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RECOMMENDATION 204: ENDING INFORMALITY

ILO Recommendation 204 is about social inclusion, social justice and real, dynamic social change in action

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FOREWORD

BY ALISON TATE, DIRECTOR OF ECONOMIC AND SOCIAL POLICY AT THE INTERNATIONAL TRADE UNION CONFEDERATION (ITUC)

The word ‘historic’ is frequently bandied around, but the adoption of International Labour Organization Recommendation 204 truly is. For the first time, it establishes a labour standard that steers governments, in the form of 12 ‘guiding principles’, on how to help half of the world’s labour force transition from the informal to the formal economy.

For workers, the Recommendation is not only designed to assist them claim their rights and escape from informality, but it also outlines the policies and regulations required for the creation of decent jobs, while helping to increase incomes and strengthen workers’ access to social protection. For employers, it provides a level playing field so that businesses can compete fairly with one another. And for governments, the Recommendation offers the opportunity to regulate the (as yet) unregulated economy, providing a revenue base from tax collection, the payment of minimum wages and the plugging of crucial social protection deficits.

While some workers fear that they will be priced out of entering the formal economy, the cost of doing business informally is often much higher. Poverty is financially punitive – daily taxes and fees cost more, interest rates on loans and water rates are more expensive, and the cost of medical bills are too frequently borne by individuals with no support from the state. Not only is economic inclusion at the heart of the Recommendation, but formalisation itself is about recognising the fundamental rights of workers, acknowledging their dignity and their ability to influence policy by taking a seat at the table.

In too many countries, informal economy workers are considered to be at the bottom rung of the economic system, when in truth, they *are* the economic system. This Recommendation is about transforming the key point of ‘decent work for all’ into more than just a catchphrase. It gives informal workers the legal framework to have their work recognised, which provides access to justice and the tools to fight the criminalisation of their genuine economic activities.

Crucially, the Recommendation also acknowledges the fact that the human face of informality is female. Outside of agriculture, more than 60 per cent of working women in developing economies are in informal employment. The pioneering work of India’s Self-Employed Women’s Association, better known as SEWA, is a great ex-

ample of what can happen when women are organised and empowered. Millions of SEWA members, working as waste pickers, street cleaners and recyclers for example, not only now have access to decent work, but they are able to live dignified lives. This transformation has not only altered the future course for these women but also their families and wider communities. This is what Recommendation 204 is really about – social inclusion, social justice and real, dynamic social change in action.

We know that laws take time to change, regulations take years to implement and access to justice can take too long to claim, but for the first time, Recommendation 204 provides a foundation for these things to take place. Now, it is up to national and state governments, local municipalities, employers, workers and unions to use this tool to create a just transition, because we not only need to build climate resilient economies – we need to foster socially resilient communities, too. As we fight for the formalisation of workers, we are also fighting to stop formal jobs from being informalised,

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This Recommendation is about transforming the key point of ‘decent work for all’ into more than just a catchphrase

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a consequence of further deregulation. This can only be prevented by strong labour laws, which can only be defended by strong unions. That is the task ahead – for now and the future.

You can read the full text of ILO Recommendation 204 here:
<http://bit.ly/29fjdrJ>

BETWEEN DRUDGERY AND DYNAMISM: THE INFORMAL ECONOMY IN AFRICA

BY TAMARA GAUSI

While degrees of informality vary greatly within the region, the informal economy accounts for 66% of all non-agricultural employment in sub-Saharan Africa.



In Mali,
82.7%
of workers
are informal

In Zambia,
76.3%
of workers
are informal

In South Africa,
32.7%
of workers are
informal

Source: *Women and Men the Informal Economy. A Statistical Picture*, ILO.

Across Africa, the informal economy defines the urban landscape. Asia may have the largest total number of informal workers, the Americas may be home to some of the greatest extremities, the Middle East and North Africa may face the biggest challenges in terms of governance and security, and Europe might be grappling to contain the spread of the so-called ‘shadow economy’, but go to any major sub-Saharan African city – with its street vendors, small business owners, *boda-boda* drivers, domestic workers, market traders, *et al* – and you’ll see informality take centre stage.

Broadly speaking, informal work refers to work performed outside of the normal framework of tax, social protection and labour rights. It has been estimated that informal employment compromises about 65 per cent of non-agricultural employment in Asia, 51 per cent in Latin America and 48 per cent in North Africa. In sub-Saharan Africa, however, that figure is 72 per cent. Coupled with the highest rates of vulnerable employment in the world, it’s not difficult to see the scale of the problem.

It is true that there are some informal workers in Africa with adequate livelihoods, and there are also parts of the informal economy that include dynamic small business owners with the ideas and networks to grow. Nevertheless, most informal workers are stuck in a vicious cycle of poverty and drudgery. They struggle to access credit, are denied clean and safe working spaces, lack income security, have few opportunities for training or education, face harassment from the authorities, and have no workers’ rights. That’s why the International Labour Organisation’s (ILO) Recommendation 204 on formalising the informal economy has such potential; it provides governments, regional groups, trade unions, employers’ organisations and civil society with an indispensable toolbox to tackle these issues and more.

There are various reasons why informality is so pervasive in Africa. Despite massive economic growth over the past few decades, very little of this wealth has trickled down to the people. In an article for a LO/FTF Council report entitled *Paving the Way for Formalisation of the Informal Economy*, the general secretary of the International Trade Union Confederation’s (ITUC) Africa Office, Kwasi Adu-Amankwah, offers the following explanation:

“The informal economy has witnessed massive expansion in the last four decades as a result of implementation of Structural Adjustment Programmes (SAPs) and the overall predomi-

nance of neoliberal globalization in Africa. Thus, while the informal economy...[has] always existed alongside formal capitalist production of goods and services in Africa, the expansion of the informal economy in the last four decades has resulted from labour market flexibilization that led to the informalization of previously formal employment and the introduction of new forms of employment that have placed a wider range of wage workers outside regulation and the application of labour standards and social protection.”

Rapid urbanisation, a partial consequence of the fallout of the International Monetary Fund and World Bank’s destructive SAPs in the 1980s and 1990s, is also a major factor in the proliferation of informality. Over the next 35 years, an additional 900 million people will live in African cities, according to United Nations data. In addition, over 40 per cent of the region’s population is under 15, making Africa home to the world’s youngest population. Without urgent action to harness this dynamism, development strategists know they are sitting on a demographic time bomb. Massive informality is already contributing to rising crime rates across the continent and the radicalisation of young people in

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significant pockets of north, west and east Africa. Over time, it will only cause much more social unrest.

Goal eight of the UN’s Sustainable Development Goals calls for the promotion of decent work as a driver of development. This is mirrored in Recommendation 204, which emphasises the need for “decent

work for all through respect for the fundamental principles and rights at work, in law and practice". However, the worst forms of exploitation are still prevalent on the continent. Sub-Saharan Africa has the highest rates of child labour in the world, with 59 million children between the ages of 5 and 17 involved in hazardous work, according to ILO data. The numbers are falling but ensuring that all children have access to free, compulsory, quality education, and that their families are provided with decent work and social protection, will drive that number down even further.

The scourge of modern slavery also requires urgent action. According to the 2016 Global Slavery Index, of the 45.8 million persons living or working in conditions of slavery, 13.6 per cent come from Africa. Forms range from bonded child labour in Ghana's fishing industry to household slavery in Mauritania (which earlier this year, the Mauritanian government pledged to ban with the ratification of the 2014 Protocol to the Forced Labour Convention). Not only does Recommendation 204 call for "the elimination of all forms of forced or compulsory labour" and "the effective abolition of child labour", but it also lays out a clear road map to decent work for all adults.

▬ THE WAY AHEAD

Unionising informal and vulnerable workers is the bedrock of ensuring their protection and transition to the formal economy. Across the continent, there have been major efforts to organise informal workers: there are various examples of federations absorbing informal workers (in Ghana, Malawi and South Africa for example) as well as national centres affiliating informal economy unions and associations (as seen primarily in west African countries such as Benin, Togo and Niger), or informal workers simply cooperating with unions. In addition, more than 40 affiliates in 17 African countries are supported by ITUC-Africa.

Another key to informalising the formal economy is mentioned in the ILO's report, *The Informal Economy in Africa. Promoting transition to formality: Challenges and strategies*. It calls for the elimination of "the negative aspects of informality while preserving [its] significant job-creation and income-generation potential" and calls for the incorporation of informal economy workers and economic units into the mainstream economy. We are already seeing this happen with street traders, for example. In places like Dar es Salaam in Tanzania and Durban in South Africa, unions are working with this category of workers and

city councils to make sure street vendors are given licences to operate.

In the coming months, all eyes will be on Kigali, where the mayor's office recently announced plans to ban informal street vendors in a bid to promote order and development in the city. Vendors are being urged to register with the Rwandan De-

“ Sub-Saharan Africa has the highest rates of child labour in the world, with 59 million children between the ages of 5 and 17 involved with hazardous work, according to ILO data ”

velopment Board and join cooperatives, or have their goods confiscated by the authorities.

But many vendors are fearful that formalisation will mean exclusion, opposed to the inclusion that Recommendation 204 proposes. Assumpta Uwera, a street vendor in Kigali, told *Reuters Television*: "We cannot compete with people who have stalls at the market because we do not have the money to buy stalls at the market. What we are asking the authorities is to support us, to put us in one place, and we can even pay taxes. We don't mind doing that. Because when they come and take our products away and beat us, then we don't get to make a living and we suffer." Assumpta's fears perfectly encapsulate the task ahead for African trade unions, policymakers and informal workers. While the informal economy needs to be formalised, it cannot be at the expense of people's right to survive.

CASE STUDY: RWANDA

THE *TAXI-MOTO* DRIVERS RIDING THEIR WAY OUT OF INFORMALITY

BY TAMARA GAUSI AND BEN CROWE



Alamy/Thomas Cockrem

Motorcycle taxis wait for passengers in Kigali's Central Business District.

When it comes to urban transport, controversial ride-hailing app Uber may grab all the headlines with its curious blend of cutting-edge technology and 19th century labour practices, but in many cities across Africa, the motorbike taxi is king. And in Rwanda, the *taxi-moto* sector, as it is known, provides a good example of what union organising can achieve for informal workers.

It is estimated that there are more than 10,000 motorcycle taxi drivers in Kigali alone. One of the key objectives of the International Labour Organization's Recommendation 204 on formalising the informal economy is "the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship."

More than a decade before the Recommendation came into being, the Rwandan Confederation of Trade Unions (CESTRAR) realised the importance of turning these drivers into micro-entrepreneurs. "At that time, we started to organise them in unions. But also, to create in parallel cooperatives, to see how every driver can have the chance to have their own motorcycle," says CESTRAR secretary general, Eric Manzi.

The introduction of a law on cooperatives in 2008 allowed unions and associations to provide a capitalisation tool for low-income workers. These same workers – in-

cluding those who are casual and informal – are now able to pay tax and make voluntary contributions to Rwanda’s social security fund (matched by their ‘employer’, the cooperative), giving them access to pensions, occupational hazard insurance and most recently, maternity benefits (it is worth noting that Rwanda has universal health coverage). **[19]**

Boniface Hitimana is one driver who has benefitted greatly from joining a cooperative. “I drove a bicycle taxi for six years,” he tells *Equal Times*. “During these six years, I looked for a way to stop driving a bicycle taxi and drive a motorcycle taxi instead. I was able to achieve this thanks to UNESCOM.” The union has more than 5,000 members in 45 cooperatives all over the country’s Eastern Province and offers loans for motorbike purchases, training and development.

“It’s UNESCOM who proposed to us to get together in a cooperative, to buy the motorcycles. The difference, when you own your own motorcycle, is that you can keep all the money you earn for yourself,” he says. Since becoming an owner-driver, Boniface and his wife have been able to build a number of brick houses and enjoy income security.



Alamy/Thomas Cockrem

There are an estimated 10,000 taxi-moto drivers in Kigali.

All UNESCOM drivers must be insured. If drivers are injured or killed at work, their family receives compensation. Damage repairs are also covered by their insurance payments. For workers like Boniface, it’s a big difference from the days when *taxi-moto* drivers were unregulated and exploited by the private motorbike leasers who received most of their income.

With regards to road safety, last year a new start-up called SafeMotos was launched. A cross between Uber and a road safety app, it allows users decide where they want to be picked up; they can then choose a driv-

Paragraph 19) of the Recommendation states: “In building and maintaining national social protection floors within their social security system and facilitating the transition to the formal economy, Members should pay particular attention to the needs and circumstances of those in the informal economy and their families”.

er based on their safety and quality rating. SafeMotos drivers charge a premium in comparison to regular *taxi-motos* but as Manzi says, “this app is a good development in terms of professionalising the sector and increasing revenues”.

But there is still work to do. “Now that they have legal status, I think now we start to see how to include the motorcycle drivers as one of the categories to have the minimum wages,” says Dieudonne Nteziyaremye, president of the board of UNESCOM. “I think that is the work we must do in the future.”

Visit www.equaltimes.org/videos to watch our short documentary “Rwanda’s moto-taxi drivers”.

CASE STUDY: GHANA

HELPING FEMALE STREET VENDORS ACHIEVE INCOME SECURITY

BY APPIAH KUSI ADOMAKO

“The informal economy in Ghana contributes about 40.7 per cent to the gross domestic product (GDP) and employs approximately 85 per cent of the workforce, yet the sector is highly unregulated and most informal workers face significant decent work deficits such as social protection, rights at work, social dialogue and collective bargaining,” says Deborah Freeman, secretary general of the Union of Informal Workers Association (UNIWA), which is affiliated to the Ghana Trade Union Congress (GTUC).

Some 63 per cent of UNIWA’s 79,000-strong cross-country membership comprises informal women workers who earn a living selling goods in public spaces [11 o] – vendors, hawkers and traders selling everything from cloth to cooked food to ‘pure water’ sachets. They work long hours, often in difficult conditions and with no income security.

Freeman hopes that the International Labour Organization’s Recommendation 204 on formalising the informal economy will become an indispensable tool to give informal workers in Ghana access to dignified, sustainable and decent work.

“Strictly speaking, this Recommendation doesn’t mean much to our members,” says Freeman. “They are more concerned about the bread and butter issues of how to make a daily living. But for those who are informed, the Recommendation means the recognition and legalisation of the informal work, especially in Ghana where street hawking and vending is perceived as an illegal activity.”

UNIWA works to protect, promote and sustain the common interests of informal workers, as well as strength-

ening their bargaining power in dialogue with the government and employers. At a national level, in 2013 the Labour Ministry established the National Informal Economy Committee with the aim of promoting decent work amongst informal economy workers.

Ghana also has “fairly developed and functional social dialogue processes,” according to GTUC general secretary Kofi Asamoah, including a National Tripartite Committee. But until the formation of UNIWA in April 2015, informal workers were not represented in these discussions.



EPA/Alamy Stock Photos

A seamstress sews fabric in Makola market in Accra, Ghana. Makola market is one of the biggest and most diverse small traders markets on the African continent.

