

Report on challenges faced by trade unions in organizing and representing workers in informal employment

By Laura Morillo Santa Cruz and Clair Siobhan Ruppert

Contents

Introduction	2
Note about the terms “informal economy” and “workers in informal employment”	4
Results of the research	5
1. Economic activities/sectors of the workers in informal employment organized by trade unions.....	5
2. Legal challenges or obstacles in organizing and representing workers in informal employment.....	6
3. Internal trade union barriers that impede or stop the organizing and representing of workers in informal employment	6
4. Direct affiliation	6
5. Participation and representation of workers in informal employment in national boards of trade union organizations.....	6
6. Rights and duties of workers in informal employment in trade union organizations	7
7. Trade union services and benefits offered to workers in informal employment.....	7
8. Challenges in including workers in informal employment in the trade union organizations.....	8
9. Levels of advocacy efforts in favour of workers in informal employment	8
10. International instruments as tools for the rights and struggles of workers in informal employment	9
11. Advocating for implementation of R204.....	9
Comments and recommendations	10
Annex 1: Organizations and countries surveyed	12

Introduction

Neoliberalism has attacked the working class with laws, policies and practices that have created poor working conditions in the formal and informal economies and promoted new identities among workers, such as “collaborators” or “entrepreneurs”.

In the context of growing inequalities, trade unions face violations of fundamental labour rights, such as non-compliance with the right to freedom of association and obstacles to reaching collective agreements, among others.

The Covid-19 pandemic has shown in the starkest way the consequences of global power imbalances and extreme inequalities. Trade unions play an important role in rebuilding a world of work that strengthens democracy, social dialogue and social justice.

The Central Única dos Trabalhadores (CUT Brasil) and Women in Informal Employment: Globalizing and Organizing (WIEGO) are conducting research into the connections between trade union organizations and workers in informal employment and the challenges and possibilities of organizing these workers.

CUT Brasil resolved, at its Congress in 2019, that it should advance unionization, organization and affiliation of all workers regardless of their type of employment.

WIEGO's Organization and Representation Programme (ORP) has as one of its pillars to support solidarity among organizations of workers in informal employment and the trade union movement.

At the international level, discussions and deliberations about workers in the informal economy have taken place over more than a decade, and in 2015 the International Labour Organization (ILO) adopted Recommendation No. 204 on the Transition from the Informal to the Formal Economy (R204).

With the intention of deepening knowledge and understanding of the relationship between trade unions and workers in informal employment, CUT Brasil and WIEGO conducted a survey on “Trade unions’ challenges and responses in organizing and representing workers in informal employment”.

The research was conducted by Laura Morillo Santa Cruz from WIEGO and Clair Siobhan Ruppert from CUT Brasil from November 2021 to March 2022. Thirty-seven trade union organizations from 33 countries participated in a survey and representatives of eight trade union organizations were interviewed.

This report shares the findings of the research. The purpose of the survey and interviews was to collect information regarding the following:

1. Economic activities/sectors of the workers in informal employment organized by trade unions.
2. Legal challenges or obstacles in organizing and representing workers in informal employment.
3. Internal trade union barriers that impede or stop organizing and representing workers in informal employment.
4. Direct affiliation.

5. Participation and representation of workers in informal employment in national boards of trade union organizations.
6. Rights and duties of workers in informal employment in trade union organizations.
7. Trade union services and benefits offered to workers in informal employment.
8. Challenges in including workers in informal employment in trade union organizations.
9. Levels of advocacy efforts in favour of workers in informal employment.
10. International instruments as tools for rights and struggles of workers in informal employment.
11. Advocating for implementation of R204.

The report includes a note about the terms “informal economy” and “workers in informal employment” used by the ILO.

We hope this initiative will contribute to a better understanding of the relationship between trade unions and workers in informal employment. Our intention is to continue this exchange on how trade union organizations have been organizing and representing workers in informal employment, their main strategies, and the possibility of using R204 as a trade union advocacy tool.

