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TO DISCUSS

TRADE UNION ORGANISING IN THE INFORMAL ECONOMY

FROM MARGINAL WORK TO CORE BUSINESS

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1. Introduction

This report captures the contributions of participants at an IRENE workshop held in Soesterberg, the Netherlands, on 11-12 January 2003. The workshop was organised in co-operation with the FNV trade union federation of the Netherlands and the international network Women in Informal Employment Globalising and Organizing (WIEGO). The report also includes elements of the conference "From marginal work to core business - taking the 'informal(ising) margins of the European labour market to heart" that took place over the following three days in the same location, and which was also organised by the FNV in collaboration with IRENE, and with the support of the European Trade Union Confederation (ETUC).

The IRENE workshop gave 15 representatives from trade unions and NGOs from Central and Eastern Europe (the 'East'), along with colleagues from Asia and Africa (the 'South'), (see Annex 1) an opportunity to exchange information and experiences related to developments in the informal(ising) economy in their own regions. The purpose was to strengthen their strategies for organising workers active in the informal economy, and also to prepare the participants for the conference to follow. They embarked on an in-depth discussion and analysis of:

- Processes of informalisation and developments in the informal economy in their different countries, and in particular the effect of migration policies and practices.
- Policies of trade unions towards organising informal(ised) workers.
- Attitudes of workers towards organising themselves.
- Bottlenecks in organising.
- How to use existing and new trade union tools for organising workers in the informal economy.

The FNV conference that followed was attended by about 100 trade unionists and labour support NGO staff from Western Europe, plus specialists from Ministries and the International Labour Organisation (ILO), as well as those who had been at the IRENE workshop. It addressed questions concerning the relationship and growing dependency between the formal and informal economies - and those performing 'formal' and 'informal' work, and focussed on the challenges that arise from this for unions and NGOs, particularly in Europe.

Overall, the connection between the IRENE workshop and the FNV conference was very fruitful, allowing for the unusual sum of 1+1=3. Holding the two events so close to each other meant that a good cross-fertilisation between both sets of participants was made possible. It led to a stronger input from the South and the East into the FNV conference than might otherwise have been possible. Also one of the aims of the work of IRENE was realised - namely that of relating the issues that IRENE works on to mainstream education and awareness-raising in the European trade union movement.

The events were physically and financially independent and so two reports have been produced.

(1) This IRENE report focuses on the contributions of the representatives from trade unions and NGOs from Central and Eastern Europe (CEE countries) and from Asia and Africa. It provides a summary of the discussions at the IRENE workshop and also includes elements from the FNV conference that followed.

(2) The full report of the FNV conference '**From marginal work to core business: European trade unions organising in the informal economy**' includes:

- Why is the informal economy important?
- The impact on labour law?
- Profound changes in Central/Eastern Europe

- Organising Strategies
- Organising self-employed workers
- Organising undocumented migrant workers
- Implications for union policy and practice

The report can be ordered from: FNV, P.O. Box 8456, 1005 AL Amsterdam, Netherlands.

In a series of events

The IRENE workshop in January 2003 had been preceded by an IRENE seminar in April 2002 on 'Decent working conditions for informal economy workers' (reported in 'News from IRENE' No.32 and at www.irene-network.nl) that was similarly held in co-operation with WIEGO and the FNV. At this, participants prepared for the International Labour Conference (ILC) of the ILO in June 2002, particularly to strengthen the input concerning the informal economy and the growing informalisation of the labour market.

In the year before this IRENE seminar other regional meetings were organised (by WIEGO, Commission of Asian Women and the IFWEA\WEA Zambia). This IRENE seminar brought these experiences together and added the European, including the Central and Eastern European, perspective.

A seminar organised by the European Trade Union Confederation (ETUC) in Rome in October 2001 on 'economically-dependent workers' had revealed remarkably innovative and successful attempts by unions to organise both informal workers and/or workers on the 'margins' of the formal labour market. Sometimes in co-operation with NGOs, these unions are trying to reach and organise homeworkers, teleworkers, so-called 'undocumented' workers, the self-employed, short-term contract workers, 'on call' workers, temporary agency workers, and so on. One of the conclusions of that Rome seminar was the need for a more thorough and constant exchange of good practice within Europe, to provide a stronger basis for common policies and reciprocal inspiration. By organising the conference 'From marginal work to core business' in January 2003 the FNV was taking up this challenge.