■ LIFE-LONG LEARNING

One of the key areas of focus for UNIWA – which has office space at the GTUC headquarters in Accra, Ghana, a first amongst African unions – is training and life-long learning, as supported by paragraphs 11h) and 15f) of the Recommendation. Of the 14 umbrella associations affiliated to UNIWA, two members of each group have been selected to receive on-going GTUC training on vital entrepreneurial skills such as book-keeping and financial literacy.

“This has helped some of them expand their businesses while at the same time hiring people,” explains Freeman. “This means a lot to our members since income derived from these works is used to support children’s education, nutrition and above all quality of life”.

Deborah Yemoteley Qyaye sells textiles at Makola market, one of the busiest markets in Accra. She says she has benefitted greatly from the training provided by the GTUC and UNIWA.

“Since 2002, the GTUC has been helpful to us. GTUC and UNIWA have provided training for us in the area of banking, enrolling in social security and more importantly, paying ourselves at the end of the month. Through sound book-keeping, I have been able to get loans from the mainstream banks and my business is expanding **[11 i].**”

Qyaye says that UNIWA and the GTUC have also encouraged traders to engage in communal work like the daily cleaning of their work spaces, and through a collaboration with the Ghana National Fire Service, Makola traders have received crucial fire prevention training.

Even though gains have been made, the GTUC and UNIWA are working hard to maintain them. Paragraphs 13 and 24 of the Recommendation both recognise the importance of helping workers and informal economic units to improve access, or obtain recognition, of formal property rights and access to land, but for the traders at Makola market, this is currently under threat.

“Our greatest concern going forward is the government’s plan to modernise the market centres,” says Qyaye. The city council will demolish Makola market some time after the general elections in November 2016, replacing it with a new shopping complex.

“Our fear is that when the construction is completed, the units will be offered to the highest bidder and we will be priced out of the market. Our lives and existence is being threatened”. UNIWA and the GTUC have registered all those who will be affected by the redevelopment plans. Negotiations are ongoing, but as

Paragrah 11 i) of Recommendation 204 calls for “access to financial services, including through a regulatory framework promoting an inclusive financial sector,” while 11 o) encourages “the promotion of local development strategies, both rural and urban, including regulated access for use of public space and regulated access to public natural resources for subsistence livelihoods”

the project is being carried out by a private developer, the government’s promises to protect the traders has been greeted with some scepticism.

And what does freedom of association mean to these workers? Ghana’s 1992 constitution guarantees unfettered rights to free speech, assembly and association. For UNIWA members, the latter is particularly important. “They are happy to be embraced by the GTUC, which helps them build a united front,” says Freeman. Now, these women can speak with one voice, “addressing issues that have, for many decades, been left untouched. With their growing numbers, informal workers have become an important political force in Ghana and their demands cannot be dismissed by the reactionary political establishment”.

The empowerment of informal workers is at the core of Recommendation 204. There is still a long way to go until Ghana’s workers are formalised with their rights guaranteed, but strong roots have been planted thanks to the organising work of UNIWA and the GTUC.

CASE STUDY: MALAWI

PROTECTING TOBACCO WORKERS FROM THE WORST FORMS OF EXPLOITATION

BY MADALITSO KATETA AND TAMARA GAUSI

Malawi may be the world's most tobacco-dependent economy (it generates 60 per cent of the country's foreign earnings), but the conditions under which the crop is grown are, in most cases, hugely problematic.

For years, trade unions and civil society have been demanding an end to the deeply exploitative tenancy system, where recruiters offer poor families access to land and materials to produce and sell cash crops exclusively to estate owners. Payments are meagre, incomes are insecure as the work is seasonal, and families essentially become bonded labourers.

In addition, as many as 78,000 children, some as young as five, are forced to join their families planting, weeding, harvesting and drying tobacco leaves. The hours are long, the work is phys-

ically strenuous and the children are exposed to dangerous pesticides.

But change is in sight. In May 2016, the Minister of Labour and Manpower Development Henry Mussa, announced that Malawi will ban the tobacco labour tenancy system by the end of the year, pending the passage of an amended Employment Bill through parliament.

The announcement follows extensive consultations with the International Labour Organization (ILO) last year, the same year the global labour body adopted Rec-



Young children in Kasungu, Malawi harvest tobacco.

ommendation 204 on formalising informal work. The Recommendation calls for “decent working conditions and inclusive development” in the informal economy, which is largely absent in Malawi’s tobacco sector.

However, for trade unionists such as Raphael Sandramu, the general secretary and founder of the Tobacco and Allied Workers’ Union of Malawi (TOAWUM) – which has been campaigning for the ban for years – this presents a double-edged sword.

“Of course we want to see the abolition of the tenancy system but we were surprised by the announcement. We are yet to see any documents,” he says. Sandramu’s concern is that the ban will take effect without the proper measures being put in place to protect these vulnerable workers and allow their transition to formal work **[7 d]**.

“We are talking about over 300,000 tobacco workers, plus their families. The average family size is five, so this will affect many, many people. If it isn’t done right, they could be sent back to their home villages with no jobs, no food, no transport and no access to land.”

Last year, Sandramu was honoured with an International Labor Rights Forum (ILRF) award for his tireless work to end the worst forms of exploitation in Malawi’s plantation industry. One of the next big challenges for the Malawi Congress of Trade Unions (MCTU) and its affiliates (such as TOAWUM) is pushing for what Recommendation 204 describes as “appropriately designed minimum wage policies”.

“The national minimum wage is 18,000 Malawi kwacha (approximately US\$25) per month. A living minimum wage should be more like 70,000 MWK (US\$99).” In tripartite discussions on wages, Sandramu says the unions are routinely sidelined. “We are always defeated in these discussions – remember, the government is an employer, too.”

The unions also face great resistance when attempting to organise tenants and tobacco workers across Malawi’s 22,000 or so registered tobacco plantations and estates. “Landlords and employers refuse to recognise our union. The lack of collective bargaining agreements is a problem, but there is a high potential for new members for our union”. Indeed, organising rural workers could increase TOAWUM’s membership to 3.7 million people.

Paragraph 11 f) encourages “the promotion of equality and the elimination of all forms of discrimination and violence, including gender-based violence, at the workplace”.

Paragraph 7 d) of Recommendation 204 calls on members to ensure “coherence and coordination across a broad range of policy areas in facilitating the transition to the formal economy”.

On the fight against child labour in the industry, Sandramu says: “I can say we have managed to rescue around 80,000 child workers.” Sexual abuse by supervisors and male workers, as well as gender discrimination, is also rampant in Malawi’s tobacco fields. To this end, TOAWUM has introduced a number of measures to protect women workers and young girls. “We developed a new policy on sexual harassment, ratified by the MCTU and the Malawi Human Rights Commission in 2015. We have also initiated sensitisation campaigns with the aim of having 50 per cent female participation in our union,” he tells *Equal Times* **[11 f]**.

The global march towards a total ban on tobacco is an undeniable blot on the TOAWUM horizon, but Sandramu is trying to look at it as a chance for industry reform, rather than extinction. “We are encouraging smallholders to plant alternative crops such as cotton, cereals and legumes,” he says. “We are affected by climate change but the fact that so many hectares of fertile land goes to tobacco is also a problem. Our farmers go where the cash is.”

Increasingly, that isn’t with tobacco, as smallholders are being cut off from the market by tobacco firms that only want to buy from farmers linked to their companies. Moving forward, Sandramu says policymakers must ensure that smallholder farmers get a good price for all their crops. “If Malawians are given the option of growing another crop for which they will get a good price, they will switch. We must encourage farmers to diversify but we must pay them fair prices.”

CASE STUDY: SENEGAL

MOVING FROM TALK TO ACTION ON THE INFORMAL ECONOMY

BY CHRIS BURNS



AP/Rebecca Blackwell

Informal workers in Senegal, like these vendors in a market in Dakar, have allied with trade unions to demand greater rights, backed by new guidelines from the International Labour Organization.

They're fishermen, mechanics, street vendors, security guards, textile workers, seamstresses, waiters and many others. They're all classed as informal workers, Senegal's largest workforce, and they had no voice...until now.

These workers, organised by trade unions in negotiations with the government and employers, are now demanding labour and social rights, supported by the International Labour Organisation (ILO)'s Recommendation 204, adopted one year ago by the International Labour Conference. It lays out a roadmap for the transition of informal workers into the formal economy.

"People are aware of their rights. Politicians see those masses as an electoral danger and have to take them into consideration," Malick Sy, head of civil society relations for the Senegalese national trade union centre, *Confédération Nationale des Travailleurs du Sénégal* (CNTS), told *Equal Times*. "The state can't ignore them anymore."

This May Day, following an annual tradition, Senegal's unions gave the govern-

ment a list of demands for discussion, including expanding social protections to informal workers. Although the government is yet to make any firm commitments in this regard, it recently took the step to assign a safe working space for street vendors in the capital city of Dakar, complete with eating facilities.

In Senegal, non-agricultural informal employment represents over 48 per cent of the workforce, according to the country's Labour Ministry, contributing 41.6 per cent to its gross domestic product. Sy said the informal-to-formal transition process began in the country well before the ILO's adoption of Recommendation 204, but that the ILO guidelines have reinforced the effort for decent work for all.

"The Recommendation gives unions an additional weapon to organise and better penetrate the informal sector," Sy said. "Those workers are still informal but our union movement urges them to cross that strategic line toward the formal economy."

≡ "A LONG FIGHT"

But has this campaigning and organising actually changed national policy – or addressed a lack of it – toward informal workers? Sy notes that the Senegalese government still needs to implement the Recommendation. "It will be a long fight. That means mobilisation," Sy said. However, tripartite and bilateral negotiations have taken place and Sy points to the Emerging Senegal Plan (PSE) – Senegal's economic and social policy paper for the period 2014–35 – which includes a blueprint on formalising workers and increasing the tax base.

Sy said that while he is pleased that formalising informal workers is a part of the national conversation **[6]**, what is missing is a "substantial, concrete realisation of the objectives". He pointed to the government's plan as laid out in the PSE to create 150,000 new jobs per year. Sy said the actual figure falls way short. "There's talk of 20,000 jobs, but not even that is true".

So what are the next steps? "We have to try to get the informal sector to benefit from social security, and to make a smooth transition to formality for agricultural, construction and other informal workers," he said. "The pressure continues at the union level," he said, while sharing the story of a meeting that took place in Dakar earlier that day with a group of about 20 mechanics.

"We went to speak with them on-site." Amongst their demands: providing access to credit to buy equipment, decent working conditions, shorter working hours and medical insurance.

Sy described their working conditions as "extremely difficult." Located along the edge of Dakar airport, where approximately

3,000 informal workers are based, the mechanics Sy met fix cars in the open air with no lighting, no protective clothing, no first aid and no running water. The only toilets they have are improvised.

"They work very long days in the sun and late into the night. When it's dark, they use flashlights or the cars' headlights. That's the ingenuity of the working class," Sy said.

With the informational phase over, informal workers in Senegal will soon hold a general assembly to start the process of

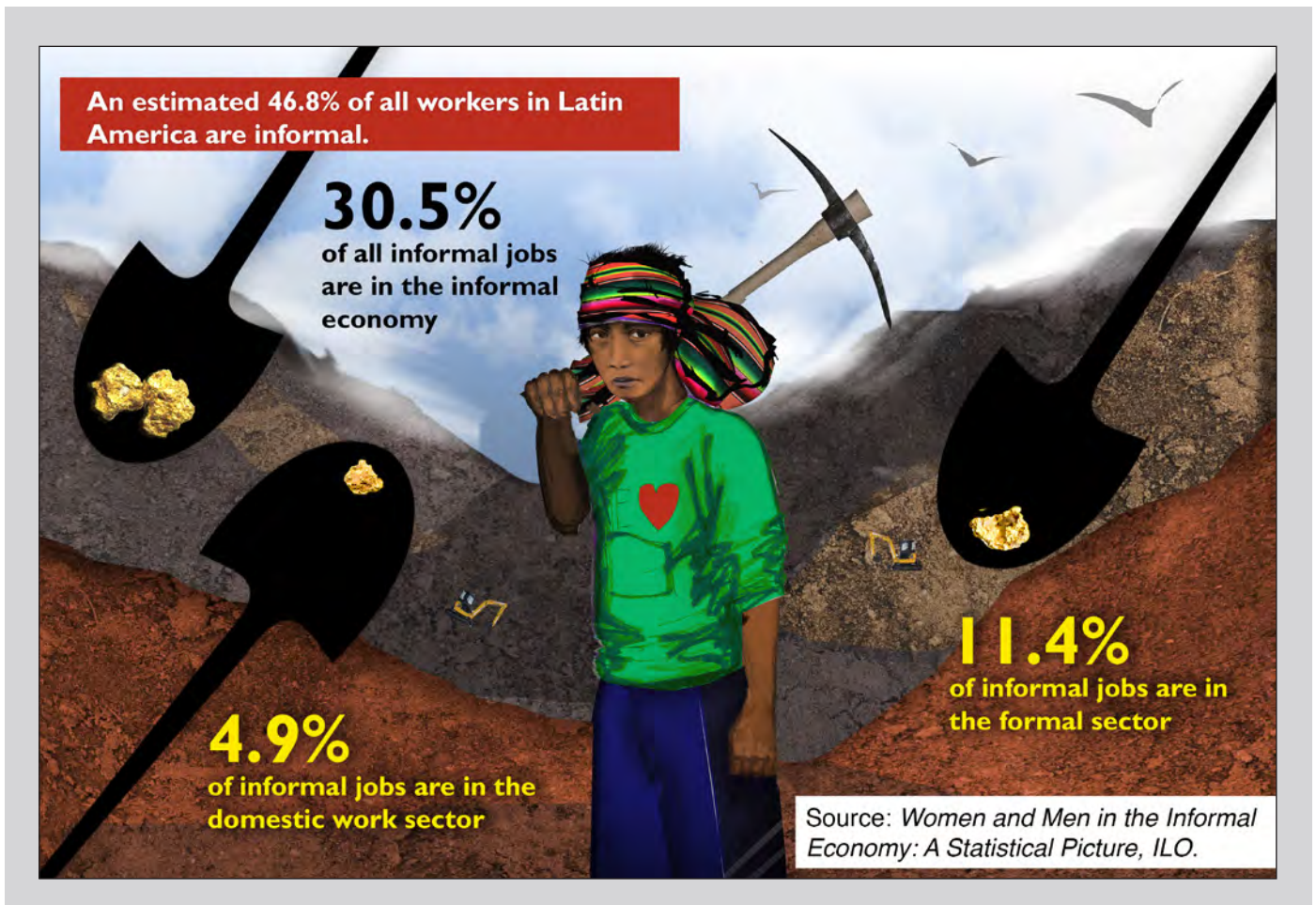
Paragraph 6J of the Recommendation calls on the competent authority to "make use of tripartite mechanisms with the full participation of the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy".

setting up a union, with the help of CNTS. "From that platform, they will work with the authorities," said Sy.

One of the positives, he said, is that the government is at least open to discussing the demands of informal workers and the unions. "We have to push them, mobilise, to make it materialise. But the potential is there."

THE CHALLENGE OF DECENT WORK IN THE AMERICAS

BY ESTHER ORTIZ



To speak of informal work in the Americas refers to a heterogeneous reality – more than 30 countries, not to mention hundreds of languages and economies ranging from the world’s biggest (the United States) to some of the world’s smallest (Dominica).