In solidarity,

Jane Barrett, *Director, Organization & Representation Programme, WIEGO*

Antonio Lisboa, *International Relations Secretary of CUT Brasil*

Note about the terms “informal economy” and “workers in informal employment”

The International Labour Conference (ILC) in 2002 proposed for the first time the term “informal economy”, instead of the previously used term “informal sector”, to better describe the wide scope and diversity of the phenomenon worldwide. The 2002 ILC Resolution and Conclusions concerning Decent Work and the Informal Economy clarified that “the term ‘informal economy’ refers to all economic activities by workers and economic units¹ that are – in law or in practice – not covered or insufficiently covered by formal arrangements”.²

All economic activities not included in the law means those operating outside the reach of the law on formal arrangements; and all activities not covered in practice means that, although they are operating within the formal reach of the law, the law is not applied or not enforced, or the law discourages compliance because it is inappropriate, burdensome or imposes excessive costs.

In 2015, after a two-year process of consultations among government, worker and employer delegates of the ILO member states, the Recommendation on Transition from the Informal to the Formal Economy R204 was adopted. It took the definition of the informal economy from the 2002 ILO Resolution and Conclusions concerning Decent Work and the Informal Economy and differentiated it from all illicit activities.

“Informal employment” is a job-based concept defined in terms of the employment relationship and protections associated with the job of the worker.

The international statistical standards recognize three components of informal employment:

- a) Employment in the informal sector (i.e., informal enterprises) comprises employers, employees, own-account workers and contributing family workers;
- b) Informal employment in the formal sector includes employees and contributing family workers in formal enterprises who do not receive social protection contributions by their employer or, in the absence of information on social protection, do not receive paid annual and paid sick leave; and
- c) Informal employment in households consists of domestic workers employed by households who do not receive social protection contributions from their employers or, alternatively, do not receive paid annual and paid sick leave. And, in some countries informal employment also includes producers of goods wholly for own final consumption.

The 3rd edition of [Women and Men in the Informal Economy: A Statistical Picture](#), published in 2018, estimates that two billion of the world’s employed population aged 15 and over work informally, representing 61.2% of global employment. The proportion of informal employment varies in different regions: Africa (85.8%), Asia and the Pacific (68.2%), Arab States (68.6%), the Americas (40.0%) and Europe and Central Asia (25.1%).

