus, or closing, while new ones emerge. Further, the statistics have demonstrated that there are many different types of activities and industries in the informal economy. The organisational trends are likely to shift according to which segment is being concentrated on.

Existing research has tended to concentrate on street trader organisations. Little is known about collective action within other segments of the informal economy - spaza shops, shebeens, small scale manufacturers and waste pickers among others. It is assumed that these segments of the informal economy are not organised but there is little or no empirical evidence demonstrating as much. This remains an important research gap.

Research on street trader organisations (Lund and Skinner, 1999; Motala, 2002 and Thulare, 2004) suggests the following broad characteristics:

- They are often not formally constituted (do not have constitutions, regular elections etc.).
- In many cases they are vocal when issues arise but are often difficult to find in between.
- Many focus on providing business services like bulk buying.
- A key focus is often negotiating with local authorities.
- In most cases, despite membership being largely women, the leaders are men.

Rather than attempting to generalise beyond existing data, the approach in this section is to present two case studies – the African Council of Hawkers and Informal Business (ACHIB) and the Self Employed Women's Union (SEWU). The former is selected because of its longstanding profile and the latter because as it will be argued, it was an organisation that experienced some success.

African Council of Hawkers and Informal Business

ACHIB has been a long standing and vocal informal economy organisation in South Africa. It was established in 1986 and claims to have a membership of around 100 000 country wide.

ACHIB's activities over time have been both at a local and national level. In the late 1980s and early 1990s, ACHIB's leadership worked alongside the Law Review Project in the development new national legislation for informal business. This process culminated in the 1991 Businesses Act – which remains the primary piece of legislation governing informal trade. ACHIB has been present in a number of cities in the process of negotiating street trading bylaws. In more recent years ACHIB leadership has developed close ties with the Department of Trade and Industry. For example ACHIB is collaborating with the DTI's Small Enterprise Development Agency in their new programme of small business support.

A key focus of ACHIB's activities over time has been securing deals with formal business who supply the informal economy. For example they established the National Hawkers Co-operative (NHC) that bought goods in bulk particularly fresh produce in Durban in the mid 1990's. More recently ACHIB has signed a partnership with Telkom in terms of which ACHIB members manage payphones in their spaza shops and salons and distributing Telkom phonecards.

ACHIB's primary funding strategy is raising money from formal business. At a national level companies such as Anglo American and Unilever are approached for money for specific projects like the annual conference or a training programme. At branch level ACHIB enlists local private sector support.

ACHIB is one of the industry sections of the National African Federated Chamber of Commerce and Industry, and is thus aligned to business with little or no relationship with the trade union movement.

Questions have been raised about ACHIB's membership numbers and consistency. A lawyer who has worked closely with ACHIB for many years, stated:

'ACHIB can become so inactive that they appear to have vanished, then suddenly they will re-emerge again in another form. One month they will have one set of offices, the next they will be somewhere else and the next you will not be able to contact them at all...The only thing stable about ACHIB is its instability.' (Lund and Skinner, 1999:22-23)

Further at the time of this research it was argued that their members were largely women, women were seldom if ever in leadership positions. The co-ordinator of international alliance of street vendor organisations or StreetNet who has been working on trying to establish a national alliance of street vendor organisations and has thus had long standing and recent dealings with ACHIB leadership confirmed that ACHIB was still informally constituted (Interview, 23 September, 2006).

Self Employed Women's Union

SEWU, largely inspired by the SEWA model, was launched in 1994 in Durban. In August 2004, SEWU underwent an enforced liquidation and thus ceased to operate.⁷ In the ten years that it operated it experienced some success and thus warrants some attention.

⁷ This was the result of a judgement against the organisation bought by two former employees who had been dismissed by the union for corruption in 1999. The judgement resulted in a back pay claim of over R500 000. Given their already stretched financial position, the union was forced to close.