In-depth discussions on the informal economy at the ILO had also begun in 2001 with 'Reducing the decent work deficit - a global challenge', see (www.ilo.org/public/english/standard/reIm/ilc/ilc89/reports.htm). The following year, the ILC discussion was on 'Decent work and the informal economy' ([...../ilc90/reports.htm](http://www.ilo.org/public/english/standard/reIm/ilc/ilc90/reports.htm)), the recommendations and conclusions from which can be downloaded from www.ilo.org/infeco.

In 2003, the ILC discussion will be on 'The scope of employment relationship' [...../ilc91/reports.htm](http://www.ilo.org/public/english/standard/reIm/ilc/ilc91/reports.htm)).

Annexed to this report is a presentation to the FNV conference by Enrique Marin from the ILO In Focus Program in Social Dialogue. For more information, including his powerpoint presentation, see: www.ilo.org/public/english/dialogue/

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"The views expressed herein are those of the participants of the workshop and can in no way be taken to reflect the official opinion of the European Commission. The European Commission is not liable for any use that may be made of the information contained in this report".

WIEGO (Women in Informal Employment Globalising and Organizing)

WIEGO is an international network of women's organisations, women's sections in trade unions, women's NGOs, development agencies, workers' educational bodies, and academics, plus the networks Homenet and Streetnet. It has a secretariat at Harvard University, USA, co-ordinated by Professor Martha Chen.

The driving force has been the Self-Employed Women's Association (SEWA) of India which is the largest trade union of informal workers in the world, now having 687.000 members. WIEGO's main focus to date has been on street vendors and homeworkers. It has five programmes:

- global markets: looking at how women own-account workers enter the global market and how they can improve their economic position
- urban policies: particularly how local authorities relate to street vendors
- statistics: improving our knowledge of the size, scope and contribution of the informal economy
- social protection: how to improve legislative and other initiatives such as micro-finance to protect and assist informal workers
- organisation and representation: working with networks such as Homenet and Streetnet as well as the international trade union movement.

Internet: www.wiego.org

2. Organising Workers in the Informal Economy

In the first session of the IRENE workshop, **Catalene Passchier** of the Dutch **FNV** said that she has seen an evolution in the attitudes of European unions. There is an increasing awareness of the many workers who fall outside the existing mechanisms for representation and protection, many of whom are women.

There are many differences between countries but there are also many similarities, particularly in the impact of the growing 'informal' economy on workers themselves. There have been many discussions about how to identify the 'informal' economy, and indeed what to call it. However, much more important, said Catalene, is what to do about it, how to organise these workers. There are many growing initiatives, and a lot of experience which can be shared about how to get things started and make progress. It is time to exchange these experiences and build mutual confidence that there is action that can be taken.

"There is no doubt that trade unions have a specific responsibility to represent the voice of workers - all workers. But unions cannot meet the challenges of the 'informalising' labour market alone. This is especially true where unions are still learning about how this 'informalisation' is happening, or where they find difficulties in reaching and organising informal economy workers. Therefore, co-operation and alliances with 'labour-friendly NGOs' may be very important. The conference and this report show us how productive - and, yes, sometimes how complicated - such shared responsibilities can be."

Jean Lapeyre, Deputy General Secretary European Trade Union Confederation (**ETUC**).
(Extract from the Introduction to the FNV report 'From marginal work to core business'.)

One element stressed in the discussion was the need to build labour movement alliances. 'Labour-friendly' NGOs which support workers often have an 'organising agenda'. This can lead to a feeling of competition over territory between the NGOs and unions. Though such competition is sometimes real, there can even be resentment where NGOs are active among groups where no union is present, or unions are not allowed to be present. In the workshop and later conference there much discussion on the need for all sides to overcome simplistic or dogmatic notions about the distinctions between unions and NGOs and to collaborate in the interests of strengthening the organisation of workers.