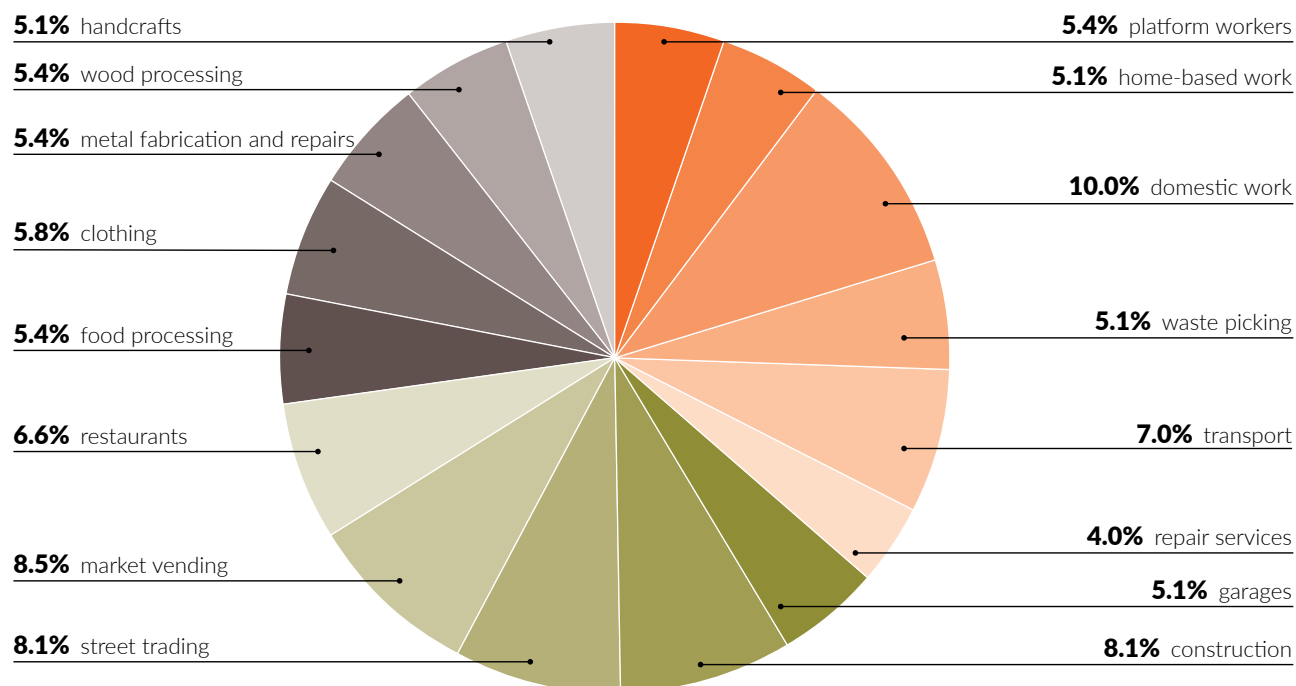
1 Article 3 of R204: 3. For the purposes of this Recommendation, “economic units” in the informal economy include: (a) units that employ hired labour; (b) units that are owned by individuals working on their own account, either alone or with the help of contributing family workers; and (c) cooperatives and social and solidarity economy units.

2 ILO. 2002. Resolution and Conclusions on Decent Work and Informal Economy. p. 25/53. Available at: 2002 ILC Resolution and conclusions concerning decent work and the informal economy (ilo.org).

Results of the research

1. Economic activities/sectors of the workers in informal employment organized by trade unions

97.2% of trade unions surveyed reported that they organize workers in informal employment. The highest proportion of respondents reported organizing in the domestic work (10%), market vending (8.5%), street trading (8.1%), construction (8.1%) and transport (7.0%) sectors.



The trade unions surveyed also indicated that, beyond the economic activities/sectors in the figure above, they have been organizing the following sectors and groups:

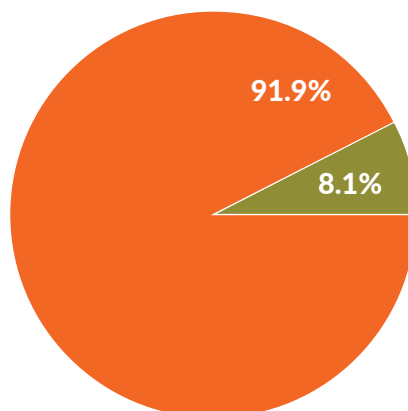
- Economic activities/sectors:** delivery, agriculture, fishing, trade, waste picking (some are with medical and health unions and also municipal services), new financial services sector (people outside the traditional banking system), lotteries and telecom sector (people selling phone recharge cards or data).
- Groups:** spare-part dealers, artisans, musicians, actors, shoe makers, patient-care workers, repair-service workers, women in community-based organizations, furniture makers, soap makers, hairdressers, beauticians, ironers, plumbers, dockers, auxiliary border workers (who load luggage at borders), sex workers, monotributo workers (taxi drivers, home-based workers working under a simplified taxation system), rural workers and mechanical-game workers.

2. Legal challenges or obstacles in organizing and representing workers in informal employment

64.9% of respondents mentioned that there are legal challenges or obstacles in organizing and representing workers in informal employment in their countries.