SEWU's constituency was self employed women working in the survivalist end of the economy – largely street traders and home based workers. Although membership fluctuated, at its high point, it had nearly 5000 members in four of South Africa's nine provinces. It is estimated that over the 10 years it operated SEWU had members over 10 000 members. SEWU was formally constituted, and explicitly saw itself as a union. SEWU was established with funds from the Dutch donor HIVOS, and then sought funding from the international trade union movement. A portion of SEWU's activities were supported by membership subscriptions - members pay a joining fee of R10 and monthly subscriptions of R8.

Its activities entailed among others lobbying for its members rights and interests at a local, provincial and national level, facilitating access to training and financial services (credit and savings) as well as giving women working informally experience of leadership and negotiating positions. Devenish and Skinner's (2006) review of the 10 years of SEWU's activities concluded the following.

'In terms of successes, through negotiations SEWU secured appropriate infrastructure, especially for street trader members. SEWU's interventions have strengthened their members' income-earning capabilities by developing their existing livelihood activities (business skills training, access to credit, savings facilities) and opening new opportunities by, for example, retraining (especially in traditionally male-dominated occupations like block making). There has also been a broader empowerment of members, from knowing their legal rights to knowing how to conduct a meeting. SEWU has developed a new group of formidable leaders and negotiators, through training and organisational experience. At a policy level, SEWU raised the visibility of women working in the informal economy locally (especially in Durban) and to some extent nationally and internationally.'

The same study however also identified a number of failures. These are worth reflecting on as they are common challenges for those trying to organise informal workers. SEWU had a persistent problem of lapsed membership and was not able to reach scale. This is attributed to a variety of reasons. First, there have been internal problems like cases of corruption that have led to membership attrition. Second, SEWU operated in an environment that was often unaccommodating to the informal economy. They, for example, experienced many problems with commercial banks in instituting a stop order system of collecting membership fees. More significantly however people working in the informal economy are mostly very poor and thus are forced to be expedient with their money – being paid up was the key determining factor as to whether you were considered a member or not. SEWU, in comparison to SEWA, did not offer members as comprehensive a set of support interventions. Membership numbers and support interventions to sustain membership are thus inter-related issues. Members however are also at fault. A number of staff identified a problem with the ethos of the organisation where members saw SEWU as a 'charity' (i.e. an organisation offering hand outs) rather than a trade union that belongs to them and is their responsibility to grow. This was partly a result of what some identified as recruiting short cuts. The final problem was that of financial sustainability - SEWU was always dependent on donors.

From the outset SEWU positioned itself within the broader trade union movement. This was in fact critical to SEWU securing funding from the international trade union movement. COSATU head office acknowledged SEWU from the outset but ironically

only at the time of SEWU's closure did national staff pay much attention to this small union. SEWU, however, worked alongside COSATU in the National Economic Development and Labour Council (NEDLAC) and on initiatives like the financial service sector campaign. Regional SEWU staff reported that they had a good working relationship with COSATU at a regional level. With the exception of the Eastern Cape, all of SEWU's regions had some contact with COSATU affiliates. Cases were cited where affiliates shared office space and equipment as well as assisted SEWU with workshops and membership training.

In conclusion Devenish and Skinner's (2006) study argued 'From the perspective of the labour movement, organisationally SEWU set a precedent. SEWU successfully organised those working in the informal economy SEWU was run true to its constitution – a functioning membership-controlled organisation that built capacity of members.'

In analysing the organisational landscape in South Africa it is important to note that in the late 1990's a new generation of social movements emerged in South Africa. As Ballard, Habib and Valodia's (2006) edited volume on this issue suggests, many of these movements are oriented towards service delivery and land access issues. Although these movements often operate in residential areas where there are high concentrations of informal activity (as well as exploitation), although aware that informalisation may be a key determinant of their members' predicaments, they tend not to deal with labour related issues generally or the informalisation of work specifically.

4. Trade Union Involvement in the Informal Economy

Given high levels of retrenchments, unions are overstretched even in their traditional areas of competence, and organising those in the informal economy is particularly challenging. It requires a shift in the mindset of trade union officials (away from the position that informal workers are simply a threat to formal workers), different organising strategies (given that the employer is often absent or difficult to find) and a different set of services to what formal unions are used to supplying. This section focuses on the activities of the Congress of South African Trade Unions and its affiliates.

