



Workers in Informal Employment

A Challenge for Trade Unions

Women in Informal Employment Globalizing and Organizing



- **A global research & policy network of institutions & individuals which aims to improve the status of the working poor in the informal economy – especially women.**
- **Three constituencies: member based organisations; researchers; NGOs and development agencies**
- **Five programmes: Statistics; Social Protection; Urban Policies; Global Markets: Organization & Representation**

www.wiego.org

Workers in Informal Employment.....



Streets/open spaces

- Vendors
- Waste pickers
- Taxi drivers
- Construction workers
- Shoe menders



Home & households

- Garment workers
- Artisans/craft producers
- Assemblers of electronics
- Domestic workers



Everywhere....diverse.....women & men...



Fields, forests, water

- **Small farmers**
- **Shepherds**
- **Forest gatherers**
- **Fisher-folk**



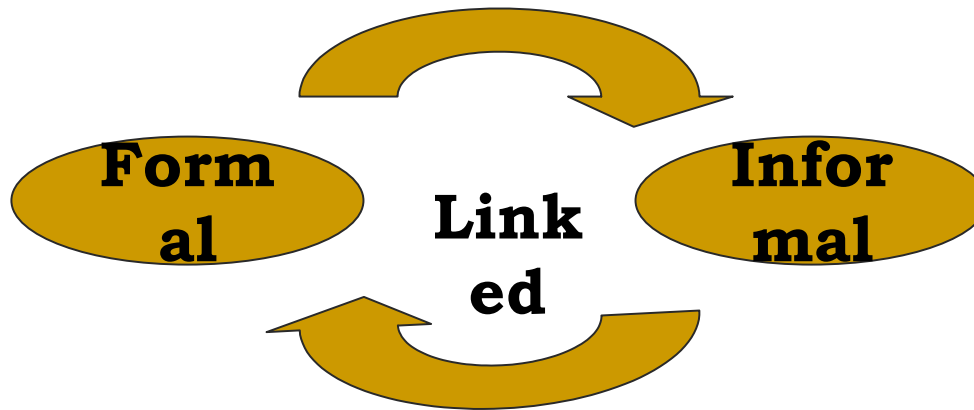
Small workshops

- **Waste recyclers**
- **Furniture makers**
- **Car mechanics**
- **Embroiderers**
- **Water purifiers**



[Informal Economy]

- All forms of *informal employment* - unprotected jobs, without secure contracts, worker benefits or social protection
- All kinds of *informal enterprises* – unregulated or unregistered businesses



Informal Employment

Informal Self employment: Includes:

- Employers in informal enterprises
- Own account or self-employed workers
- Unpaid family workers
- Members of informal producer cooperatives

Waged Employment in informal jobs. Includes:

- Workers in informal enterprises
- Other informal wage workers (e.g. casual, seasonal, temporary, domestic) in formal enterprises
- Homeworkers or industrial outworkers

**Formal
Protected**



**Informal
Unprotected**

Informal Employment: Size & Spread

Globally

Half to three quarters of non-agricultural employment in *developing* countries:

- 51% Latin America
- 65% Asia
- 48% North Africa
- 72% Sub-Saharan Africa
- Ghana, Benin, India over 80%

ILO 2002

Non –standard work in *developed* countries:

- 30% in 15 European countries
- 25% in USA

South Africa

20% of employment is informal, and a further 9% domestic work ? *LFS 2003*

OR 59%-62% *Unifem*

Size and spread.....

Globally

Women are more likely to be in informal employment:

- **60% + of employed women (non agricultural) in developing countries**
- **50%+ of temps in 9/15 EU states are women**

Self employment larger:

- **60-70% depending on region**
- **In most countries more informal women workers are self employed than wage earners**

ILO 2002, Unifem 2005

South Africa

45% of employed women (34% if domestic workers excluded) and 25% men are informally employed *ILO, 2002 SA*