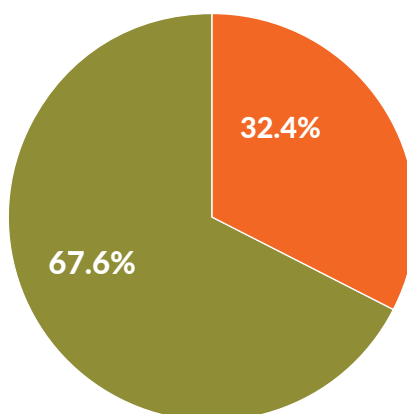
3. Internal trade union barriers that impede or stop the organizing and representing of workers in informal employment

Only 8.1% of respondents reported that their trade union confederation has internal rules or a constitution that impedes or prevents the organization and representation of workers in informal employment.



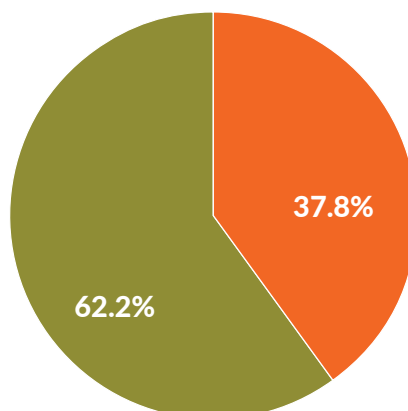
4. Direct affiliation

67.6% trade unions responded that they have direct member affiliation.



5. Participation and representation of workers in informal employment in national boards of trade union organizations

62.2% of trade unions declared that workers in informal employment have representation on the national board of their organizations.