The 1997 September Commission report on the future of trade unions identified the informalisation of work as a key challenge for COSATU. At COSATU's seventh national congress held in September 2000 a strategy on organising this group was tabled and adopted. The document outlines a two fold strategy - organising informal/home workers and attempting to extend legal protection to those working more informally. The unions that have made relative progress with organising the informal economy are the South African Commercial, Catering and Allied Workers Union (SACCAWU), the South African Transport and Allied Workers Union (SATAWU), the South African Clothing and Textile Workers Union (SACTWU) and the National Union of Mineworkers (NUM). The activities of these unions will briefly be considered.

The focus of SACCAWU's activities has been the formal retail industry. In the early to mid 1990's SACCAWU strategy with respect to casual workers in the retail sector was not clear. As Forrest (2005:64) notes 'whilst it sympathised with casuals grievances, addressing them was difficult'. She further notes in the early 1990's not much use was made of casual labour by the big retailers, however by the end of the 1990's 40% of jobs in Edgars and Pick 'n Pay were casual and 70% in Woolworths. At the 1999

SACCAWU National Congress the union resolved to represent casuals and encourage unity between permanent and casual members. From this time on SACCAWU recruited growing numbers of casual workers. This campaign resulted in the groundbreaking Shoprite strike in October 2003. For two weeks 30 000 largely casual workers went on strike. It resulted in a number of gains – a pay increase, uniforms and access to the retirement fund among others. The strike not only signalled SACCAWU's growing commitment to organising casuals but, as the Labour Bulletin pointed out at the time, it was the first national strike, by casual and permanent workers, in defence of casual workers. Although there are persistent divisions between permanent and casual workers (see Kenny, 2006), this example of worker solidarity across the formal and informal divide remains promising.

SATAWU organises two very precariously employed groups - security and cleaning workers. Although overall union densities in both these sectors remain low, SATAWU is the biggest union in both sectors. In both cases the focus of the union's activities has been on collective bargaining. Further, since SATUWU's establishment in May 2000, the union has embarked on a strategy to organise in the taxi industry. The minibus taxi industry is a significant segment of the informal economy both in terms of employment (estimated to employ 185 000 people) and turnover. The taxi industry is characterised by highly exploitative employment practices. As Barrett (2003:32) notes SATAWU has a membership of approximately 10 000 taxi workers mostly drivers, 2 500 of which are paid up. Much of the unions activities thus far have been directed towards putting pressure on government for institutional change and legal protection for workers. (See Barrett, 2003 for further details.)

The clothing and textile industry has been particularly hard hit by rapid trade liberalisation which has resulted in a process of informalisation of work (see Skinner and Valodia, 2002 for more details). At their 1999 national congress, SACTWU took a formal decision to actively recruit informal economy workers. Since this resolution those working informally in the clothing and textile industry are entitled to join SACTWU. If they pay monthly union fees, they can access the benefits available to other members most notably funeral benefits, primary health care and bursaries for dependents. SACTWU outlined that it would develop a register of unionised informal operators. The union would then be in a position to pressurise formal clothing manufacturers and retailers to only subcontract work to those on the register. (See Bennett, 2002 for further details.) There are pilot projects on organising industrial outworkers in Cape Town. Numbers of informally employed members however are still fairly small. What the union has had more success with is extending bargaining council services and functions to cover those in smaller formal firms whose employees are often particularly precariously employed.