Unions fought hard for and won the right to represent the voice of *all* workers, but now increasingly recognise that this is under threat. As Catalene said later that weekend, *"All our unions are faced with the growing percentage of casual, precarious labour and so called self-employment. We have to include these workers in our ranks, and in our policies and strategies. Otherwise we will end up defending a diminishing group of privileged, mostly male, workers with permanent jobs in traditional industries, who feel threatened all the time by the growing amount of unprotected workers outside. We have to include them, because otherwise our power-base will become smaller, and our opinions will no longer be seen as representative of all working people."*

We also have to recognise the day-to-day reality for many workers. **Vsevolod Barbanegra** of the **CSR** trade union confederation in **Moldova** added, *"We don't think that it is helpful to make too big a distinction between the formal and informal economies. Many formal workers are paid wages that are far too low to cover living costs and so they also have an informal job. Many teachers, for example, need another job to survive."*

The Challenge to CEE Unions

"How should unions deal with this? First, we must not condemn the people who are in the informal economy trying to find an income. If the economy does not develop 'normal' activities, then they have to find another way.

Unions must be involved in national discussions with government and the employers on economic policies. We are responsible not only for our members but the whole population. We must find partners among the responsible employers who are likely to take a view about those who operate outside the rules. We must find partners too among social research groups, NGOs active with women, and so on, to formulate policy proposals.

The challenge for the unions is to reverse the decline in representation. In 19th century Europe, unions did not make a big distinction between formal and informal. People just set up organisations to defend themselves economically and politically. It was a time of co-operatives, social insurance and mutual schemes. Perhaps we need to revisit our history. And also to learn from Africa and Asia. No-one has the complete recipe but it is the big challenge that we all face."

Hubert Cambier, Acting Head of the Central/Eastern Europe Unit of the **International Confederation of Free Trade Unions (ICFTU)** based in Brussels. (Extract from FNV report, 'From marginal work to core business')

Building labour movement alliances

In all CEE countries, the reshaping of civil society is part of the massive political changes. A substantial part of the workshop was taken up with looking at the various types of organisations - unions and non-governmental organisations (NGOs) - that are active in the labour movement, and trying to define their respective roles and relationships. It seemed to indicate the stresses and strains inherent in building strong workers' organisations in the post-Communist era.

Some participants from the unions seemed to be highly sceptical or wary of the role of NGOs. Where unions are not ready or willing to organise 'informal' economy workers, NGOs are stepping in, and they are not always organisations which are friendly to trade unions. **Judit Ivanv Czugler**, legal advisor to the **MOSZ** national federation of Workers Councils in **Hungary**, spoke of a dangerous situation in her country when a right-wing government (now replaced) supported NGOs as one of various measures aimed at weakening union representation. It had left her union very troubled about the role of NGOs.

Participants from NGOs agreed that the relationship can be tense. **Mariana Petcu** from the **AUR** in **Romania** said, *"There is a fear from unions that we are trying to replace them or are doubling up on their efforts. But rather than mistrust, we must try to strengthen how we collaborate"*. She said that NGOs can offer training, information, communication skills and know-how, in collaboration with trade unions, to help penetrate those sectors where unions are not currently welcome. Even in formal workplaces, many workers are afraid they will lose their jobs, or have a poor impression of unions. But, if you say you are an "association" you may get access, even to managers who are hostile to unions. In reply, **Margareta Tuch** from **EAKL** in **Estonia** stressed that unions have great difficulty accepting any situation where they are prevented from entering a workplace.

In **Yugoslavia**, it has been the NGOs that have first taken up the issues of the 'informal' economy. **Ruza Rudic Vranic** from the NGO **Femina Creativa** saw the role of NGOs as preparing, initiating and the early stages of organising, while at the same time preparing people within the unions to take that organisation forward. **Vanja Lesic** from the **Association of Business Women in Yugoslavia** added *"We are trying to work with unions, because they have a lot of experience in negotiating. For example, some women in Belgrade formed a "citizen's association" which then become a section of the independent union Nezavisnost. This is one way of trying to regularise the situation."*

As **Plamen Dimitriov** from **CITUB** in **Bulgaria** said, NGOs vary a lot, with many different agendas. Some are contesting union terrain, not only organisationally but ideologically. *"We have to look for the NGOs which are close to unions in orientation and strategy. Representation of workers is for unions. Meanwhile, servicing workers - information/education, campaigning and advocacy - can be a joint effort."*

Catalene Passchier recalled that in some countries, informal economy workers are simply not allowed by law to join a union, and so they join an NGO. There is a need to respond flexibly to different situations on the ground. Unions need to be open to building coalitions with labour-friendly NGOs, and not be afraid of those who are frustrated or angry that the union is not doing more/better.