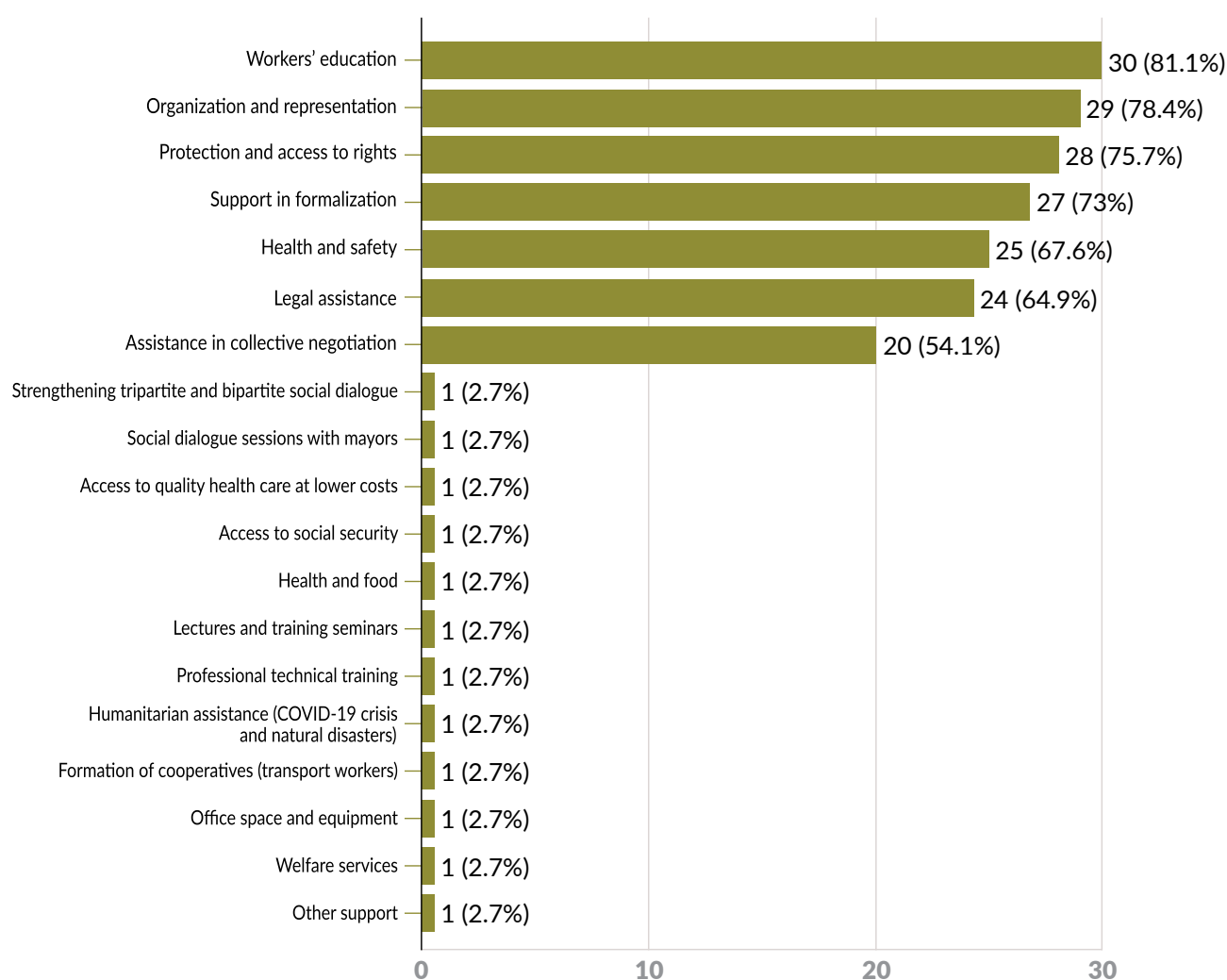


6. Rights and duties of workers in informal employment in trade union organizations

83.8% of trade unions responded that workers in informal employment have the same rights as formal workers in their confederation. Regarding trade union membership dues, almost half of the respondents (47.2%) reported that workers in informal employment do not have the same dues as workers in formal employment.

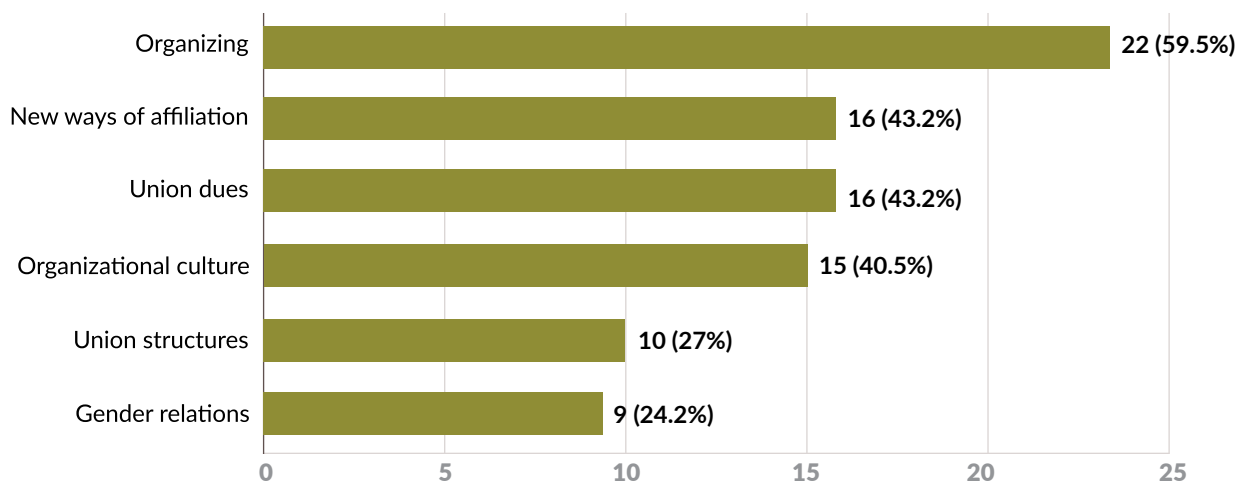
7. Trade union services and benefits offered to workers in informal employment

