



ZIMBABWE CHAMBER OF INFORMAL ECONOMY ASSOCIATIONS

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ZCIEA STATEMENT ON THE RE-OPENING OF INFORMAL SECTOR OPERATIONS WITH A CONDITION OF REGISTRATION

Zimbabwe Chamber of Informal Economy Associations (ZCIEA) do appreciate the re-opening of the Informal Economy Operations as directed by His Excellency President E.D. Mnangagwa on his phase 3 of level 2 lockdown national address. In his action points on the 11th of June 2020, The President said the Informal Sector is now allowed to operate on condition they register with their authorities first as part of the government efforts to formalise their operations.

As an organisation we view this as a one step up breakthrough for people to start to trade as the lockdown was now bearing bad fruits for the informal economy. The issue of registration of informal economy workers has been an on-going issue over the past decades which we have seen contributing to the criminalisation of their activities and further disadvantaging the majority decent livelihoods. The fact that the Zimbabwean economy is highly formalised with 76% of the current labour force of the country found in the sector with contribution of 48% the country's GDP, surely more collective effort is needed to formally incorporate all these efforts into the mainstream of the economy. We also want our members who are not within the registration framework to formalise their operations. We believe and hope this will remove the ugly perception of treating informal workers and traders as unorganised and invaders of tax.

It is also important to note that the REGISTRATION which the President referred to is not an over-night process and it has various categories of compliance and remuneration depending on the line of trade one is involved in. This cannot also be 100% given the target group abilities. We hope the various local authorities will be able to define this process with easy and accessible understanding for every targeted person.

The process should also not be for the benefit of the government only through revenue collection, but must encompass a win – win approach where the informal economy will benefit from key social and economic incentives too. The FORMALISATION process should give provision of access to economic freedom, in order to provide sustainable jobs and income for informal economy workers and traders which include:

- RESPECT FOR AND RECOGNITION OF THE INFORMAL ECONOMY
- DEVELOPMENT OF LINKAGES BETWEEN THE INFORMAL ECONOMY AND FORMAL BUSINESSES where synergies must be created between the informal economy and formal business organizations.
- HEALTHY MARKET ACCESS AND INFRASTRUCTURE DEVELOPMENT In both urban and rural areas.

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For transforming informal economy activities
into mainstream activities

- FINANCIAL INCLUSION to provide Improvement of the level of provision of financial services to informal economy businesses through Financial innovation, Financial literacy, Financial consumer protection and Microfinance.
- SOCIAL PROTECTION for the provision of affordable social services in the form of pensions, medical aid and insurance to informal economy business-people and workers.
- DEVOLUTION which promotes the empowerment of citizens to be in control of their local communities through the decentralisation of state administration and authority.

Appreciation of the role the informal economy is playing by the government is key. The political will to understand and decriminalise clean sections of informal trade should be progressive at all costs through domestication of international instruments such as International Labour Organisation Recommendation 204 of 2015 and Convention 190 of 2019 which speaks to Eradication of Violence and harassment in the World of Work.

It is important to point out that our organization has already been proactive in the fight against COVID-19 countrywide through provision of Personal Protective Equipment (PPEs) to informal economy workers and traders in partnership with some local authorities and assisting vulnerable 3000 members with cash transfers to cushion them during lockdown. This initiative was designed to protect not only our membership but greater society and we will continue to do so as part of complementing government's efforts combat COVID-19 in Zimbabwe.

We urge the government to set up consultative and inclusive all stakeholders dialogue platforms (Informal Economy organisations included) in order to come up with transparent processes of formalisation and regularisation of the Informal Economy that is developmental and sustainable from community level to national level.

ZCIEA is fully committed to support pure development of our country Zimbabwe through transformation of informal economy activities into mainstream activities. We know and certainly believe that this will alleviate poverty and initiate decent living standards for all. This will truly contribute towards the stability of the economy. We are believing in engagement of all key stakeholders as a very possible working model which we will commit to passion and seriousness.

ZCIEA is ready to upscale engagement with local authorities to chart a way forward and share ideas on the fight against COVID-19 and provision of more PPEs to members (, to ensure adherence to recommended hygienic standards), flexible workspace provision, layouts and locations, awareness raising on safety at work and social distancing and realistic registration of the informal economy into the mainstream economy.

As ZCIEA, we believe the informal economy is a key driver towards the transformation of Zimbabwe to retool and rediscover its breadbasket state and where poverty will be alleviated even for the future generations. This is our big match winner towards the new channels of economic administration as we flatten the curve of COVID-19 and reshaping into the 2030 middle income economy agenda.

“Nothing for us without us” “Together we can”.

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