But while the socio-economic, political and linguistic landscapes may differ, the end-result of informality – insecure work, few rights, scant or no social security coverage and poor wages – are always the same.

The introduction of Recommendation 204 by the International Labour Organization (ILO) in June 2015 is a landmark attempt to ensure social and economic inclusion for hundreds of millions of informal economy workers across the world, including an estimated 46.8 per cent of all workers in Latin America.

In North America, too, increased deregulation and the changing nature of work means the spectre of informality also looms large. Despite the economies of the United States and Canada contributing to 25 per cent of the global GDP, informal and non-standard work is on the up, currently comprising around 16 per cent and 10 per cent of all work in both countries respectively.

As a result, unions are taking up the challenge of organising and representing the growing legion of workers in the ‘shadow economy’. In Canada, women and immigrants – or workers who are both – dominate informal work in a wide array of occupations.

It's a similar story in the US. Despite the growth of the so-called 'gig economy' (where workers, although technically classified as 'independent contractors' or 'freelancers', are reliant on corporate technology platforms such as Uber for one-off jobs such as driving or writing code), the overwhelming majority of informal work is performed by immigrants in the agricultural, service, construction and transport sectors.

As Gonzalo Salvador, press officer at the US labour confederation AFL-CIO, explains: "The rate of people working in the informal sector in the US is relatively low compared to other countries on the continent due to factors such as the economic integration of workers, and their ability to advocate their rights through collective bargaining." However, he continues, "the attack against working families and the lack of immigration system reform has left millions of vulnerable workers at risk of being exploited."

Christine Bonner, an advisor at the global NGO Women In Informal Employment: Globalizing and Organizing (WIEGO), agrees. "Informal, precarious, insecure work is growing, even in North America. Namely, people without full-time jobs, even without contracts."

In the case of women, informal workers are generally found in the areas of care giving and domestic work. While there has been some success in introducing protections for domestic workers, mainly through the work of the National Domestic Work Alliance, in Central and South America, women are overrepresented in almost every area of the informal economy.

"They are domestic workers, waste pickers, street vendors, home-based workers and craft workers. Many of them are struggling for recognition and security," Bonner remarks.

Recommendation 204 is a serious attempt to "tackle the informal economy trap" and vulnerable groups like women have the most to gain from the tools it provides for governments, municipalities and employers.

MORE THAN 130 MILLION INFORMAL WORKERS IN LATIN AMERICA

The economic growth experienced in Latin America in recent decades hasn't been enough to rescue the more than 130 million informal economy workers denied decent work in the region. The rates of informality vary from country to country: at the top end you have 70.7 per cent informality amongst the working population of Honduras, 68.8 per cent in Peru, 56.8 per

cent in Colombia and 54.2 per cent in Mexico. Meanwhile, in Argentina that figure is 46.9 per cent and 33.6 per cent in Costa Rica.

Informal employment in Latin America tends to fall into one of three types: unregistered own-account work; informal employment within the formal sector which fails to observe the necessary legal framework, either through ignorance or institutional weakness; and domestic work for private households.

“Despite all the challenges in measuring it, the actual number of informal workers in the region decreased between 2009 and 2013, says the ILO”

Despite all the challenges in measuring it, the actual number of informal workers in the region decreased between 2009 and 2013, says the ILO. Even as early as 2012, the international labour body prioritised the need to tackle informal work with Recommendation 202, which built a regulatory framework around social protection floors for domestic workers, street vendors and micro or small entrepreneurs.

Today, national security systems are a key area of focus throughout the region. But while many positive steps have been taken, some of the continent's most vulnerable workers still lack decent social protection coverage.

"The current systems are weak and underfunded due to regressive national taxation where VAT is the tax that raises the most money," says Ariel Ferrari, a workers adviser at the *Banco de Previsión Social* [Social Security Bank, the Uruguayan social security system] and a trade unionist with the national centre *Plenario Intersindical de Trabajadores-Convención Nacional de Trabajadores* (InterUnion Workers-National Convention of Workers, or PIT-CNT).

He says that the extension of social security coverage hasn't gone far enough because in most cases, the deregulation of jobs and low salaries makes it difficult for workers to commit to voluntary social security schemes. Employers that fail to contribute to these schemes on behalf of their workers receive little more than a small fine.

"As a result, the people without the right to enjoy social security are paying to support a system that excludes them," Ferrari continues, while explaining that most countries in the region lack an inclusion policy for informal workers. In most cases, "the enrolment [of informal workers] in the system is essential to strengthen it at a time when some are casting doubts on its ability to survive".

▬ THE FIGHT BACK

But trade unions in Latin America are fighting back by developing a 'social security union agenda'. With the support of the Trade Union Confederation of the Americas (TUCA-CSA), the regional body of the International Trade Union Confederation (ITUC), unions have launched the *Plataforma Sindical Continental sobre Seguridad Social* (Continental Trade Union Platform on Social Security, or PLACOSS) to "elaborate a proposal on universal, supportive and public access to social security as a human right".

“

As a result, the people without the right to enjoy social security are paying to support a system that excludes them

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Even before the historic passing of Recommendation 204, there were a number of initiatives to advance the formalisation of informal workers in the region. One example is the Law in Defense of the Own-Employed initiated by the Ecuadorian Confederation of Free Trade Unions (CEOSL). It provides self-employed workers with the right to social security and cash benefits in the case of incapacity as well as protection from occupational hazards and diseases in the workplace. In the name of '*buen vivir*' or 'good living', the Ecuadorian Constitution of 2009 included the rights of workers in the informal economy while similar initiatives have been developed in Venezuela, Panama, Peru, Colombia and Honduras.

R204 acknowledges "the need to pay special attention to those who are especially vulnerable to the most serious decent work deficits in the informal economy, including but not limited to women, young people, migrants, older people, indigenous and tribal peoples, persons living with HIV or affected by HIV or AIDS, persons with disabilities, domestic workers and subsistence farmers".

Although indigenous peoples in Latin America have their work rights protected by several national constitutions, such as in Peru, Guatemala and Venezuela, and international instruments such as the ILO's Indigenous and Tribal Peoples Convention (C169), the reality on the ground is rather different.

Many indigenous workers are locked out of the labour market or paid-lower than average wages, particularly those communities that have limited access to formal and vocational education. Precarious jobs and hazardous working conditions are not infrequent for indigenous workers, while child labour and forced labour are two areas of major concern. In fact, the Peruvian Amazon and rural areas of Bolivia and Paraguay have the second largest number of forced labourers in the world. An estimated 1.2 million people are victims of 'debt bondage' in the region.

For this reason, and many others, the ILO's Latin America regional expert on informality and formalisation, Juan Chacaltana, says: "R204 is a very useful tool because it orients the ILO constituents - workers, employers and governments - in the transition to the formal economy. This global consensus can help achieve consensus at the national level more quickly."

CASE STUDY: URUGUAY

ARTISTS GET ACCESS TO SOCIAL SECURITY THANKS TO THE 'MONOTRIBUTO'

BY ESTHER ORTIZ

With one of the highest minimum wages in Latin America and trade union density of 32 per cent, Uruguay has made several notable efforts in the past two decades to tackle informality. Not only has it reduced the number of workers in the informal economy from 55 per cent in the early 1990s to 18 per cent today, but its domestic workers were the first on the continent to secure the right to collective bargaining.

In 2003, the pressure exerted by the only national trade union centre, *Plenario Intersindical de Trabajadores-Convención Nacional de*

Trabajadores (InterUnion Workers-National Convention of Workers, or PIT-CNT), resulted in changes to the 2001 social security law.

The new law prioritised “the inclusion of the excluded”, mainly street vendors. With the inauguration of President Tabaré Vázquez’s government in 2005, an even greater number of activities were integrat-



Nicolás Raddatz

Performing artists in Uruguay are covered by a special law which provides them with social security.



Uruguayan writer Igancio Martínez says all artists should be covered by the country's social protection laws.

ed into the national social security system. This allowed those who could not previously pay their taxes to be listed and protected contributors to the system by paying a small amount of money, the so-called *monotributo* [25 b].

Today 30,000 Uruguayan informal workers, including street workers such as sex workers, are covered by the scheme provided they pay a micro-tax. This tallies with the requirements set out by the International Labour Organization's Recommendation 202 on social protection floors, which calls on all states to recognise that "the transition to formal employment and the establishment of sustainable social security systems are mutually supportive".

A specific law – no.18.384 – was created to protect artists in 2008. According to a press release from the *Sociedad Uruguaya de Actores* (Actors' Society of Uruguay), the law acknowledges "the sporadic and intermittent nature of our professions and gives us a special calculation for retirement purposes which recognises, not only our working time in the public, but also the time invested in rehearsals".

To access the benefits that this law grants – which includes all social benefits available to employees, except unemployment insurance – the workers must be enrolled in a national database known as the Registry of Artists. "The *monotributo*'s aim is to generate rights for informal and precarious workers," states

Ariel Ferrari, a workers adviser at the *Banco de Previsión Social* [Social Security Bank] and a trade unionist with PIT-CNT.

The adoption of the law was accompanied by a well-received information drive to explain why workers are obliged to make social security contributions. *Superseba*, a comic created by the Institute of Social Security recounting the epic tales of a young casual worker, was a major success in the campaign.

■ NOT ALL ARTISTS

But Law 18.384 isn't without its failings. "It only covers those related to the general definition of performing arts, i.e. actors, musicians and dancers, plus those working in areas such as technical design, costumes, makeup, scenery, lighting and sound, for example," says the notable Uruguayan writer, activist and trade unionist Ignacio Martínez. "It does not cover writers or artists linked to any of its expressions".

Martínez is also concerned that "the law has had very little diffusion among those directly concerned, while the state has no mechanisms to ensure its implementation".

But he says that all trade unions in the sector are working together, alongside the PIT-CNT's culture department, to make sure that it is enforced and respected – and eventually extended to all artists, whether performing or otherwise.

Paragraph 25 b) of Recommendation 204 says: "With respect to the formalization of micro and small economic units, Members should reduce compliance costs by introducing simplified tax and contributions assessment and payment regimes".

CASE STUDY: BRAZIL

FROM INFORMAL WASTE PICKERS TO WASTE MANAGEMENT PROFESSIONALS

BY MARINA WATSON PELÁEZ



Inara Chayamiti

Since *Recicla Ourinhos* became a cooperative, Matilde Ramos and the other waste pickers at this organisation have secured better working conditions, better pay and social protection.

Located in São Paulo State is *Recicla Ourinhos*, a Brazilian waste pickers' cooperative. Part of the 80,000-strong Waste Picker Movement of Brazil (MNCR), it comprises over 100 waste pickers who used to work in municipal dumps.

Recicla Ourinhos has transformed scores of dangerous, informal jobs – where workers faced exposure to all kinds of contaminants, diseases and occupational hazards – into a cooperative with guaranteed rights, health and safety measures, social protection, increased wages and improved working conditions.

“We weren’t part of society, we were excluded from society,” recalls *Recicla Ourinhos* president Matilde Ramos. Today, the cooperative collects and sorts around 250 tons of recyclables a month – and its members no longer have to scavenge in dumps. “Organising ourselves means not living in this condition of slavery.”

Matilde started working on landfill sites at the age of five. She knows just how dangerous the work can be; as an eight-year-old child she seriously injured her foot after stepping on a pile of burning ashes.

Ramos and other *catadores*, or waste pickers, in her area eventually found out about a project taking place in Assis, a southern city also in the state of São Paulo. They began attending meetings held by MNCR, and in October 2003, they established the Association of Recyclable Materials Collectors of Ourinhos, composed of 60, mostly-women, workers.

With help from the city council, the Diocese of Ourinhos and the municipal Sec-

retariat of Social Assistance amongst others, the association was transformed into a cooperative in 2010 and was integrated into the local urban cleaning system.

As a result, *Recicla Ourinhos* workers began to earn a steady monthly income and were treated like waste management professionals by the government. This recognition is reflected in the workspace provided to the cooperative by the city council. Today, the *Recicla Ourinhos* recycling centre features a warehouse for sorting waste, offices, a cafeteria, washrooms and lockers.

GREEN WORK

The *Recicla Ourinhos* example proves that the desire to promote “sustainable development, poverty eradication and inclusive growth,” as put forward by paragraph 11a) of the International Labour Organization’s Recommendation 204 on formalising the informal economy, is possible.

Education is also a key part of *Recicla Ourinhos*’s advocacy work. Workers regularly hold conferences and school workshops to teach adults and children about the importance of the ‘green work’ provided by the waste pickers, thus performing a crucial role for environmental awareness as well as for social inclusion.

Juliana Mota, a former housewife and waste picker, is vice-president of *Recicla Ourinhos*. She joined the cooperative five years ago and has never looked back. “My life has improved for the better,” says Mota. Along with her colleagues, she receives 1,349 Brazilian real (around US\$375) a month, of which 11 per cent is deducted for social security contributions.

However, not all waste pickers have managed to escape the vagaries of informal work. Eduardo Ferreira de Paula, from Barra Funda, east of São Paulo, has worked in the sector for 30 years. Although he is a member of MNCR, he says his monthly income of R\$1,000 (around US\$280) just isn’t enough. Like most other waste pickers, this father-of-four has to find other sources of income to survive, something the Recommendation is designed to stamp out. **[18]**

“It is true that people cooperating with *Recicla Ourinhos* have better working conditions than other cooperatives,” Mota admits. Waste pickers in other cooperatives have to “collect the material directly from the waste dump. They have no support from the municipality, and there are cases where workers have no lavatories, canteens or means of transport.”

Recommendation 204 is an important advocacy tool to help the tens of thousands of waste pickers in Brazil who don’t have access to decent work says Sonia Maria Dias, a waste management

Paragraph 18 J of Recommendation 204 states: “Through the transition to the formal economy, Members should progressively extend, in law and practice, to all workers in the informal economy, social security, maternity protection, decent working conditions and a minimum wage that takes into account the needs of workers and considers relevant factors, including but not limited to the cost of living and the general level of wages in their country.”

specialist with the NGO Women in Informal Employment: Globalizing and Organizing.

“Waste pickers, and other informal workers, can use this document to provoke or propose policy dialogues with their governments,” she says, adding that formalisation shouldn’t come at the expense of social protection.

However, accessibility of the document remains a challenge; an official translation of the document in Portuguese would be a good start, Dias suggests. Dias also fears that the recent political upheaval in Brazil could be a massive threat to workers’ rights “because the new government is ultra-right”.

However, the fact that the Recommendation establishes the fundamental rights of all workers in the informal economy “might be very useful to provide the arguments and legitimacy needed, should things get worse here,” she concludes.

Visit www.equaltimes.org/videos to watch our short documentary “Waste pickers of Brazil unite”.

CASE STUDY: DOMINICAN REPUBLIC

DOMESTIC WORKERS FIGHT FOR A MINIMUM WAGE

BY FANNY MALINEN

In the Dominican Republic, over half of the active population works in the informal economy. In a country where poverty and inequality are high – just under 20 per cent of GDP goes to the bottom half of population whereas the richest tenth get nearly 40 per cent – this means many workers earn little and are not covered by social security.