COSATU has a much longer history in organising construction workers. In 1988 the Construction and Allied Workers Union was established. In 2000 this small union was integrated into NUM. Goldman (2003:47) describes CAWU as 'one of the smallest and weakest of the federations affiliates'. She notes that at the time of integration CAWU membership had declined to 17 000 down from 30 000 in 1997. By February 2002 NUM had 49 000 construction members (Goldman 2003:47). Although as demonstrated in Table 5, union density in the overall construction sector is still low, nearly 50 000 members is significant. In the September 2000 COSATU strategy NUM also reported organising workers who were operating in areas of work which the mining industry was increasingly outsourcing (for example blasting and maintenance functions). The focus of NUM's activities has been to represent these workers in

matters related to their employment conditions. Benefits such as funeral funding, access to NUM's bursary scheme and legal services are available to these members.

NUM is the only union in South Africa to provide training and development services after a member has lost employment. The Mineworkers Development Agency (MDA) was formed in 1987 as a unit within NUM to assist the 40 000 workers who were fired as a result of a major mining strike. In 1997 it became a stand alone non profit company. The MDA focuses on the facilitation of critical services, via service providers, to ex-workers in the mining, energy and construction fields and their dependents and communities. MDA's programming focuses on skills development for current and retrenched mine, energy and construction workers but also broader community economic empowerment. The Agency concentrates on communities in rural areas and mining towns affected by mine downscaling. One of their success stories is the Marula Natural Products Company which employs over 4 000 people, mostly rural women in the Bushbuckridge area of the Limpopo province. (<http://www.marula.org.za/index.htm>). This assistance in the transition to self employment and broader LED interventions are positive.

In South Africa, as is outlined in section 2, over a million people work as domestic workers. Given how spatially dispersed domestic workers are and that the work place are largely private homes and thus especially difficult to access, domestic workers are a particularly challenging group to organise. In the early 1990's, with COSATU's assistance, the South African Domestic Workers' Union (SADWU) was established. SADWU however was faced with a number of organisational and financial problems and in 1996, on advice from the COSATU leadership, SADWU was disbanded. In April 2000, given the lack of progress with alternative organisational strategies some domestic workers and former SADWU organisers decided to form a new union and the South African Domestic Service and Allied Workers' Union (SADSAWU) in April 2000. It currently has 30 000 members and operates in Gauteng, the Western Cape and KwaZulu-Natal. It focuses on educating its members on their rights, providing skills training and enacting laws protecting domestic workers as well as ensuring that existing laws are implemented. A well publicised example of the pressure SADSAWU has brought to bear is when leadership and members chained themselves to the railings outside parliament. They were subsequently asked to make a presentation to the labour portfolio committee on labour. Although the exact causality has not been assessed, the Unemployment Insurance Act was soon after amended to include domestic workers. SADSAWU is not as yet affiliated to COSATU but is supported by them. For example the SADSAWU head office operates out of the Western Cape COSATU offices.

Partly in response to SEWU's closure in February 2005 COSATU held a national strategising workshop on organising workers in the informal economy. StreetNet, former SEWU members and staff and Sikhula Sonke (who organise seasonal farm workers) were present. At the workshop a decision was made to organise categories of informal workers who were not catered for by COSATU affiliates – street traders and home-based workers. As it was conceived at this workshop the new union would draw on the experience of SEWU – it is likely to employ similar organising strategies however it would not organise only women. The Dutch funders FNV had committed funds to this. This resolution has not been implemented yet.

A review of COSATU statements – speeches, congress reports, research documents – indicates that more and more reference is being made to processes of casualisation

and informalisation. The Declaration of the 9th COSATU Congress of September 2006 states among other issues the following

'We will defend the rights of all vulnerable workers with special attention to farm, domestic, casual and sub contracted workers...

We commit ourselves to resist with all our energy and power attempts to reduce the rights of workers under the guise of "labour market flexibility"

We will seek to strengthen the rights of workers in small businesses, with a combination of an organising strategy and protection of the rights in the law.

We will undertake a concerted campaign to improve organisation and conditions of farmworkers.'

In conclusion this synthesis demonstrates that progress, albeit still small in scope, has been made and that the issues of organising the informal economy is much more firmly on the agenda. Trade union organising strategies have so far largely been directed at recruitment into existing industrial unions. In terms of activities unions have largely thus far stuck to their tradition areas of competence - bargaining with employers and national authorities. Less progress however has been made with offering training and other services such as business advice and facilitating access to financial services – which informal workers often need. Further there remain many gaps – self employed, farm and domestic workers among others. The figures on union densities however demonstrate that there is still much work to be done.

