

RESOLUTION OF THE AHMEDABAD CONFERENCE ON “ORGANIZING IN THE INFORMAL ECONOMY”

Further to the General Discussion on “Decent Work and the Informal Economy” at the International Labour Conference 2002, an international conference on “Organizing in the Informal Economy” was convened jointly by SEWA, StreetNet, Ghana Trade Union Congress, Nigerian Labour Congress, and HomeNet Thailand in Ahmedabad, India from 3-6 December 2003. Forty-seven organizations from 23 countries participated in the Conference.

- The Ahmedabad Conference noted that :
- Majority of the workforce in developing countries and increasing number of workers in developed countries are in the informal economy. Workers in the informal economy are insecure and unprotected and generally poor. In the current era of liberalization, formal industries are retrenching and the informal economy is growing fast, while conditions of workers are worsening. Women form a large part of the informal economy and are amongst the poorest and most discriminated-against workers.
 - Most people enter the informal economy because of a need to survive, not out of choice. Workers in the informal economy include both wage workers and own-account workers. Most own-account workers are as insecure and vulnerable as wage workers and move from one situation to the other. Because they lack protection, rights, and representation, these workers often remain trapped in poverty.
 - Informal workers are a major contributor to the National Economy and, yet, are not recognized or protected under labour legislation and social protection. The lack of social protection is a critical aspect of the social exclusion of workers in the informal economy.
- The Ahmedabad Conference noted that the International Labour Conference in 2002 had passed a Resolution on “Decent Work in the Informal Economy”. In line with the Conclusions of that Resolution, the Ahmedabad Conference felt that all workers should enjoy full worker rights, in particular the right to organize: i.e. the right to form or join local, national or international organizations of their own choice, so as to give them the possibility of improving their living and working conditions.

The Ahmedabad Conference focused on the following five major themes and developed a set of conclusions and recommendations for each, as follows:



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- 1) **Organizational Sustainability and Capacity Building:** Many organizations of informal workers are new and small and, therefore, require significant capacity building in order to become organizationally sustainable. To build and strengthen sustainable organizations, we recommend:
- Organizational structures that are democratic, transparent, and member-based
 - Capacity-building of various types, including: organizing, leadership, technical and managerial skills
 - Stable funding, preferably from members' dues, payment for services, savings and credit, production and marketing or other innovative financing methods.
 - Participation and representation of informal workers in policy formulation and implementation
- 2) **Labour Laws:** Labour legislation in many countries has not been reviewed for some time, remains fragmented, and does not cover informal workers. More fundamentally, labour legislation in most countries is premised on an employer-employee relationship and, as such, does not encompass the full range of employment relationships. To address these weaknesses in the law, we recommend:
- Review of existing labour laws involving all social partners, including organizations of informal workers, with a view to harmonizing laws and to extending laws to cover as many employment relationships as possible
 - Development by organizations of informal workers of a common position – and model laws – of what core legal provisions and protections they would like to see in labour laws
 - Documentation of innovative laws that have been introduced to cover various categories of informal workers
 - Documentation of how organizations of informal workers have used law to protect their membership
 - Documentation of how employers have used loop-holes in the law to casualize or informalize employment relationships
- 3) **Collective Bargaining :** Not many statutory bargaining forums exist for workers in the informal economy. Therefore organizations have to create them - in the short-term they have to pressurize authorities to negotiate with them in ad hoc bargaining arrangements. However, the urgent need is to create statutory bargaining structures. Therefore, we recommend:
- Documentation of existing collective bargaining structures, both statutory and ad hoc, for informal workers
 - Creation of collective bargaining forums, such as tripartite and multi-partite boards



- Reform of existing laws as needed with involvement of Trade unions and informal workers organisations
 - Development of strong organizations of informal workers to create pressure for collective bargaining
- 4) **Social Protection:** Most informal workers remain unprotected and do not have access to affordable, appropriate and timely social security services. Unions and other membership-based organizations are deeply committed to ensuring that informal workers obtain social protection, as a basic right and entitlement. Based on our experiences, we recommend:
- Linking and partnering with the state as the main promoter of social protection
 - Organizing informal workers for social protection through their own workers' organizations in a sustainable manner, based on worker, state, employer and/or other contributions.
 - Promoting insurance as a necessary service and as a way to organize informal workers
 - Building alliances with and between unions, cooperatives, other membership-based organizations, and NGOs for pro-worker social protection policies, regulations, legislation, and programmes.
- 5) **Employment Creation and Skills Development:** Employment and employment opportunities are diminishing due to processes that include restructuring of industries and the economy, rapid changes in technology, as well as natural and social disasters. Further, working people, especially women, do not have ease of access to skill development possibilities due to social and resource constraints. Consequently we recommend :
- Greater access to workers in the informal economy, especially women, to opportunities to diversify and enhance their skills
 - Setting up of Vocational Training Institutes and programmes by unions and government to enable workers of the informal economy to diversity and enhance their skill levels
 - Regular consultations between organisations of workers in the informal economy to share best practices within countries as well as at the regional and international level
 - Greater access to resources for workers in the informal economy to set up their own livelihood possibilities through cooperatives and other structures
 - Support to institutes and processes like global and regional Global Trading Networks for employment creation and market access
 - Development of a clear policy at national and international levels regarding employment creation and skills development for workers in the informal economy.



The Ahmedabad Conference further calls upon:

- Governments to provide conducive macroeconomic, social, legal and political frameworks for the large-scale creation of sustainable, decent work; to place decent employment at the center of economic and social development policies; for poverty alleviation and to extend protective legislation and social protection to all workers independent of their status.
- Multilateral organizations to place informal workers at the center of their policies and programmes as a means to eradicate poverty.
- Trade unions to intensify organizing in the informal economy and adapt their structures or create new structures taking holistic view of each industry bringing together the formal and informal workers to encourage participation and representation of informal workers in particular, women to accommodate their specific needs. And to provide services including education, legal aid, provision of medical insurance, credit and loan and establishment co-operatives in addition to the primary responsibility of collective bargaining.

The conference resolved that the process started in Ahmedabad needs to be taken forward;

- to continue to hold such international conferences in coming years
- to ensure the increased discussion of issues and representation of workers in the informal economy at the International Labour Conference
- to bring together and hold international meetings on industry-specific groups of informal workers in collaboration with Global Unions and National Trade Union Centers. Agricultural workers needs special attention in this regards
- to strengthen and consolidate the organization of workers in vulnerable sectors such as waste collecting, domestic workers etc.
- to document and disseminate the experiences of organizing the informal workers and to continue to exchange experiences.
- to build linkages by exchange visits, exposure tours and other means.
- to strengthen alliances with other organization working for informal economy
- to launch campaigns on the basis of this resolution.
- to set up regional committees
- to raise financial resources to take forward the adopted plan of action

The conference asks the present International Organizing Committee to continue to act as the coordinating committee to take forward the plan of action adopted here, and to include representation from the Americas and Europe.



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