To remedy this, the *Confederación Autónoma Sindical Clasista* (CASC, or the Autonomous Confederation of Workers' Unions) set up the *Mutual de Servicios Solidarios*, (Mutual Association of Solidarity Services, or AMUSSOL). It allows informal economy and self-employed workers to register with the government's social security system [11 n]. For those with no employer or an employer who does not want to register them, it transfers the worker's contribution directly to the social security fund.

"AMUSSOL is a virtual employer for the social security system," explains Francisca 'Altagracia' Jiménez from CASC. Set up in 2011, by the end of last year it had covered nearly 60,000 workers. They come from many different sectors: transport, beauty salons, agriculture, mechanical workshops, domestic workers and vendors.

"This contributes to the transition from informal to formal," says Jiménez, alongside measures the government has implemented to facilitate this such as a solidarity bank and making registering micro enterprises easier.



Xinhua

One of the key groups of informal workers in the Dominican Republic are domestic workers.

One of the key groups of informal workers in the Dominican Republic are domestic workers. “The National Union of Domestic Workers now has 3,400 members. This was obtained through an organising campaign of circulating information to domestic workers and their employers so that they can recognise their rights,” says Jimenez.

According to the National Statistics Office, domestic workers form 5.6 per cent of the informal workforce in the Dominican Republic. Under AMUSSOL, they receive healthcare coverage and the equivalent of three months’ wages when giving birth. Subscribers even receive additional subsidies for breastfeeding.

But domestic workers still face various challenges. Many employers do not regard them as ‘real’ workers and private homes are not covered by workplace legislation. Meanwhile, it is thought that at least one-third of all domestic workers in the Dominican Republic come from neighbouring Haiti. Fears over their immigration status can leave migrant domestic workers particularly vulnerable to abuse from employers.

≡ CONVENTION 189

It is undeniable that the ratification of ILO Convention 189 on domestic work in 2013 (the same year it was adopted by the ILO) has improved the lives of domestic workers. This has come about through pressure from trade unions in alliance with civil society organisations, especially those focusing on gender, Jiménez says. Some 90 per cent of domestic workers in the country are women, a trend replicated globally, and protecting the rights of women workers fits into one of the goals of Recommendation 204 – namely the “promotion of gender equality and non-discrimination”.

The right to freedom of association and collective bargaining is also ensured by Convention 189 and promoted by Recommendation 204. The Convention also covers minimum wages, daily and weekly rest time and clear terms and conditions of employment.

Paragraph 26) of the Recommendation states:
 “Members should put in place appropriate mechanisms or review existing mechanisms with a view to ensuring compliance with national laws and regulations, including but not limited to ensuring recognition and enforcement of employment relationships, so as to facilitate the transition to the formal economy”.

But ratifying Convention 189, and adopting Recommendation 204, is just the beginning. They also need to be put in practice, which is why CASC keeps campaigning. “To apply the Convention, it is necessary to modify labour legislation,” Jiménez explains. “This will change the lives of thousands of women who work in this sector.”

[26]

Before the election in May 2016, the demand for a new labour law rose to the fore and was embraced by most candidates. It would establish a minimum wage for domestic workers, nearly half of whom now earn less than 6,000 pesos (approximately

Paragraph 11 n) of Recommendation 204 calls for “the establishment of social protection floors, where they do not exist, and the extension of social security coverage”.

US\$130) a month, as well as an eight-hour working day. Currently, domestic workers often work 16-hour days. The legislation would also guarantee the inclusion of domestic workers in the social security system, with access to health care, maternity protection, pensions and coverage for workplace accidents.

Jiménez says the discussion over the labour law is on hold because employers are seeking to reduce gains made by the domestic workers’ union. But all central unions as well as other organisations support the new law, so she is hopeful that the proposal will be accepted soon.

CASE STUDY: UNITED STATES

COOPERATIVES 4.0 – A ‘FAIR TRADE’ ALTERNATIVE TO THE EXPLOITATIVE ‘GIG ECONOMY’?

BY NITHIN COCA

One of the biggest challenges in the United States is the increasingly tense battle between the growing number of ‘gig workers’ – independent contractors, often on short-term contracts or working on a job-by-job basis – and the massive, investor-owned, on-demand technology platforms that are taking over a greater share of the nation’s work.

This past year has seen a strong push to better define gig workers, driven by the fact that the on-demand revolution has failed to empower workers. The United States now has record wealth inequality, stagnant wages for middle and lower class Americans, and more independent contractors than ever before.

“Income inequality is the core of so many social problems,” says Joshua Danielson, one of the co-founders of the Loconomics Cooperative, which is on a mission to “use technology, shared ownership and community to grow local economies” when it launches

in California later this year. “[On-demand] platforms are turning into giant temp agencies, and instead of hundreds of owners, it’s just one. Do people need to be billionaires on the backs of low-wage workers?”

This is the reality, as just a few platforms owned by the wealthy – Amazon, Uber and AirBnB, for example – dominate the on-demand economy. Their goal is not to maximise how much workers get paid, but to maximise returns for investors. This is why the wealth these platforms generate has not yet trickled down to the ones who are – through their coding, driving or physically exhausting warehouse work – doing the actual work.



Stocksy/Simone Becchetti

The wealth generated by the workers for massive on-demand technology platforms such as Uber rarely trickles down.

The gig economy is concentrated with companies that are now hiring legions of lawyers to remake policy and laws in their favour. “Right now the orientation [in the gig economy] is all towards large monopolies: one big Uber in every space,” says Nathan Schneider, a journalist and media studies scholar-in-residence at the University of Colorado Boulder. “It’s kind of a winner-take-all mentality.”

Sharan Burrow, general secretary of the International Trade Union Confederation (ITUC), agrees. “It is not the technology that is the problem. Indeed, new technology is a constant. But there must be regulations to ensure that employment protection is secured.”

She wants to see the digital economy subject to the same rules enforced elsewhere in the mainstream economy. “Every other business has what we call a ‘social license’ to operate – they are registered in the country of operation, they are required to pay tax, contribute to social security and be accountable for social dialogue, wages and the safety and health of their employees. These businesses shouldn’t be exempt.”

However, there is hope, as a growing number of developers, organisations and entrepreneurs are looking to take an age-old idea – worker-owned cooperatives – and transform them into cooperative platforms, creating innovative tools for worker empowerment in the digital age. **[11 g]**

OLD IDEA, NEW TECHNOLOGY

Cooperatives have existed for decades, and are a proven model to both empower workers and ensure fair wages. There are about 29,000 cooperatives in the United States but they tend to be local – a grocery store, a bakery – which is partly the point. It keeps money in the community and creates a direct, often overlapping, connection between workers and consumers.

This model, in which decisions are made collaboratively and, often through consensus, challenges how things are done in Big Tech, where speed, design, and user-experience metrics are key.

Trebor Scholz, a gig economy expert and associate professor of culture and media at the New School in New York City, would like to see cooperative platforms that are a mix of an open-source foundation, a non-profit and a traditional co-op. It would be worker-owned, rely on open-source technology, and be transparently run, removing two of the key issues with on-demand platforms: the high-stakes profit motive and the lack of space for workers’ voices.

“What has been missing from the debate about the future of work is an approach that offers people something that they can wholeheartedly embrace,” says Scholz. Cooperative platforms, he be-

lieves, can be the fair trade alternative to the existing, low-wage, exploitative corporate platforms.

But it is one thing for a cooperative bakery to compete with a chain bakery in a neighbourhood; cooperative platforms are up against some of the biggest corporate giants in the world. Uber, for example, has an estimated valuation of US\$68 billion, while Amazon is the world’s seventh largest company by market capitalisation.

Another major barrier facing cooperative platforms is money. There is no answer to the millions in venture capital funds that flow

Paragraph 11 g) of Recommendation 204 calls for “the promotion of entrepreneurship, micro, small and medium-sized enterprises, and other forms of business models and economic units, such as cooperatives and other social and solidarity economy units”.

into on-demand platforms, thus allowing companies like Uber to severally undercut taxi fares in order to gain market share.

For Danielson, this can be a positive. “We don’t have the pressure of paying back 10-times the investment. Our profits are controlled by the owners, and [staff] will make market salaries, not executive salaries.” But in the end, for cooperative platforms to succeed, there will need to be a societal shift towards worker empowerment and equitable labour.

“This is not, of course, about some sort of technology. What it’s really about is a change of mindset, towards mutualism and cooperativism,” says Scholz. And an economy in which workers, not venture capitalists, are in control.

TACKLING THE INFORMAL ECONOMY IN THE ASIA-PACIFIC REGION

BY DAVID BROWNE

Reliable data on the informal economy in the Asia-Pacific region is very hard to obtain. However, most international experts agree that – excluding agricultural workers – around 60 per cent of the Asia-Pacific labour force works in the informal economy.

In South Asia, some **85%** of the working population are said to be informal

In South-East Asia, **65%** of workers are informal

In Central and Western Asia, informal workers make up an estimated **40%** of the active working population



Asia-Pacific is home to 4.2 billion people, some 60 per cent of the world's population. This vast region encompasses the wealthy economies of Australia, Japan, Singapore and South Korea; the emerging superpowers of China and India, with all their contradictions; middling Malaysia; impoverished Bangladesh and Cambodia, where just one week of lost labour can spell disaster for a worker; and the Pacific islands of Tuvalu and Kiribati, which have the two smallest economies in the world.

No one knows how many informal workers exist in the Asia-Pacific region. Not the International Labour Organization (ILO), nor the World Bank, nor the host of trade unions, social activists and NGOs working to improve the lives and working conditions of the world's most exploited workers.

How can they, when few can even agree on the nature and impact of the multi-billion dollar 'informal economy' – an economy that by its very nature is unregulated? An economy that can range from workers in ultra-modern fish processing factories in Papua New Guinea, who are paid by piece-work but without any labour rights or social protection, to the neo-feudal modern slavery of South Asian brick kilns.

"All we know is that the numbers [of people working in the informal economy] are huge," says Arun Kumar, a senior specialist in the ILO's Bureau for Workers' Activities (ACTRAV), who is based in Bangkok. "But accurate data is impossible to give," he emphasises, "because there is no uniform definition of what comprises informal workers. Almost every country has a different way of defining it."

Some statistics, however, can be more or less agreed on. Most international experts concur that – excluding agricultural workers – around 60 per cent of the Asia-Pacific labour force is informal. This ranges from around 85 per cent of the working population in south Asia, to 65 per cent in south-east Asia, falling to around 40 per cent in central and western Asia.

Beyond statistics, there are some commonalities: child labour and forced labour, the most extreme characteristics of the informal economy, are widespread; there are a disproportionate number of women workers in the informal economy; and low productivity, low incomes and low skills are prevalent.

On the informal labour frontlines in the Asia-Pacific, for those pushing for change the ILO's Recommendation 204 on formalising informal workers has received a mixed reception. While many unions and civil society organisations are happy to have another tool to fight informality, others are less enthusiastic. "There are so many conventions and international labour laws that India has ratified. But how much has really changed?" asks Laxmi Naryanan, general secretary, of the KKPKP waste pickers trade union in Pune, Maharashtra, India.

Founded in 1993, the KKPKP – *Kagad Kach Patra Kashtakari Panchayat*, or Paper, Glass and Tin Labourers' Council in English – today represents 11,000 waste pickers, rubbish collectors and trash recyclers. It was the first union of its kind in India. "Formal systems sometimes just build walls and hide what is really happening on the inside," says Laxmi.

"There can be concerns in moving from 'informal' to more 'formal' employment conditions for workers. This can create regulations that make conditions not better but more difficult for informal workers," she cautions.

■ AN INTEGRATED TRANSITION

This is exactly what the ILO Recommendation tries to address. Paragraph 8, for example, calls for "a proper assessment and diagnostics of factors, characteristics, causes and circumstances of informality in the national context to inform the design and implementation of laws and regulations, policies and other measures aiming to facilitate the transition to the formal economy".

Paragraph 10, correspondingly, recommends that "an integrated policy framework to facilitate the transition to the formal economy is included in national development strategies or plans as well as in poverty reduction strategies and budgets, taking into account, where appropriate, the role of different levels of government".

But all too often, this isn't doesn't happen on the continent. The formalisation of informal workers can, according to Laxmi, "tilt the playing field in favour of powerful business interests who see commercial opportunities in sectors that have been pioneered and developed by workers in the informal economy.

"Of course, there are many rights and benefits in a formal employment system. But so many employers are continually trying to bypass the system and looking for loopholes to exploit their workers."

Today, after years of struggle, protest and negotiation, KKP work-ers have a minimum wage agreement with the Pune municipal gov-ernment and the independent right to sell scrap and recycle materi-als. “But it doesn’t mean that all problems have been solved. We have to remain vigilant and maintain a high level of solidarity and unity. For me this is more important than anything,” Laxmi stresses.

■ AN ENGINE FOR FORMAL WORK

This message of collectivism is one echoed by Mike Bird, operating officer for WIEGO, the now Manchester, England-based organisa-tion that was formed at Harvard University in the United States in 1997 and then formalised a decade later.

WIEGO – standing for Women in Informal Employment: Global-izing and Organizing – is dedicated to empowering informal work-ers and securing informal livelihoods. It focuses on four princi-pal groups of informal workers – domestic workers, home-based workers, waste pickers and street vendors.

“We are broadly encouraged by the ILO Recommendation,” says Bird, “especially by the recognition it gives to those people working in the informal economy and its call for the preservation and main-tenance of existing livelihoods.

“There is a power in these ideas, it does pro-vide a template. But while it is helpful, it is by no means the full answer. Our concern is that there is no ‘engine’ for formal work. No matter what intentions are expressed, there’s no one single body that is responsi-ble for, or who can conjure up formal jobs.”

Bribery and corruption is a major problem faced by many informal workers, particu-larly street vendors, says Bird. “If the ILO Recommendation is embraced by govern-ments in the region then I believe the moves to formalisation could help remove some of the graft and ‘informal taxes’ levied on work-ers in the informal sector. This can only be a good thing.

“And if the ILO Recommendation empowers street vendors to go to their municipal authorities and say: ‘Hey! This is what the inter-national community is saying. What are you going to do about it?’ Then, again, this can only be a good thing.”

Across Asia-Pacific there are a number of positive examples of countries trying to help their informal workers, says ILO ACTRAV’s Arun Kumar. “In the Philippines the government has brought out a law to protect domestic workers. India has a number of initiatives for workers in the informal economy aimed at social protection, so-

cial security and improving the availability of credit. Thailand has initiated universal health insurance schemes and promoted credit for the self-employed and small ventures,” he points out.

“But the key issue is it’s just not enough. The current development model and employment practices are leading to precarious, low wage jobs and growing employment in the infor-mal economy,” says Kumar. “This is what the ILO Recommendation seeks to address and counter. It’s a clear pathway to a better future for informal workers everywhere.”

Simon Steyne, a senior advisor at the ILO in the fundamental principles and rights at work integration office, says: “You are not going to magic away the informal economy by regula-tion alone. “Our vision is decent work for all. We are actively trying to encourage workers in the informal economy to find their collec-tive voice through organising themselves to make the step-up from the informal to the formal economy. “A bottom-up approach is the key.”