25% of these informally employed (non

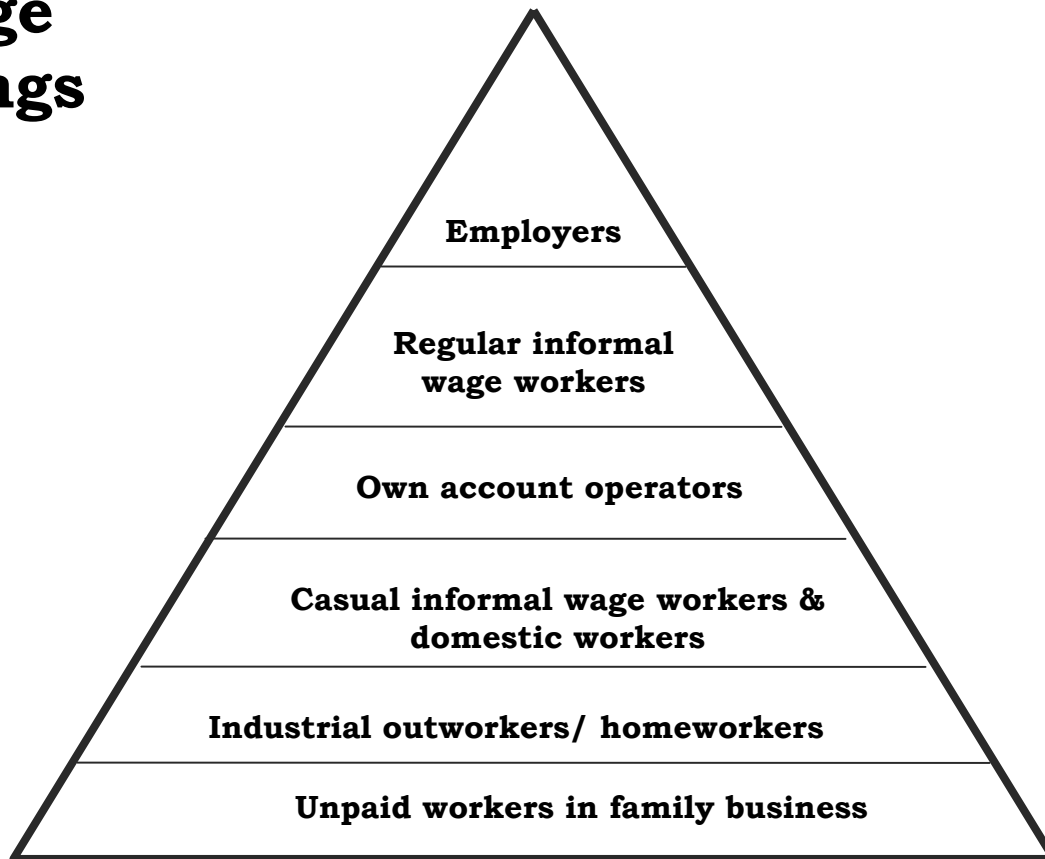
Segmentation of informal employment

Average Earnings

High



Low



Gender

Mainly men

Women & Men

Mainly women

Issues & Challenges for Informal Workers



Income & working conditions

- **Low, insecure income- no income protection or access to capital/credit and markets. Growing poverty & widening gap between rich and poor**
- **Unhealthy and unsafe working conditions**
- **Little or no social protection or worker benefits: insurance, health, pension, child care, maternity etc**
- **Little access to training and skills development**
- **Exploitation by employers, middlemen, officials, criminals, trafficker etc**
- **Wider problems of lack of access to decent housing & services, ill-health including HIV/Aids etc**

Informal workers: challenges.....

Legal & policy framework

- **Limited or no access to worker rights in law or in practice: not recognised (legally, by trade unions, by selves), lack representation /bargaining forums**
- **Inappropriate & anti- poor, anti-worker policies, laws & regulations**
- **Excluded/inadequately recorded in GDP, statistics**

Organization & power

- **Most unorganized or belong to weak organizations**

Informal workers: challenges.....

Street vendors are harassed by authorities; their goods are stolen; they pay bribes; they lack facilities.



Homeworkers are invisible; earn very low “wages”; are exploited by intermediaries; often provide their own equipment; work under difficult conditions; have ambiguous status.



Women face sexual harassment & lack safety; need child care; access to micro credit; provision for maternity.



Some Implications

- ***Need to refocus policy:*** prioritise employment, not just growth & inflation, including:
 - increasing formal job opportunities & formalising the informal
 - increasing returns on labour to those in informal economy & improving conditions of work
 - supportive laws & regulations
 - better statistics
- ***Need Targeted interventions:*** to increase access to resources & opportunities; provide social protection for informal workers; empower women
- ***Organizing essential-*** support and strengthen organizations of informal workers to increase visibility and voice

Informal Workers: helping themselves

- ***Organizing* in many forms: associations, unions, producer groups, informal cooperatives, networks**
- ***Negotiating & representing* with different bargaining “partners”: e.g. municipalities, suppliers, customers, governments, employers**
- ***Protecting* through mutual health schemes, micro insurance, self - help groups, child care provision**
- ***Providing* economic opportunities e.g. cooperative buying, micro-credit, distribution systems**
- ***Learning* about organisation building and work skills**

Union Support for Informal Workers...What?

- ***Build organisation of informal workers: recognise & organise directly into unions/support other forms***
- ***Research problems of informal workers & strategies to overcome these- policy and practical***
- ***Promote legal /policy reform: labour law, social protection, OHS extension to informal workers***
- ***Include informal workers directly in negotiations & processes that affect their work and lives***
- ***Empower and build capacity of informal workers***
- ***Provide financial support -fundraising, cross subsidise, income generating projects***
- ***Use power and influence in national/ international***

Union Support for Informal Workers...Why?

- ***Changing workforce*** -decline in formal, large & growing informal/ inadequately protected workers.
- ***Important policy implications***- need for voice & direct representation of informal workers
- ***Poor working conditions*** and poverty of informal workers - especially women. Union mission is to transform.
- ***Political responsibility*** of unions to organise all workers & to represent interests of broad working class
- ***Declining or stagnating union membership***-ex-members in informal economy
- ***International union acceptance*** of need to organise
- ***If unions don't organise others will*** – loss of power & influence

Organizing Informal Workers Union Challenges

- **Changing mind-set- informal workers are workers**
- **New organizing strategies- new workplaces, new worker issues, new bargaining forums, new legal frameworks**
- **Empowering informal workers to represent themselves, especially women**
- **New ways of dealing with union financial/other resources**
- **Political will of leadership and resistance of members**