Regarding the services and benefits that trade unions offer to workers in informal employment, the following were identified: workers' education (81.1%), organization and representation (78.4%), protection and access to rights (75.7%), support in formalization (73%), health and safety (67.6%), legal assistance (64.9%) and assistance in collective negotiations (54.1%). Other services provided by trade unions include welfare services, office space and office equipment, health and food services, lectures and training seminars, professional technical training, strengthening tripartite and bipartite dialogue, access to social security through mutual services, humanitarian assistance in crises or natural disasters, social dialogue sessions with the mayors, and support for the formation of cooperatives.



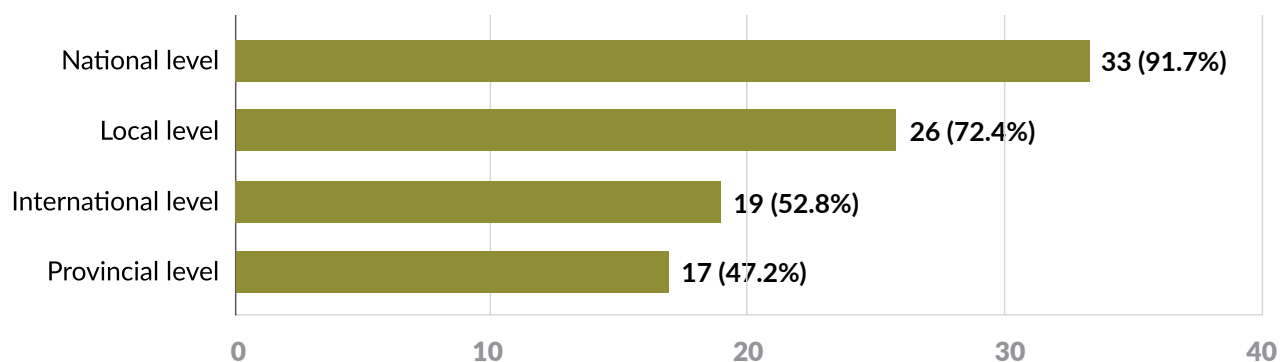
8. Challenges in including workers in informal employment in the trade union organizations

Respondents reported some significant challenges in including workers in informal employment in trade union organizations. They reported that organizing was the most challenging (59.5%), followed by new ways of affiliation (43.2%), collection of union dues (43.2%), organizational culture (40.5%), union structures (27%) and gender relations (24.2%).



9. Levels of advocacy efforts in favour of workers in informal employment

According to the survey, trade unions advocate for workers in informal employment at all levels but give priority to the national level (91.7%) and local level (72.2%).



10. International instruments as tools for the rights and struggles of workers in informal employment

86.5% of the trade unions surveyed responded that they are using ILO international instruments in defence of workers in informal employment.

The following ILO instruments were mentioned:

C81 (Labour Inspection Convention)

C87 (Freedom of Association and Protection of the Right to Organise Convention)

C98 (Right to Organise and Collective Bargaining Convention)

C102 (Social Security Convention)

C144 (Tripartite Consultation Convention)

C155 (Occupational Safety and Health Convention)

C156 (Workers with Family Responsibilities Convention)

C187 (Promotional Framework for Occupational Safety and Health Convention)

C189 (Domestic Workers Convention) and R201 (Domestic Workers Recommendation)

Conventions on Equal Pay

Conventions against Child Labour

C190 (Violence and Harassment Convention)

C97 (Migration for Employment Convention)

R143 (Workers' Representatives Recommendation)

R202 (Social Protection Floors Recommendation)

R204 (Transition from the Informal to the Formal Economy Recommendation)

R205 (Employment and Decent Work for Peace and Resilience Recommendation)

R206 (Violence and Harassment Recommendation)

11. Advocating for implementation of R204

64.7% responded that they advocate for the implementation of R204.