“

Our concern is that there is no ‘engine’ for formal work. No matter what intentions are expressed, there’s no one single body that is responsible for, or who can conjure up formal jobs

”

It’s an approach personified by the Hong Kong-based International Domestic Work-ers’ Federation (IDWF). Established as a network for the world’s 65 million domestic workers in 2006, they were instrumental in leveraging international pressure that led to ILO Convention 189 on decent domestic work in 2011, before being registered as an official trade union two years later. And they remain a shining example of achievement and posi-tive change for all workers in the world’s in-formal economies.

CASE STUDY: INDIA

THE SCOURGE OF CHILD LABOUR IN INDIA'S INFORMAL GEMSTONE INDUSTRY

BY DAVID BROWNE

Jaipur is set like a sparkling jewel in the brilliance of the Rajasthani sun. But within the teeming, industrious chaos of the old city, there may be at least 200,000 people working in the informal gemstone economy – almost all of them male, many of them boys.

Vijay Goyal, a driving force behind the city's Anti-Child Labour Task Force and head of Jaipur's One-Stop Crisis Management Centre for Children, believes there are around 25,000 children working in the informal gemstone sector alone **[16 b + 16 c]**.

"It is difficult to give a precise figure. But we know there are thousands and thousands," says Vijay, who has rescued hundreds of children from bondage in various sectors over the years. While in Jaipur, I witnessed the rescued of four young boys from bonded labour at a textile workshop. The youngest of them was 11. They were working 14 hours a day for 50 rupees (US\$0.80) a week.

Although laws exist to tackle the worst form of child labour, exploitation and slavery, more than 10 million children in India are thought to be at work instead of school. Some 1.2 million are estimated to work in hazardous industries, such as gemstone polishing. And while paragraph 17a) of the International Labour Organization's Recommendation 204 on formalising the informal economy calls on member states to "take immediate measures to address the unsafe and unhealthy working conditions that often characterize work in the informal economy," in Jaipur, the health and safety conditions within the traditional gemstone workshops can only be described as appalling.

Polishing wheels and motors spin at high speed without safety guards. Electrical wiring is bare and dangerous. Workers, none of them wearing safety masks, freely inhale the ultra-fine dust of the worked gemstones, leading to a high order of respiratory diseases. Some use strips cut from rubber balloons – and even super-glue – to

protect the tips of their fingers. Crammed into small workplaces, sitting and hunched for long hours at a cutting or polishing wheel, repetitive strain and stress injuries are commonplace.

— EARNING A PITTANCE IN A BILLION-DOLLAR INDUSTRY

India is the biggest diamond and gemstones cutting and polishing centre in the world, with an annual export trade valued at US\$1 billion. Overall, the country's gems and jewellery market is worth US\$39 billion a year. But the workers in Jaipur's informal gemstone workshops see little of this wealth.

Highly skilled artisans, and the bedrock of the industry, they feel left behind and exploited. "We are now getting 65 rupees for every 100 previously. The buyers are still selling for the old prices. We are getting less and less. It seems other people are getting rich off our sweat and work, while we are not," says 54-year-old Muhammad Qudratullah, who heads a typical, family-run, emerald polishing workshop, near Johori Bazaar.

"My grandfather used to do this, then my father. Then I started doing this. As you can see in front of you my son is also doing this. But we've had enough of it. This business is no longer in our favour. We want change. "People are fed up. They don't get proper wages because it's small-scale informal work. There's little we can do. We want our children to do other work."

Paragraphs 16 b) and 16 c) of Recommendation 204 call for: "the elimination of all forms of forced or compulsory labour;(and) the effective abolition of child labour".

Visit www.equaltimes.org/videos to watch our short documentary "Child labour in India's gemstone industry".

CASE STUDY: PHILIPPINES

WHEN MIGRANT WORKERS COME HOME

BY ESTRELLA TORRES



AP/Bullit Marquez

Overseas Filipino Workers (OFWs), mostly domestic workers, arrive in Manila, Philippines, on 9 March 2013 after being repatriated from civil war-torn Syria as part of the government's Assist Well programme.

Filipino seaman Geraldo, 40, survived an attack by pirates off the coast of Lagos, Nigeria in 2010 where he worked as a boatswain for a Greek-flagged vessel. Despite the risks and trauma, he returned to work to continue to provide for his family of four sons. But in December 2015, Geraldo was forced to come home; after 17 years at sea, he was made redundant.

Around nine million Filipinos work abroad. Between January and November 2015, their remittances contributed an estimated US\$25.2 billion to the Philippine economy – about a tenth of the country's gross domestic product (GDP).

But now many of these workers are returning home. A mapping report by the Department of Foreign Affairs reveals that the number of Overseas Filipino Workers (OFWs) dropped to 7.9 million in July 2015, down from nine million in 2005. The reasons are manifold – the global economic crisis, conflicts in the Middle East and North Africa – but for most returnees, the

transition back into the local labour market is anything but smooth.

Such is the case for Geraldo, who now works as a self-employed driver in San Pedro, south of Manila, joining the ranks of millions of informal workers in the Philippines.

According to the Department of Labor and Employment (DOLE), the informal economy shrank from 14.75 million workers in July 2014 to 13.143 million workers in July 2015. But more than three out of ten Filipinos are still in vulnerable employment, and more needs to be done to protect returning migrant workers from slipping into informality.

In June 2011, DOLE launched a two-billion-peso (US\$42 million) reintegration programme [15 e]. It provides loan assistance of up to 200,000 pesos (approximately US\$4,300) to Filipino workers who have lost their jobs abroad, enabling them to start a small business or learn new skills.

Paragraph 15 e) of Recommendation 204 calls for “labour migration policies that take into account labour market needs and promote decent work and the rights of migrant workers”.

Certain categories of workers are prioritised, such as the scores of female migrant workers who suffer terrible sexual and physical abuse, mainly while employed as domestic workers in the Gulf States. Besides the treatment of physical and psychological injuries, immediate reintegration into the labour market helps these women “get back on their feet again,” according to the Philippine Labour Secretary Rosalinda Baldoz.

▬ MIGRANT DOMESTIC WORKERS

DOLE also has an assistance programme for displaced OFWs who’ve returned from conflict-affected countries such as Syria, Libya, Yemen and Iraq. Known as Assist Well, the programme – also launched in 2011 – helps workers get referrals for job openings in safer countries.

“The Philippines is committed to implementing capacity building for Filipino migrant workers to protect their rights while working abroad and when they return to the Philippines, based on Recommendation 204,” says Baldoz, referring to the International Labour Organization (ILO) instrument designed to help workers transition from the informal economy to the formal economy. **[12]**

One of the best examples of DOLE’s work in this area are the measures introduced to protect the rights of female workers in Saudi Arabia. Migrant domestic workers in the Gulf often face horrific abuse and exploitation with no recourse to justice – the 1.2 million OFWs in the region are no exception.

But the Philippine government is one of the few to have taken on the economic might of the Saudis to insist on the enforcement of some basic human and labour rights. Following a pioneering memorandum of understanding between the two countries in 2012, the Philippines government continues to try and ensure that background checks are carried out for em-

ployers, workers work a maximum of eight hours a day, six days a week and receive a minimum salary of US\$400, amongst other measures. Workers from the Philippines are also allowed to keep their passports [another basic human right prohibited by the regional-wide *kafala* labour laws that have been likened to modern-day slavery], but in spite of these measures, abuse is still commonplace.

▬ POOR INCOME, POOR HEALTH

For Geraldo, being back home hasn’t been easy. His earnings are down to 400 Philippine pesos or US\$8.56 a day – a significant decrease on what he earned in the maritime industry, and it’s an amount that fails to cover his living costs.

“We are lucky we still have money for food,” Geraldo says stoically, but school fees, health care and rent are a huge stretch.

In addition, Geraldo suffers from hypertension and diabetes, which adds to his personal expenses. Filipinos who work abroad usually continue to pay for health and social insurance as a pre-departure requirement. But Geraldo stopped paying the monthly dues and as a result, he is no longer eligible for free health check-ups.

Sonny Matula, chairman of the Federation of Free Workers (FFW) is calling for displaced migrant workers to be given continuous access to social and health benefits as part of the reintegration process. “We coordinate with the labour department to help displaced workers through livelihood assistance, job placements and education scholarships for their children,” says Matula.

The Philippine economy grew by a massive 6.9 per cent in the first quarter of 2016, but workers in the informal economy barely feel the difference. “Without unions with strong bargaining power, workers will have difficulty sharing the growth,” Matula says.

Paragraph 12) of Recommendation 204 states: “When formulating and implementing an integrated policy framework, Members should ensure coordination across different levels of government and cooperation between the relevant bodies and authorities, such as tax authorities, social security institutions, labour inspectorates, customs authorities, migration bodies and employment services, among others, depending on national circumstances”.

CASE STUDY: INDIA II

SEWA – WOMEN WORKERS OF INDIA, UNITE!

BY SINDHU MENON



Alamy/Jake Lyell

SEWA has played a pivotal role in helping 200,000 members and more than 40 million street vendors across the country have their work regulated and protected.

On 6 January 2016, the government of Prime Minister Narendra Modi approved a proposal to present the International Labour Organization's (ILO) Recommendation 204 to parliament.

In a country where an astonishing 92 per cent of the total workforce is informal, where more than 400 million people have no access to workers' rights or benefits such as medical cover, unemployment insurance or pensions, the Recommendation becomes a tool of strategic significance for Indian workers. It aims to facilitate the transformation of informal workers and economic units to the formal economy while ensuring respect for fundamental human and labour rights. It also promotes the creation, preservation and sustainability of decent work.

Manali Shah, national secretary of India's Self-Employed Women's Association (SEWA), says the Recommendation is a useful guide for national governments on "the formulation and implementation of policy, legislation and practices". If implemented "many demands could be achieved for informal workers".

But what happens when a national government proposes labour law reforms that are widely considered the most serious attack on workers' rights in a generation? Such is

the case in Modi's India. In a bid to "increase competitiveness", changes to the labour code are currently going through parliament. If passed, they will make it easier to lay off workers, thus making the few formal jobs available in India even more vulnerable to informalisation; factories with fewer than 20 workers (this figure is currently 10) will be exempt from most labour laws; it will become more difficult to register a trade union or go on strike; social security for informal workers will be privatised...the potential fallout is endless.

Luckily, the pioneering work of SEWA has created a strong base, not only to improve the lives of informal women workers – home-based, domestic and agricultural workers, as well as street vendors, for example – but also to resist the labour reforms. Since its inception in 1972, SEWA has been working tirelessly to empower rural and urban self-employed women in an attempt to lift them out of poverty. SEWA, a national trade union centre runs cooperatives, savings and credit groups, a bank, a housing trust, social security organisations including a much-lauded health insurance scheme and a food security programme, amongst other things.

Rattanbai is a 43-year-old construction labour in Ahmadabad and an active member of SEWA. She recently obtained an Unorganised Workers Identification Number (U-WIN), a smart card that allows informal workers access to various social security schemes in India covering health, insurance, pension and banking [20]. "The government finally recognises me as a worker and the effort to get this recognition is thanks to years of struggle by SEWA," she says.

Rattanbai tells *Equal Times* that she is hopeful that Recommendation 204 will help informal workers enjoy even more rights and benefits. Through her work with SEWA, she managed to advocate for a colleague in need to access a US\$2540 grant through *Mukhyamantri Awas Yojana* [an affordable housing scheme for poor construction workers] to build her own house. "The cheque was handed over by Gujarat Chief Minister Anandiben Patel," says Rattanbai proudly. SEWA also helped her colleague receive free medical treatment when she was diagnosed with cancer.

However, the key to Recommendation affecting real change is implementation. "The government needs to be pressurised to

formalise it, to prepare an action plan and hold a tripartite meeting to take this forward," says Shalini Trivedi, a policy coordinator with SEWA.

One of SEWA's key areas of work has been the relentless struggle for safe and orderly public spaces for vendors. This is something not only actively promoted by Recommendation 204, but the rights of these workers are also guaranteed by the 2014 Street Vendors Act. SEWA began the fight in 1978 with a strike at Manekchok Natural Market in Ahmedabad. Since then SEWA has played

Paragraph 20) of Recommendation 204 calls on members to "progressively extend the coverage of social insurance to those in the informal economy and, if necessary, adapt administrative procedures, benefits and contributions, taking into account their contributory capacity".

a pivotal role in helping 200,000 members and more than 40 million street vendors across the country have their work regulated and protected. But the fight isn't over. "A tripartite meeting should be conducted to implement the Street Vendors Act at a state level, giving more focus to the poorest workers and women," says Shah [9].

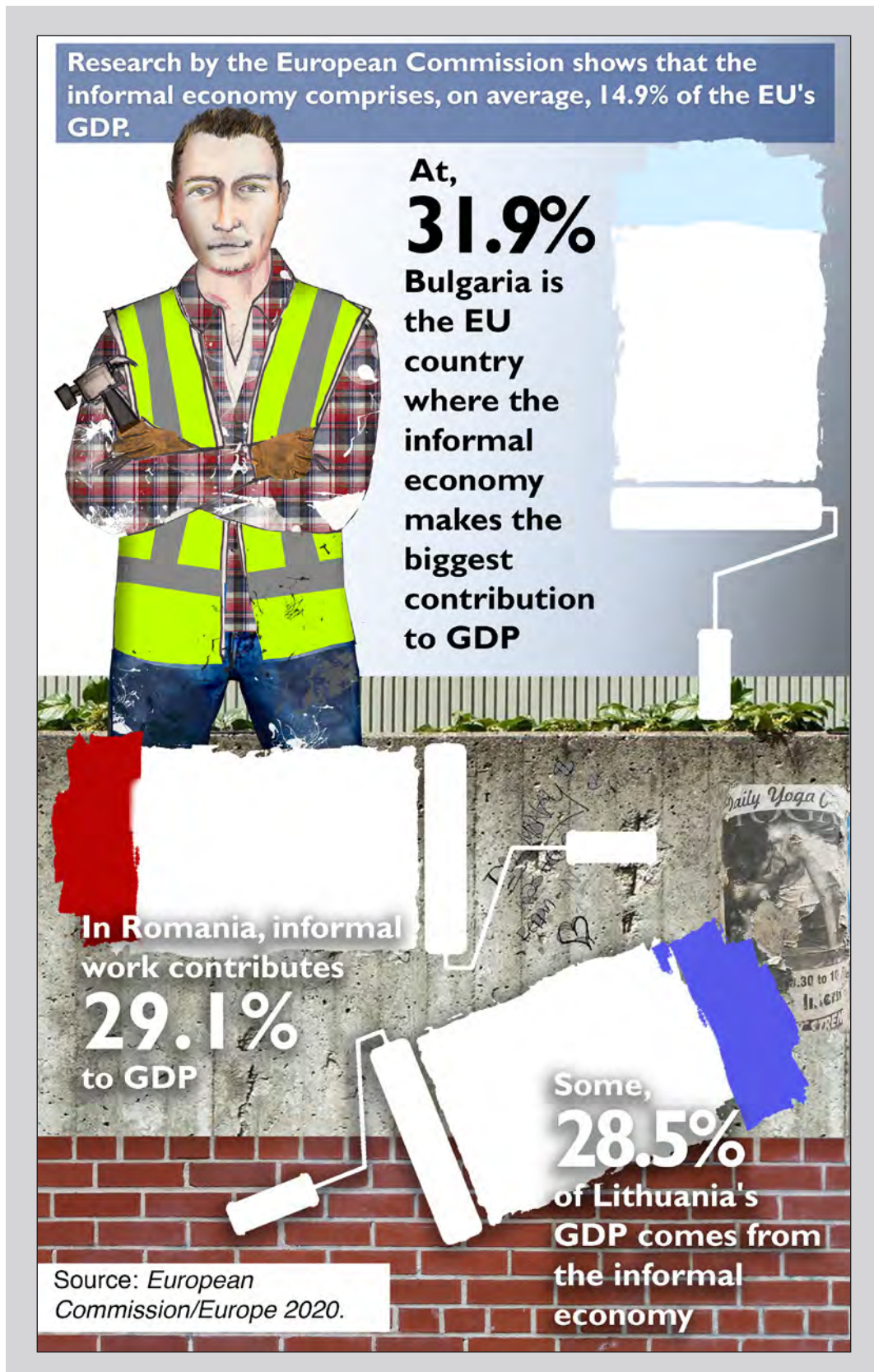
The next frontier is the recognition of home-based workers. Although ILO recommendations for this group of workers – numbering 50 million in India alone – was enacted 20 years ago, there is no national policy. They are at the lowest end of the supply chain and are amongst the poorest informal workers. Their exploitation is often invisible and for SEWA, there is an urgent need for a national policy that recognises their work, provides better remuneration (including a minimum wage fixed on a piece-rate basis), social protection, access to markets and above all, a voice.