5. Organisational Challenges

As Goldman (2003a:57) in her synthesis of four sectoral case studies of organising in South Africa's informal economy notes:

'Organising is never easy. It is even less so in the informal economy where work is irregular and irregularly paid, employment relationships are often ambiguous or disguised and individuals are generally vulnerable as workers and citizens.'

In synthesising the research and experience of organising in the informal economy the following problems / challenges in organising the informal economy can be identified.

Spatial location of workers: Those working in the informal economy are often spatially dispersed. They are in both rural and urban areas. In urban areas they operate not only in commercial parts of town but also residential areas. This is in contrast to, for example, organising factory workers. This requires more effort from organisers to find members.

Previous experience of organisations: Former union members who have been retrenched by formal business are often suspicious of worker organisations feeling that the unions did not do enough to stop their retrenchment. (This is an issue raised by Bennett, 2002 and Motala, 2002 in their case studies on organising informal workers in the clothing and street trading sector respectively.) Those who have never been formally employed often have had bad experiences with fly by night organisations that have taken their money, not fulfilling any of their original commitments (Lund and Skinner 1999, found this among street traders). Organisers thus have an added challenge to overcome these suspicions.

The lack of an employer to negotiate with: There is often no employer and if there is an employer they are often disguised. Organising in the informal economy therefore

requires different and often particularly creative strategies in terms of finding bargaining partners to negotiate with as well as forcing them to negotiate. In the case of street traders local authorities often shape the environment that traders operate in and so are logical negotiating partners. In the case of home workers suppliers of materials and work sometimes provide a negotiation opportunity.

Diversity of activities: Further there is huge diversity of work - people operate in different activities (trade, service, manufacturing) and even in the same activity within different sectors (traders for example sell a variety of products). Organising strategies and inventions often need to be tailor made to the specific needs not only of the activity but the sector. Interventions that would support the activities of craft sellers for example are very different from that of traditional medicine traders/dispensers.

Dynamics between informal operators: Those working in the informal economy are often in competition with each other. There are employment relationships within the informal economy that are often particularly exploitative. Further there are unequal gender dynamics with men tending to dominate more lucrative activities in the informal economy. Organisations have to negotiate these dynamics.

6. Conclusion

What this paper demonstrates is that some progress has been made in organising those working informally. This does however remain a critical challenge for the trade union movement. The evidence outlined in this research so far suggests the way forward for the formal trade union movement is three fold. First there needs to be more vigorous recruiting of those working under precarious conditions within existing industrial unions. These unions are well placed to address sector specific issues and there are opportunities for solidarity across the formal-informal divide which can strength both workers positions in negotiations. Second, if unions are to succeed in penetrating segments of the informal economy where the employer is less visible (like in the case of industrial outworkers) or non existent (like street traders) they will have to seriously grapple with the types of bargaining strategies used. More broadly union services offered need to be critically assessed in light of the specific concerns of the informally employed. This in turn would assist in further recruitment. Finally, there, however remains a large group of workers that are unlikely to be catered for by existing already overstretched industrial unions. The implementation of COSATU's 2005 resolution to establish a new union organising street vendors and home-based workers based on the SEWU model would make significant in roads into, as yet, unserved worker groups.

Outside of the trade union movement building the capacity of existing organisations of informal workers is important. Concerns have been raised about these organisations often not being formally constituted and thus not sufficiently accountable to membership. A related point is the concern that, although women are often the majority of members, they seldom hold leadership positions. One means of addressing these issues would be through the development of organisational and individual capacity building programmes which include gender awareness training and prioritise women participants. The trade unions, although currently overstretched, would be in a strong position to share experience on this. Building the capacity of organisations is currently one of the activities of the international alliance of street vendor organisations or StreetNet. Ways of supporting their activities could be considered.

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