Comments and recommendations

Trade unions' challenges and responses

Despite the legal challenges and obstacles, trade unions have been developing strategies to organize workers in informal employment from different sectors through direct affiliation and affiliation of other collectives such as cooperatives and associations, supporting the organization and representation of domestic workers, organizing beyond the legal provision based on enterprise level, advocating for the regularization of migrant workers' documents, and for the recognition of the self-employed as workers.

There are a few cases of internal trade union rules that impede or stop the organizing and representing of workers in informal employment (8.1%). Trade unions mentioned that, more than internal rules, there is an internal culture of organizing only wage workers that needs to be challenged. Some trade unions use the concept of social movement unionism, or a broader working-class concept, that: a) includes territorial, neighbourhood, self-managed spaces of organization of the popular economy; b) includes those who are looking for work, those who work and those who have previously worked, as well as different kinds of organizations such as self-managed cooperatives; c) moves from supporting to affiliating new forms of organizations with working-class consciousness; and d) affiliates associations that are not necessarily registered as trade unions.

Regarding representation, rights and membership dues of workers in informal employment, 62.2% of respondents indicated that they have representation of workers in informal employment in their national board/executive. Furthermore, workers in informal employment have the same rights (83.8% of respondents) and membership dues (52.8% of respondents). The level of reinforcement of class identity and solidarity may determine different ways of promoting fair dues systems in trade union organizations and how to include workers in informal employment not only as affiliates but also in trade union decision-making spaces.

In terms of trade union services and benefits offered to workers in informal employment, most interviewees pointed out that lack of resources and insufficient financial capacity are the main barriers. There is also a recognition that there are services that in principle should be provided by the State, but there is a lack of policies and mechanisms in favour of workers in informal employment.

The most challenging elements of including workers in informal employment in trade union organizations are organizing (59.5%), followed by new ways of affiliation (43.2%), union dues (43.2%), organizational culture (40.5%), union structures (27%) and gender relations (24.2%). Other challenges noted by trade unions are: inclusion of young and migrant workers, inclusion in social security funds, motivating informal workers to stay in the union, organizing women who have burdens of care, criminal structures, lack of trust that trade unions can improve their working conditions, and time available for organizing and training.

Trade unions work at all levels but give priority to the national level (91.7%) and local level (72.2%).

In addition, 86.5% of trade unions reported that they use international instruments, in particular the ILO instruments, in defense of workers in informal employment. Significantly, 64.7% responded that they advocate for implementation of R204, especially as a tool for access to social security, decent work and simplification of business processes; inclusion in social dialogue and tripartite bodies; and access to financing.

R204 as a tool for trade unions

Trade union revitalization depends on the renewal of trade unions, policies, institutions and coalitions. It is recommended that the concepts of informal economy and informal employment and the content of R204 are disseminated. Trade unions need to be aware that workers in informal employment are workers in job activities not covered by formal arrangements, whether in law or in practice, and it can be work in formal or informal sector economic units.

To broaden their scope of action, some trade unions are considering ways of overcoming the binary employer-employee relationship and uniting with groups of workers who have been divided (by race, gender, etc.) and excluded from the legal and economic systems.

Trade unions must continue promoting internal change to incorporate the issues and demands of a) self-employed workers and those who are especially vulnerable to the most serious decent work deficits in the informal economy; and b) diverse forms of collective organizations (associations, cooperatives, etc). While doing this, the scope of negotiation, counterparts and the issues discussed in social dialogue spaces at all levels (local, national and international) will be broadened.

R204 can be a tool for the above because it proposes a framework of guiding principles and processes to follow in designing, implementing and evaluating comprehensive and integrated public policies to:

- (a) facilitate 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;
- (b) promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies; and
- (c) prevent the informalization of formal-economy jobs.