Paragraph 9) of Recommendation 204 states:

"Members should adopt, review and enforce national laws and regulations or other measures to ensure appropriate coverage and protection of all categories of workers and economic units".

INFORMAL WORK – THE TRANSITION IN A EUROPEAN CONTEXT

BY CLARE SPEAK



Across the European Union (EU), the informal economy is thought to be worth trillions of euros – or 18.4 per cent of the region’s GDP, according to a study by the European Foundation for the Improvement of Living and Working Conditions (Eurofound).

By its very nature, informal economic activity involving both workers and employers is hard to accurately document. However, in Europe it is often characterised by (amongst other things) poor working conditions, low levels of pay, a lack of training, health and safety deficits, ‘bogus’ or false self-employment, inadequate social protection, as well as an absence of labour rights, labour regulation and labour inspection.

In Europe, the precarious nature of work in sectors such as construction, transport, private security, industrial cleaning, agriculture and hospitality results in high levels of young, female and/or migrant workers exposed to a multiplicity of vulnerabilities. This is particularly true for female domestic workers. In addition, the outsourcing of jobs in Europe leads to long subcontracting chains and networks of ‘letterbox companies’ (firms set up to circumvent legal obligations, such as taxes) along with competition on labour expenses and a race to the bottom in public procurement.

But the scale of the informal economy is felt far beyond its impact on vulnerable workers caught in, what the International Labour Organization (ILO) terms as, ‘the informality trap’. According to Wiebke Warneck, legal adviser at the European Trade Union Confederation (ETUC), wider society is also affected. She points to lost revenue for national tax authorities and lost payments to social security schemes undermining the funding and distribution of social welfare. It also causes the distortion of fair competition amongst businesses, which in turn, she says, “paves the way for social dumping.”

DIFFERENT FROM COUNTRY TO COUNTRY, REGION TO REGION

Paragraph 7a) of ILO Recommendation 204 promotes “coherent” and “integrated strategies” to facilitate the transition of workers to the formal economy, urging members to take into account “the diversity of characteristics, circumstances and needs of workers and economic units in the informal economy, and the necessity to address such diversity with tailored approaches.”

This is certainly necessary within the European Union. The large wealth disparity between EU member states, along with different taxation, regulatory and employment policies equates to notable differences in the size and shape of the informal economy

from country to country. The same is true of enforcement capacity, especially with regards to labour inspection.

Many governments in Europe (particularly going eastwards) either do not allocate sufficient funding to labour inspectors or have had to cut back because of austerity measures. As a result, many national labour inspectorates are unable to ensure the proper investigation or follow-up required to protect workers’ rights and ensure compliance with labour standards.

“The sectors where you find informal work differ strongly according to countries,” says Wolfgang Lutterbach, desk officer for Europe at the Bureau for Workers’ Activities (ILO/ACTRAV). “In Spain, for example, you find a lot of informal workers in the construction industry or in agriculture. In highly industrialised countries like Germany you find them particularly in household services such as cleaning, and care services for the elderly.”

It also differs between regions, according to Anton Leppik, executive secretary of the International Trade Union Confederation’s Pan-European Regional Council: “In western European countries, the informal sector mainly involves migrants, who are in a vulnerable situation regarding work permits and are often at risk. In many eastern countries, meanwhile, it is about citizens who can’t find a decent job, or don’t have any trust in state institutions in terms of managing taxes, social contributions or pension funds, and of providing quality public services.”

Data from the European Commission shows a marked difference in the levels of unregulated work between the more developed economies.

“In Europe, the precarious nature of work in sectors such as construction, agriculture and hospitality results in high levels of young, female and/or migrant workers exposed to a multiplicity of vulnerabilities”

In Austria, one of the most highly industrialised economies in Europe, the ‘shadow economy’ accounts for less than eight percent of GDP. In Bulgaria, meanwhile, it is over 30 percent.

Informal and unregulated work is also on the rise in those European countries, such as Greece, where austerity programmes have dramatically cut public budgets and reduced the minimum wage and collective bargaining. “This, coupled with a reduction in labour inspections, has been a further negative driver,” says Warneck.

NO IMPLEMENTATION

There is, however, one common thread throughout the informal economy in Europe: in the year since the ILO introduced Recommendation 204, not one EU member state has put its implementation on the national agenda, Lutterbach says. Despite that, policies are being put in place to fight informality at a national or regional level: Germany’s minimum wage, for example, has given some four million informal workers access to work with social security and decent pay; the EU Youth Guarantee aims to ensure that all EU citizens under 25 have access to quality jobs, apprenticeships, training or further education; and the European Platform Tackling Undeclared Work, launched at the end of May 2016, will be key to ensuring the introduction of Recommendation 204 across Europe. Although the ILO has observer status in the work of the Platform but to see its implementation, the work of the European Commission will be key.

Natalja Mickevica, a European law and policies expert with the Free Trade Union Confederation of Latvia, who participated in the drafting of the Recommendation says: “We welcome the Recommendation as it directs governments to address deliberate evasion of taxation, labour laws and the avoidance of social contributions. But now it needs to be put into practice.”

Still, much of the work needed to formalise the informal economy falls to trade unions and non-state actors. “Trade unions have a crucial role to play in the fight against undeclared work and in trying to protect undeclared workers, regardless of their residence status, as trade unions are usually the first ones to be made aware of problematic, fraudulent, abusive or illegal situations,” says Warneck.

And across Europe there are numerous encouraging examples where trade unions have made progress in formalising the informal economy, often by using social dialogue and/or pushing for legal reforms. In Bulgaria, women formed their own homeworkers’ union, which is now affiliated to the national centre, the Confederation of Independent Trade Unions of Bulgaria (CITUB).

In many countries, collective agreements have been reached that protect informal or other vulnerable workers from exploitation and poor working conditions, such as that covering workers in the building trades in Croatia.

The deal, negotiated by the Croatian Construction Industry Trade Union (SGH), is intended to combat the exploitation of cheap labour and undeclared work in the building sector. Its main points include a rise in basic wage rates, more flexible working time and additional holiday for single parents.

It covers all workers, full-time and part-time, regardless of their type of employment contract. It also applies to foreign nationals who have signed a labour contract with the employer. This agreement is being seen as a blueprint for other industries to follow.

Throughout the informal economy in Europe: in the year since the ILO introduced Recommendation 204, not one EU member state has put its implementation on the national agenda

Practice shows that businesses that have a trade union and a collective agreement are unlikely to be involved in undeclared or improperly declared work. Despite the very challenging economic circumstances, Europe’s trade unions have a key role to play in facilitating ‘transition strategies’; in contributing to designing social security policies and programs; employment and skills policy frameworks; recruiting and representing workers in the informal economy; and being the mechanism through which those workers find their voice and together, participate in policy making to enable them to claim their rights and effectively transition into the formal economy and decent jobs.

CASE STUDY: BELGIUM

TITRES-SERVICES: GIVING WOMEN A STEP UP OUT OF INFORMAL DOMESTIC WORK

BY TANJA MILEVSKA

When she arrived in Belgium from her native Poland at the end of the 1990s, Agata (not her real name) had neither a residence nor a work permit. But thanks to the solidarity of the Polish community in Brussels, she quickly found work as a domestic help several times a week. Working under the table with no social security, and therefore no access to health care, Agata's health gradually deteriorated as a result of her demanding physical work and family difficulties.

In 2004, this 50-year-old Polish woman's situation was finally legalised thanks to a measure introduced by the Belgian government: a system of 'service cheques' or 'titres-services'. Its creation stemmed from the desire to put an end to the pre-

carious situation of a vast network of so-called 'shadow economy' workers, mainly women from eastern Europe active in the domestic work sector: cleaning, ironing, child care and sometimes even gardening.

The system enables workers to be hired on a legal contract while giving a range of tax incentives to the users of these services. It also registers the enterprises that employ these women in order to improve their working conditions.



Alamy

Belgium's titres-services system has created over 125,000 jobs and helped tens of thousands of workers escape informality.

As Grace Papa, the food and services secretary for one of Belgium's national trade union centres, CSC, explains: "To be registered and therefore receive state subsidies, these companies have to abide by a number of clearly defined rules such as a financial deposit, the respect of contractual hours, and so on. It is tightly controlled." Companies that break the rules face deregistration.

As a northern European country with a relatively large informal economy, Belgium's *titres-services* system is seen as a resounding success, having so far created 125,000 jobs, and above all, having helped workers transition from the informal to the formal economy. Yet many of the (mostly female) workers in this sector are still in a precarious situation – particularly those who don't get enough working hours because competition is so fierce.



Trade unions rally in support of Convention 189 outside the European Parliament in Brussels.

■ INFORMAL ECONOMY AND GDP

It is estimated that the informal economy accounts for "probably about 10 per cent of GDP" in Belgium, according to Bart Verstraeten from the NGO Solidarité Mondiale (World Solidarity). There are many reasons for this, Verstraeten tells *Equal Times*, notably "excessive bureaucracy and a heavy tax burden on employers, which are a driver for tax evasion". Verstraeten also points an accusing finger at "the lack of resources affecting labour inspection and an inadequate sanctions system, as a result, among other things, of a lack of political will".

Verstraeten was involved in the negotiations at the 104th International Labour Conference (ILC) in 2015, which resulted in the first-ever international instrument designed to help states facilitate the transition of workers from the informal to the formal economy. Today, this is known as Recommendation 204.

But while the Belgian government has largely succeeded in taking domestic services out of the informal economy, many other sectors are still heavily impacted by informality, particularly construction and transport. There are also at least 100,000 undocumented workers in Belgium's informal economy, Eva Maria Jimenez of the CSC warns.

Paragraph 33) of Recommendation 204 states that: "Employers' and workers' organizations should, where appropriate, extend membership and services to workers and economic units in the informal economy".

These workers face many difficulties – the recent revision of the penal code, which makes undocumented workers liable for punishment for working undeclared, is a particular area of concern. Until now, this only affected Belgian nationals and formal workers. Now, unions fear that undocumented workers will no longer be able to report an abusive employer for fear of reprisals.

The CSC has already taken steps to try to organise undocumented workers within their union **[33]**. "We have contacted 1,500 workers and 450 are already paying affiliation fees, which gives them a legitimate status within the union," Jimenez explains. Information sessions are organised regularly to tell these workers about their rights and union delegations meet with employers to keep the pressure up. Workers are taught how to compile evidence against abusive employers and how to put together a case file. One woman, who worked as a cleaner at an Embassy in Brussels and endured extreme abuse, managed to overcome her situation thanks to this initiative and now has a legal permit.

CASE STUDY: UK

PUTTING SAFETY FIRST FOR MIGRANT CONSTRUCTION WORKERS

BY LUKE JAMES



Alamy Images of Birmingham Premium

Some 37 per cent of all construction workers in the UK are now designated as self-employed, which means they will not receive sick pay, holiday pay or pension contributions from their employer.

Marian Nemit was tall with bright eyes and a broad smile. Friends spoke of his “big heart.” The 21-year-old Romanian had been working hard to create a new life in the UK and had found a job as a self-employed builder in London.

But his life was tragically cut short in April 2015 when a wall collapsed on him as he worked on a shop renovation. He died from head injuries at a hospital hundreds of miles from home. Marian

paid the ultimate price for the lack of health and safety protection available to informal workers everywhere.

Sadly, his story is by no means unique; according to data from the UK’s Health & Safety Executive, 32 more people went to work on a construction site in 2015 and never returned home.

In addition, many of the hundreds of thousands of EU citizens – 270,000 in 2015 – who come to Britain in search of well-paid, decent work find themselves exposed to some of the worst employment practices designed to exploit workers. In industries such as construction, this includes workers having to attain false self-employment status, even if they are employees in all other respects.

Paragraph 71) of the International Labour Organization’s Recommendation 204 – a roadmap to help workers transition from the informal to the formal economy – explicitly calls on members states to “prevent and sanction [the] deliberate avoidance of, or exit from, the formal economy for the purpose of evading taxation and the application of social and labour laws and regulations”. In the UK construction sector, however, this practice is rampant.

Some 37 per cent of all construction workers are now considered self-employed, which means they will not receive sick pay, holiday pay or pension contributions from their employer.

“Workers are often picked up on street corners or at designated places, bundled into

white vans, driven to jobs and get paid cash in hand,” Steve Craig, a national officer for the Union of Construction, Allied Trades and Technicians (UCATT), tells *Equal Times*.

“That’s often not regulated and they’re party to all sorts of abuses. They may face deductions from their wages for anything from administration, protective equipment or tool hire.” UCATT details the “systematic abuse of vulnerable migrant workers” in its 2011 report, *Hidden Workforce Building Britain*.

It reveals how one group of a dozen Lithuanian men working on the refurbishment of an NHS hospital in Mansfield in 2008 were paid below the legal minimum wage, did not receive overtime pay and had money taken from their wages to cover tool hire, rent and bills. Wage slips showed that some of the workers earned just £8.80 (€11.50) for a 40-hour week.

More recently, in 2014, the union discovered six Latvian men living in portable cabins, without proper heating, water or toilet facilities, on the site of a government-funded construction project in Manchester.

≡ UNDER THE RADAR

The informal workforce has always been “under the radar”, according to Craig. But he warns that practices have become “subterranean” since cuts to the budget of Health and Safety Executive caused a 9 per cent slump in snap inspections at building sites.

Paragraph 27 of Recommendation 204 also calls for an “adequate and appropriate” system of labour inspection “for all workplaces in the informal economy in order to protect workers”, while paragraph 11p) demands “effective occupational safety and health policies”.

An increase in labour inspections is a vital step towards protecting vulnerable migrant workers, says Craig, otherwise “it becomes very difficult for trade unions to support informal workers because they’re highly policed by the gang masters that they’re working for”.

However, UCATT is pro-actively seeking out and signing-up the informal workers most at risk of exploitation. “We were meeting with workers as they came off the plane sometimes – that was the first port of call,” said Craig.

The union has also established links with Polish community centres, although often the first contact between the union and migrant workers is made when people turn up to building sites looking for work.

Paragraph 15 f) of Recommendation 204 asks members to promote “the implementation of a comprehensive employment policy framework” that includes “education and skills development policies that support lifelong learning, respond to the evolving needs of the labour market and to new technologies, and recognize prior learning such as through informal apprenticeship systems, thereby broadening options for formal employment.”

And they have seen recent success in Manchester where UCATT has helped ten skilled Polish workers gain UK-recognised building qualifications which could help them leave the informal economy. **[15 f]**

The union also funds English language classes for migrant members to help them integrate into their local community and prevent their exploitation by unscrupulous bosses.

But for all of the union’s efforts, Craig says the government needs to get fully behind the ILO Recommendation, which he helped draft, to stamp out the kind of practices that lead to the death of Marian Nemit.

Only then will we see a “transition from rogue employers, abuse of workers and poor health and safety to coherent economic and social protection policies,” he says.

CASE STUDY: KYRGYZSTAN

IMPROVING CONDITIONS IN KYRGYZSTAN'S GARMENT SECTOR

BY TAMARA GAUSI



Tamara Gausi

Workers make blouses, mainly for the export market, at the Larisa Fashions textile factory in Bishkek, Kyrgyzstan.

Of the 200,000 or so people working in Kyrgyzstan's garment industry, not many work in factories like Larisa Fashions. A modern five-story building in downtown Bishkek, its bright and airy workspace speaks of the quality of the blouses and dresses it produces, mainly for export to Russia and Kazakhstan.

On the walls are staff training certificates, the air is temperature controlled, workers are given free meals and bonuses, and on the desks, plants and Kyrgyz flags take pride of place. Larisa Popkova, owner of the factory, says her staff are her priority.

"My goal is for people to work in excellent conditions. Our workers are mostly women, mothers, with two, three, four children. It is important that they have decent conditions".

Sadly, this is far from the norm. The garment industry is the largest employer of women in Kyrgyzstan, with the workforce between 70 and 90 per cent female. But in spite of the huge growth of the industry –



Tamara Gausi

Only 30,000 garment workers are trade union members in Kyrgyzstan.

according to official data, Kyrgyz garment exports saw an average growth rate of 29 per cent between 2001 and 2010 – most workers are condemned to low-paid and precarious jobs in informal factories earning as little as 3000-4000 Kyrgyz som [approximately US\$45 to US\$60] per week. The work is physically taxing and jobs are order-based, so big orders can mean 16-hour days, seven days a week. Conversely, no orders means no work.

Almash Zharkynbaeva is the chief technical inspector for the Kyrgyz Republic Textile Industry Trade Union [11 q]. As a labour inspector, her primary responsibility is to monitor compliance of the Kyrgyz labour code, particularly in terms of occupational health and safety [11 p]. “No labour contracts are signed [in informal workshops]. A worker is just doing the job informally and has no idea about the conditions of his or her employment,” she tells *Equal Times*. “Their record of service is not taken into account so there is no social insurance contribution to their pension fund.”

ILO Convention 183 on maternity protection hasn’t been ratified in Kyrgyzstan so when women give birth it usually means they have no income. In fact, there is no social protection floor in line with the standards set by ILO Convention 102, Recommendation 202 or Recommendation 204. A series of high-level technical meetings took place this February in Bishkek to come up with a framework for the necessary reforms, but change won’t happen overnight.

Rysgul Babaeva, chairperson of the Kyrgyz Republic Textile Industry Trade Union, has worked in the industry for over 30 years. She tells *Equal Times*: “In 2005, when our government realised the scale of the garment industry, they introduced a patent system – an operational license for self-employed workers, which is what all garment workers are. The patent offers preferential taxes, small tax liabilities and social insurance. But there is an issue here, voiced only by the unions: by paying the smallest possible amount to the social security fund, the workers do not think about their future pensions. The funded component of the pension in turn is very low”.

Paragraphs 11 p) and 11 q) of Recommendation 204 call on members to implement “effective occupational health and safety policies” and “efficient and effective labour inspections”.

To improve the livelihoods of all Kyrgyzstan’s garment workers, Babaeva says there is one clear priority of her union. “We must organise”. Only about 30,000 garment workers are trade union members in the country. “They come from rural areas, so they know nothing about unions. But we raise their awareness: we go to the workshops and distribute materials, posters, calendars.”

The uninitiated quickly see past the well-designed stationery to understand the tangible benefits of union membership. “In those enterprises where unions are present, the labour code is respected, including the Health and Safety at Work Law. But in the absence of unions, employees are not protected.” Babaeva says she knows 30,000 people is only a “small share” of the potential trade union membership, “but we are working on it daily.”

Visit www.equaltimes.org/videos to watch our short documentary “Made in Kyrgyzstan”.

CASE STUDY: BULGARIA

CREATING SMALL BUSINESS OWNERS OUT OF UNDECLARED WORKERS

BY CLARE SPEAK

In Bulgaria, the issue of formalising the informal economy is an urgent one. “Bulgaria was the country with the highest share of informal economy in the European Union,” says Plamen Dimitrov, president of the Confederation of Independent Trade Unions in Bulgaria (CITUB) and Workers’ Group spokesperson at the 104th session of the International Labour Conference in June 2015 when Recommendation 204 was finally adopted. “Different sources estimate that the informal economy represented from 13 percent to over 30 percent of the GDP, compared to the EU average of 18 percent.”

In recent years, he says, researchers believe that more than 200 special policies and measures have been implemented to formalise the informal economy in Bulgaria, from re-

ducing red tape to providing better access to social protection.

But with undeclared work long seen as the norm by many low-income workers, it’s no small task to change hearts and minds. “When the transition to a market economy started [in post-communist EU states like Bulgaria] and reforms were implemented, the informal economy was largely considered a temporary buffer for workers who lost their jobs,” says Anton Leppik, executive secretary of the International Trade Union Confederation’s Pan-European Regional Council. “It was thought that the market



Alamy/Clifford Norton

In Bulgaria, the so-called ‘shadow economy’ represents as much as 30 per cent of the country’s GDP.

would regulate everything. But it stayed, and 25 years after it not only exists, but in some countries it dominates.”

Fifty-six year-old Maria runs a small cleaning business with her sister and daughter-in-law just outside Plovdiv, Bulgaria’s second largest city. Until last year they were working informally, and she says she didn’t realise this was a problem as “it seemed to be a usual practice,” she told *Equal times* “We are not a large company. We do not have staff. We deal with the money amongst ourselves. I thought, ‘why should the state interfere?’” “I thought it was very expensive and complex to register a business.” **[15 c]**

Until 2010, businesses in Bulgaria had to pay a €2,500 fee to register as a sole trader or limited liability company. That fee has now been reduced to €1, but Maria said she didn’t realise this had changed until several years later.

“I thought these costs were out of my reach,” she said, adding that and the further costs of paying contributions for social and health insurance would “make her business less competitive than the others [that remained informal]. I was sure we’d go out of business in a week,” she said.

Problems arose when Maria’s daughter-in-law wanted to go abroad to work, but needed to prove she had experience. “We had a problem when she couldn’t prove officially that she had really been working full-time for the last five years.” Maria spoke to a trade union representative who was campaigning in her neighbourhood, and with the union’s help she began the journey to making her business official. In fact, far from going out of business, since registering Maria says she has been able to secure long-term contracts with businesses and take on two staff.

Trade unions realise there is still a lot of work to do before public opinion turns against undeclared work. Social dialogue is widely seen by labour experts in the country as the way forward.

“Social partners have been discussing the issues of informal economy in Bulgaria for more than a decade,” says Dimitrov. “and the debate accelerated after the country’s EU accession in January 2007.” Between 2009-2014, several joint projects were initiated aimed at reducing the informal economy, such as *Raising public intolerance towards the informal economy in labour and insurance relations and preventive actions for its restriction* by the Bulgarian Chamber of Commerce and Industry in partnership with the Confederation of Labour, Podkrepa.

“However, despite all these policies and measures the informal economy share remains high. So far the policies and measures in the majority of cases had unquestionable, but short-term, effects,” says Dimitrov.

Paragraph 15 c) of Recommendation 204 calls on members to enforce “enterprise policies that promote sustainable enterprises and, in particular, the conditions for a conducive environment, taking into account the resolution and Conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007), including support to micro, small and medium-sized enterprises and entrepreneurship, and well-designed, transparent and well-communicated regulations to facilitate formalization and fair competition”.

This, he says, is largely due to a lack of an integrated approach – linking employment policy to macro-economic policy to skills and taxation policy – making sure they all contribute to positive change.

“The prevailing approach involves sanctions, while preventive measures and incentives for both employers and workers to formalize their work are insufficient; the measures to promote a culture of intolerance towards such practices are ineffective.”

THE IMPACT OF CRISIS AND CONFLICT ON INFORMALITY IN THE MENA REGION

BY FARHAD MIRZA



Just four sentences in to the International Labour Organization (ILO)'s Recommendation 204 on formalising the informal economy, it says, plainly: "Most people enter the informal economy not by choice but as a consequence of a lack of opportunities in the formal economy and in the absence of other means of livelihood".

These words paint a daunting picture: the informal economy (economic activity that goes undeclared, and hence, untaxed and where workers cannot claim their rights) constitutes half of the global economy. In other words, half of the global labour force is part of a precarious system of employment, born out of a desperate need for decent work.

It is impossible to make a sweeping statement about the underlying causes of informal economies, but they do exude certain common (and empirically tested) tell-tale signs. The informal economy thrives wherever we see high unemployment (or underemployment), poverty, weak and corrupt public institutions, low confidence in the state, gender inequality, low public expenditure in education and discriminatory attitudes towards migrants, according to a fact-finding study by the Swedish International Development Cooperation Agency.

According to a 2013 ILO report titled *Women and Men in the Informal Economy: A Statistical Picture*, informal employment figures in the Middle East and North Africa (MENA) are estimated at 45 per cent of the total non-agriculture employment percentage, based on data from three countries: Palestine (58 per cent in the West Bank and Gaza Strip), Egypt (51 per cent) and Turkey (31 per cent). The gender gap in Palestine and Egypt is higher than Turkey where a higher proportion of women work in the manufacturing and trade sectors. In other places, women are mostly involved in domestic or home-based work.

The informal gross domestic product (GDP) of the MENA region is estimated at 25 per cent, according to data published by the Regional Center for Strategic Studies. These figures vary from country to country, and are subject to dramatic spikes in conflict zones. Countries that receive the largest number of refugees such as Jordan, Lebanon and Turkey can also expect serious challenges in effectively absorbing the influx of displaced workers. The big question right now is how to protect the rights of millions of vulnerable refugees, whilst effectively managing the impact of the economic shocks rendered by such rapid changes in demographics.

Jordan's informal economy comprises of roughly 10 per cent of its total GDP, according to government statistics. However, the influx of more than 600,000 Syrian refugees has put an enormous strain on the Jordanian economy. Syrian refugees have found work in low-skilled and low-waged sectors such construction, which employs 40 per cent of informal Syrian workers and retail, which employs 23 per cent. Most refugees lack basic education (only 16 per cent have finished primary education, according to the Jordanian government), and even if they did possess specialist expertise, they would still struggle to find highly-paid work in skilled sectors that are normally not open to non-Jordanians (with some exceptions, most notably the garment sector where workers' unions have made considerable gains in securing better contracts and facilities through collective bargaining).

As a result, unemployment amongst Jordanian workers in the three main cities where the concentration of refugees is highest, rose from 14.5 per cent to 22.1 per cent between 2011 and 2014, fuelling unfair competition amongst working people. In 2015, the Jordanian Ministry of Labour, along with the General Federation of Jordanian Trade Unions (GFJTU), the Jordan Chamber of Industry (JCI) and the Social Security Corporation (SSC), launched a new framework aimed at regulating Jordan's informal economy. The participants agreed on the need to for-

malise the informal sector in order to "improve the efficiency of enterprises and the private sector as a whole", whilst "improving working conditions, enhancing skills and productivity, expanding the scope of the social security coverage, increasing worker representation, as well as improving institutional capacities."

The framework is still in its embryonic stage, but recognises the need to find an integrated approach to secure basic principles of domestic and foreign workers. Such practices already exist, and can be integrated into wider framework. For example, in 1998, the Jordanian government along with ILO and USAID, established a workers' centre in the al-Hassan industrial zone.

“

The big question right now is how to protect the rights of millions of vulnerable refugees, whilst effectively managing the impact of the economic shocks rendered by such rapid changes in demographics

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The centre provides an inclusive space for thousands of (mostly foreign) workers employed in the country's prosperous garment sector (contributing US\$1.05 billion to the economy, thanks to 40,000 workers), and gives them better access to legal advice, trade union support and mental health counselling. Replicating such social spaces would be a positive way of increasing worker representation, creating support networks between formal and informal labour sectors. As paragraph 31 of the Recommendation points out: "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".

INCLUSION INTO THE LABOUR MARKET

However, bureaucratic hurdles and cultural stigmas continue to disrupt the inclusion of foreign workers into the labour market. Turkey has taken in millions of Syrian refugees since the Syrian conflict began in 2011. Conflicted social attitudes towards refugees, as well as the Arab-Turkish language barrier and delays in the issuance of work permits which would have released refugees from their 'guest-status' earlier in the process, have hindered refugees from being effectively absorbed in the formal economy. Trade unions have been strong in advocating for equality treatment and access to decent work for refugees.

An entire industry of exploitative *kafeels* (sponsors) has emerged in the Gulf States of Saudi Arabia, the United Arab Emirates and Qatar, where the development of grand infrastructure projects has gone hand-in-hand with the increasing exploitation of foreign workers, who make up the bulk of workers in the region but are denied basic labour rights. Such practices are in dire need of reform. However, "promises of reform have been used as a smokescreen to draw in companies and governments to do business in Qatar as the Gulf State rolls out massive infrastructure developments to host the 2022 FIFA World Cup," according to Sharan Burrow, general secretary of the International Trade Union Confederation (ITUC).

In Jordan, the cost of work permits must be paid by the employers but they often transfer this cost to foreign workers. In Turkey, a lack of access to formal support networks often means that Syrian refugees with work permits are less likely to be hired, compared to their informal counterparts who are often willing to work more for less money. Without adequate safety nets and decent opportunities, workers are condemned to a system in which employers can take advantage of their desperation.

There is an urgent need for governments to invest in social security programs, as well as language and vocational education for migrants. This is clearly endorsed by paragraph 15f) of the Recommendation which calls for policies that support lifelong learning and recognises "prior learning such as through informal apprenticeship systems".

ILO Conventions such as 189 on domestic work helped address this problem by facilitating the creation of unions that represent workers in the service sector in Lebanon. Although it is still fighting for recognition from the government, Lebanon's

Domestic Workers' Union is one such example. In coordination with other groups and NGOs, domestic worker members now receive literacy training and leadership workshops, in order to enable them to inspire other people. The union plans to play

An entire industry of exploitative kafeels (sponsors) has emerged in the Gulf States of Saudi Arabia, the United Arab Emirates and Qatar, where the development of grand infrastructure projects has gone hand-in-hand with the increasing exploitation of foreign workers

an important part in the entire region, "acting as a model for the establishment of other unions."