Since social dialogue and tripartism are at the heart of the R204 framework, trade unions have an opportunity to use their institutional power to defend the rights of the whole working class by giving voice, visibility and validity to workers in informal employment and preventing the informalization of formal-economy jobs. This is essential in building a post-pandemic world of work with social justice.

Annex 1: organizations and countries surveyed

Names of organizations

1. Botswana Federation of Trade Unions (BFTU)
2. Central Autónoma de Trabajadores del Perú (CAT Peru)
3. Central Autónoma de Trabajadores Salvadoreños (CATS)
4. Central de Trabajadores de la Argentina Autónoma (CTA A)
5. Central de Trabajadores de la Argentina de los Trabajadores (CTA T)
6. Central de Trabajadores/as Alianza Sindical Independiente (ASI)
7. Central del Movimiento de Trabajadores Costarricenses (CMTC)
8. Central Única dos Trabalhadores (CUT Brasil)
9. Central Unitaria de Trabajadores del Perú (CUT Peru)
10. Confederación Autónoma Sindical Clasista (CASC)
11. Confederación de Trabajadores de Colombia (CTC)
12. Confederación de Trabajadores por Cuenta Propia, affiliated to Frente Nacional de los Trabajadores (CTCP - FNT)
13. Confederación Nacional de Unidad Sindical (CNUS)
14. Confédération Démocratique du travail (CDT)
15. Confédération Générale du Travail (CGT France)
16. Confédération Nationale des Travailleurs du Sénégal (CNTS)
17. Confederation of Ethiopian Trade Unions (CETU)
18. Confederation of the Trade Unions of Albania
19. Confédération Syndicale des Travailleurs du Togo (CSTT)
20. ELA EUSKAL SINDIKATUA
21. Federación Nacional de Vendedores Y Trabajadores de Mercados (Fenavemer) Dominican Republic
22. Federation of Independent Trade Unions of Russia (FNPR)
23. General Federation of Nepalese Trade Unions (GEFONT)
24. General Workers' Union (GWU)
25. Korean Confederation of Trade Unions (KCTU)
26. Nigeria Labour Congress (NLC)
27. Norwegian Confederation of Trade Unions (LO Norway)
28. Organização dos Trabalhadores de Moçambique (OTM)
29. Sentro ng mga Nagkakaisa at Progresibong Manggagawa (SENTRO)
30. Service Employees International Union (SEIU)
31. Sindikato de empleadon bibienda (SEBI)
32. Trade Union Congress of Namibia (TUCNA)
33. União Nacional dos Trabalhadores Angolanos (UNTA - CS)
34. Union des Syndicats des Travailleurs du Niger (USTN)
35. Union Nationale des Travailleurs du Mali (UNTM)
36. Union of Informal Workers Associations (UNIWA) of TUC (Ghana)
37. Union Syndicale des Travailleurs de Guinée (USTG)

Countries

1. Angola
2. Argentina
3. Botswana
4. Brazil
5. Colombia
6. Costa Rica
7. Curaçao
8. El Salvador
9. Ethiopia
10. France
11. Ghana
12. Guinea
13. Korea
14. Mali
15. Malta
16. Mozambique
17. Namibia
18. Nepal
19. Nicaragua
20. Niger
21. Nigeria
22. Norway
23. Basque Country/Spain
24. Peru
25. Philippines
26. Bolivarian Republic of Venezuela
27. Dominican Republic
28. Democratic Republic of the Congo (DRC)
29. Russian Federation
30. Senegal
31. Albania
32. Togo
33. United States of America (USA)



About WIEGO

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org



About CUT Brasil

The Central Única dos Trabalhadores – CUT Brasil is a Brazilian mass union organization, at the highest level, classist, autonomous and democratic, whose commitment is to defend the immediate and historical interests of the working class. Based on principles of equality and solidarity, its objectives are to organize, represent unions and lead the struggle of workers in the city and countryside, in the public and private sectors, active and inactive, for better living and working conditions and for a just and democratic society. Visit www.cut.org.br