Inspiration and solidarity creates a movement of ideas that holds the power to change the status quo. Nobody needs it more than those rendered homeless by endless conflict, and denied the chance to start anew.

CASE STUDY: LEBANON

THE LONG MARCH OF LEBANON'S MIGRANT DOMESTIC WORKERS

BY EMMANUEL HADDAD



Emmanuel Haddad

A year and a half after it was founded, Lebanon's Domestic Workers' Union still hasn't been recognised by the Lebanese government. This image of Olga, a 20-something domestic worker from Cameroon, was taken at the union's founding congress in January 2015.

“Unfortunately”. That is how Abdallah Castro, president of the National Federation of Workers' and Employees' Trade Unions of Lebanon (FENASOL) – parent union of the fledgling Domestic Workers' Union – begins each of his tirades. So where do things currently stand, a year and a half after the foundation of this organisation to defend the 250,000 female migrant workers excluded from the Lebanese labour code and to protect those women vulnerable to abuse and exploitation under the *kafala* system [the widely criticised sponsorship of

migrant workers in the Gulf, which gives employers enormous control over their employees]?

“Unfortunately, there has been no change in the attitude of the Labour Ministry, which still does not recognise the union's existence [31]. We are preparing a complaint to the International Labour Organ-

isation's (ILO) Committee on Freedom of Association about this refusal," he says.

Despite this disappointment, has the union succeeded in getting the ILO's Recommendation 204 enforced? "Unfortunately, we don't have a parliament in Lebanon to ratify or take legal measures in line with current international conventions. We have had more than one meeting with the Labour Ministry, which resulted in a request to transpose the Recommendation into Lebanese law. But nobody in the Ministry has been appointed to follow up on this," sighs Castro.

Adopted on 12 June 2015, Recommendation 204 on the transition of workers from the informal to the formal economy has remained a dead letter therefore, just like ILO Convention 189 on domestic workers, which has still not been ratified by the land of the cedar tree.

On 1 May 2016, domestic workers from Nepal, the Philippines and Ethiopia marched side by side with Lebanese trade unionists, holding placards demanding the implementation of Convention 189. The Domestic Workers' Union currently has between 500 or 600 members, although some members – frustrated by the slow pace of change to their working conditions – recently left. But for those domestic workers who remain with the union, training is a key part of their membership. "We of-



ILO Convention 189 still as not been ratified by the Lebanese government.

Paragraph 31) Of Recommendation 204 states:
"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".

fer them lessons in Arabic and computer courses and since January 2016 we've begun a capacity-building course, financed by the Swiss development-cooperation agency, (SDC)," Castro explains.

The participants will be trained in trade union organising, finance and management; and for those workers who cannot get to Beirut, the trainers will go to them. The project also includes tripartite meetings to obtain the ratification of Convention 189, and the ultimate aim – the end of "constant violation of our rights" as one domestic worker put it.

The first step towards this aim is the recognition of informal work as work but when governmental action and legislative reform are not available, workers only have their own organising efforts to bring about change. The cooperation between unions and groups of informal economy workers is necessary to push for genuine recognition under the country's labour laws and to achieve the fundamental rights that all workers are now afforded with the adoption of Recommendation 204. But translating international standards into national practice remains a big challenge in Lebanon. Unfortunately.

CASE STUDY: MOROCCO

THE FIGHT TO END INFORMALITY IN MOROCCO'S CALL CENTRE SECTOR

BY EMMANUEL HADDAD

Despite the presence of 120 trade union representatives in call centres throughout Morocco, the implementation of a sectoral collective agreement is still a long way off, and informal work continues to thrive. There are an estimated 70,000 call centre workers in Morocco; an additional 30,000 people are estimated to work in informal call centres without any rights.

“To implement Recommendation 204 adopted by the International Labour Conference, there would have to be collective bargaining negotiations. Yet there is not even real social dialogue in the country,” denounces Ayoub Saoud, general secretary of the national federation of call centre and offshore workers, FNCAMO, which is affiliated to the *Union Marocaine des Travailleurs* (UMT, or the Moroccan Workers’ Union). The importance of social dialogue is outlined in paragraph 11e) of the Recommendation, and yet “the government led by Prime Minister Abdelilah Benkirane ignores the unions,” says Saoud.

While it may sideline trade unions, the Moroccan government is, however, showing a great deal of interest in the future of call centres. At the beginning of May, the Minister of Industry, Trade, Investment and New Technologies, Moulay Hafid Elalamy, negotiated the signing of “performance contracts” creating “offshoring ecosystems” aimed at generating 18 bil-

lion dirhams (US\$1.87 billion) in export turnover.

Saoud sums up the aforementioned as thus: “Lower labour costs and tax exemptions as well as beneficial terms for company rentals and initial employee training, all to attract investors and employ 10,000 people a year, until the figure of 130,000 employees is reached in 2020. As a union, we are not against job creation, but in this case, the workers have nothing to gain from it,” he says **[15 d]**.

It would appear that Minister Moulay Hafid Elalamy, himself the founder of a call centre firm (the sale of which has contributed to his net worth of US\$705 million), designed these measures to satisfy big business in the sector, rather than the workers. These contracts, however, negotiated without the unions, neglect the hidden side of Morocco’s call centres: informal work.

“Five hundred and fifty call centres are registered with the national agency regulating telecommunications, the ANRT. Twenty big companies employ over 80 per cent of the workers. The others do as they please,” says Saoud. “They practice unfair competition by paying below the minimum wage, providing no medical or social cover and, sometimes, not even declaring the wages to the taxman.”

≡ “ALL-OUT HOSTILITY”

Recommendation 204 on the transition from the informal to the formal economy, adopted in June 2015 at the annual Inter-

Paragraph 15 d) of Recommendation 204 states :
“Members should promote the implementation of a comprehensive employment policy framework, based on tripartite consultations, that may include... labour market policies and institutions to help low-income households to escape poverty and access freely chosen employment, such as appropriately designed wage policies including minimum wages, social protection schemes including cash transfers, public employment programmes and guarantees, and enhanced outreach and delivery of employment services to those in the informal economy”.



Chrif Jalal Belmaati

In April 2014, thousands of people, including many call centre workers, rallied to call for collective bargaining rights and renewed social dialogue with the government.

national Labour Conference in Geneva, insists on “efficient and effective labour inspections”. Yet in Morocco, the duties of the country’s 400 labour inspectors includes both inspection and arbitration. In addition to understaffing, their union, affiliated to the UMT, has long been calling for their status to be reviewed and focused on inspection...but to no avail.

FNCAMO, for its part, is working to secure a collective agreement for the call centre industry. “It is the best way to eradicate the informal part of the sector. Establishing minimum labour conditions would make it possible to sanction all those who stray from them,” explains Saoud. Again, while Recommendation 204 insists on “effective recognition of the right to collective bargaining,” securing its implementation on the ground is no easy task. “During the union elections in June 2015, 120 workplace representatives were elected, which means we are able to hold national-level negotiations on behalf of the work-

ers in the sector. Since then, we have managed to sign several company agreements, but we are still a long way from securing the signature of a collective agreement with the employers and the state,” explains the trade unionist. [32]

Nonetheless, the very fact that there are trade union representatives within call centres is a victory in itself for workers’ rights. “The June 2015 elections were the first we took part in. It was impossible to have a trade union representative in call centres until then. There was all-out hostility. We had to battle for four years to get there. And now we are going to have to keep up the fight.”

Paragraph 32] of Recommendation 204 states :
“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.”

Visit www.equaltimes.org/videos to watch our short documentary “Morocco answers the call of the informal sector”.

CASE STUDY: TUNISIA

WHAT DOES THE FUTURE HOLD FOR INFORMAL WORKERS IN POST-REVOLUTION TUNISIA?

BY TIMOTHY BASTER AND ISABELLE MERMINOD



AP/Riadh Dridi

Thursday, 14 January 2016: Tunisians gather outside the UGTT headquarters in Tunis to mark the fifth anniversary of the fall of President Zine el-Abidine Ben Ali, who had led the country since 1987.

In Tunisia, the principles of Recommendation 204 have been central to the work of the Nobel Peace Prize-winning *l'Union Générale Tunisienne du Travail* (the General Workers' Union of Tunisia, or UGTT) for many years, even well before the 2011 revolution.

After the revolution, UGTT negotiated the end of sub-contracted informal jobs in the public service. Some 31,000 workers – 6,000 in cleaning and security and a further 26,000 recruits within the public sector generally – gained contracts as civil servants.

Salouha Amri was sub-contracted as a cleaner by a facilities service provider in 2000. “I was paid 90 Tunisian dinars (approximately US\$42.50 at today’s exchange rate) to work six hours per

day, seven days per week. I worked without holiday, without stability and without security. In 2011, thanks to the revolution, I became a [state] employee at the hospital. I was paid six times my [previous] salary with a day off a week, annual holidays of 30 days, social security and a free health card. I became a worker with responsibilities and rights.”

This is why Recommendation 204 exists. It calls for the facilitation of “the transition of workers and economic units from the informal to the formal economy” and recognises that this transition “promotes the



Alamy/Claudia Wiens

Some Tunisian women work in agriculture for as little as 10 dinars a day.

creation, preservation and sustainability of enterprises and decent jobs in the formal economy.”

The informal sector in Tunisia comprises some 38 per cent of the national economy. Even more damagingly, the Tunisian informal sector is linked to smuggling and other forms of criminality in the poorer areas near the Libyan and Algerian borders. Notably, Tunisia is the biggest source of foreigner fighters for the so-called Islamic State, a trend driven by high rates of youth unemployment **[15 h]** plus the fact that democracy has not brought the economic benefits the people had hoped for.

Some of the well-intentioned measures introduced by Tunisia’s post-revolution governments have actually increased the number of informal workers. For example, those with a social security number were excluded from the public exams for civil servant jobs after the revolution. The intention was to increase employment amongst young people out of work. But some young people refused available contracts in the formal economy – thus avoiding a social security number – in order to be able to take these exams.

For UGTT, the fight against informality continues. Habiba Khemiri Sillini, co-ordinator of the women’s national office and the women’s committee, says: “The cleaners in the banking

sector, we have integrated them as civil servants within the banking staff. They now have a contract and they have social security.”

Samia Bouslama Letaief, president of the health section of UGTT, ruefully admits that as a result of the union’s successes, some people take casual or sub-contracting jobs in the hope of upgrading to a full-time government post. “People say: ‘my sister or my neighbour did a few years sub-contracting, and now she has a full-time job.’”

In February 2016, UGTT once again called for health and social benefits for those in the informal sector in the context of a ‘national dialogue’ on employment with the government and employers. Women and young people, who are over-represented in the informal sector, are all too frequently excluded from basic social protection such as maternity leave, medical insurance or pensions.

Sillini says that if she had her way, she would “completely eliminate the informal sector”. She is tired of seeing “rural women in the fields doing the work that men will not do and for very poor pay. Like 10 dinars (US\$4.50) per day. Men refuse but women accept because they have mouths to feed.” Recommendation 204 aims to stop such occurrences, affirming that “the transition from the informal to the formal economy is essential to achieve inclusive development and to realize decent work for all”.

Paragraph 15 h) of Recommendation 204 calls for “measures to promote the transition from unemployment or inactivity to work, in particular for long-term unemployed persons, women and other disadvantaged groups”.

CONCLUSION: TOWARDS DECENT WORK FOR ALL

BY SHARAN BURROW, GENERAL SECRETARY OF THE INTERNATIONAL TRADE UNION CONFEDERATION



AP/Eranga Jayawardena

ILO Recommendation 204 provides the legal framework for decent work.

With more than 40 per cent of the global workforce trapped in the informal economy – with no minimum wages, little or no social protection, no rights and no access to the rule of law – people and economies are at risk.

This is less a story about development and more a story about the failures of globalisation. Corporate greed and government inaction dominates the global economic environment. When GDP has trebled since 1980 yet the informal economy and inequality has increased in almost all countries the only winners are the 1 per cent – the very wealthy.

This includes the world's largest corporations. Research from the International Trade Union Confederation (ITUC) shows that up to 94 per cent of the workforce in global supply chains are a hidden workforce, where poverty wages and insecure, unsafe work dominates. In the obscurity of the tiers of contractors, for which CEOs take no responsibility, there are increasing numbers of informal workers.

The stories from workers featured in this special report demonstrate the courage and tenacity of workers building livelihoods with no support. It details successes where workers are taking collective action together, or with trade unions.

But we must do more and International Labour Organization Recommendation 204 is a global standard that provides a legal framework for action.

Transport, construction, manufacturing, agriculture, retail, communications, services, domestic work and much more: these jobs must be formalised and it's a simple recipe where there is political will.

Where workers are dependent on an employer's minimum living wages governments must take responsibility for minimum wage setting mechanisms.

“The stories from workers featured in this special report demonstrate the courage and tenacity of workers building livelihoods with no support. It details successes where workers are taking collective action together, or with trade unions”

Safe work is a right for all workers. The security of knowing that work won't injure or kill is a right that must be enforced and policed effectively with public labour inspectorates. This too is a responsibility of governments.

Collective bargaining at enterprise, national and sectoral levels can assist with formalising informal work and ensuring an employment relationship. The bargaining for wages and prices in the informal economy often takes place between workers representatives and buyers – mill operators, or local government authorities like municipal enterprises – for a fair share of the price earned.

Where a worker is genuinely an independent worker or a part of a cooperative they too have rights. The right to a place to trade, contract law that allows for legal protection in regard to both responsibilities of suppliers and/or contractors requires regulation and access to the rule of law.

And social protection is vital for all workers beginning with the UN definition of the 'social protection floor' – unemployment support, pensions, health, child protection, maternity protection, education, sanitation and housing. And to add to these measures there is today an emerging global debate on a basic income, which deserves consideration as a guarantee of income support – a core component of social protection.

When the union movement demanded an ILO standard on home-based work, a convention on domestic work, a standard on the social protection floor and a standard on the informal economy, we heard repeatedly that it was not possible. Many people said it is too difficult to organise workers in these settings.

But as this report demonstrates, together with the workers themselves we continue to prove them wrong. As Lizette Risgaard, president of the Danish Confederation of Trade Unions (LO), says: "The labour movement has a role to play in formalising the informal economy. If social dialogue between trade unions, employers and the government is successful, it means the formation of a more stable labour market, it creates economic ac-

“
 Recommendation 204 forms a foundation for this work. What is essential now is that everybody works together to implement the Recommendation
 ”

tivity, helps people become self-sustaining and creates prosperity. Recommendation 204 forms a foundation for this work. What is essential now is that everybody works together to implement the Recommendation.”

I salute the workers whose ideas, collective action and determination to survive and care for their families, are given the spotlight they so richly deserve in this report. They represent many millions more. The ITUC will continue to support workers and their unions to organise in the informal economy and to hold both governments and employers accountable for decent work.



Equal Times Special Report No 10/2016

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This report was made possible thanks to funding from the LO/FTF Council, Denmark.

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