Anneke van Luijken of **IRENE** reminded the seminar that self-organisation is a right, whether or not the members join or call themselves a union. Some NGOs are membership organisations. NGOs do not have a formal representational role, but they have a lot of experience, and unions can feel threatened by this if they are not prepared.

The answer must be, as **Vsevolod Barbaneagra** from **CSRМ** in **Moldova** said, co-operation not substitution. *"In a situation where many governments are looking to weaken workers' organisations, we must avoid NGOs and unions competing to win the support of workers. There should be mutual respect for the strengths of each, as well as acknowledgement of the weaknesses of each. In the interests of workers, we must fight any attempts to 'divide and rule' between NGOs and unions"*.

One distinction is worth noting is that in Western Europe, trade unions were 'non-governmental' organisations first, whereas, by contrast, in Central and Eastern Europe, unions were 'governmental' organisations first.

Romania: Organising the Unorganised

In many CEE countries, the trade unions tend to organise in large-scale enterprises and are seemingly wary of others who intervene to support workers' rights. **Mariana Petcu** of the **National Association of Human Resources Specialists (AUR)** in **Romania** describes how her NGO has been reaching out to unorganised workers, particularly women in the garment sector. Now, however, there are new working relationships between NGOs and unions which hold promise for the future.

"Before 1989, Romania had a well developed garments industry, but the only companies to have survived are sub-contractors, employing largely women to sew and finish. The working conditions are very bad. To earn a living wage, workers have to do overtime, working 16-18 hours a day. There seems to be a non-legal, non-written rule that there should be no unions in these factories. Then there are the small sweatshops in garages, sheds and apartments. Here seamstresses may be locked in until they reach their production targets.

Unions in Romania are still company-based and hardly reach into these kinds of workplaces. Our NGO, made up of professional people interested in labour relations and employment conditions, has been carrying out a research programme, interviewing largely women worker and looking at how to attract them to the idea of organisation.

As NGOs we feel we can offer our knowledge, flexibility and ability to penetrate into non-organised sectors. But it has been hard to find out how to work with unions. There are fears on both sides. At first the unions suggested that we were interfering, but in October 2002 there was a meeting of NGOs and unions, including the National Confederation of Free Trade Unions of Romania (CNSLR-FRATIA). The unions admitted they had only 20-25% membership in the garment sector, and declining. We believe they are now realising that NGOs can help in attracting new members and helping to build organisation in non-organised sectors. We see our job as finding easier ways for unions to do their job. It is time to work together, in refreshed ways.

We are planning a project for which we are seeking funding, aimed at building this union-NGO collaboration. A small team of both NGO members and trade union representatives will go out to the regions to inform and educate people about their rights. We will target workers, schools, universities and the mass media. The young generation in particular does not have any idea about rights. They only share a common notion of what unions were like pre-1989. Unions now have to prove that they are different from that. It is a challenge for us all.

We have also been supported by the Clean Clothes Campaign from Germany, which in 2002 set up a Balkan office. It has been bringing together a network of women trade unionists from countries such as Romania, Bulgaria and Moldova."

3. Profound Changes in Central and Eastern Europe

Since 'perestroika' and the dismantling of the Soviet bloc, the Central and Eastern Europe (CEE) region has been opened up to the global market, and the economic and political changes have been profound. Both unemployment and the informal economy are growing. The unemployed now have little or no protection and must seek out a living in the informal economy. Meanwhile, especially in sectors such as construction, commerce and transport, employment contracts have been weakened in numerous ways, leaving those in jobs in a state of high insecurity.

According to the trade union '**Solidarumas**' (LTU) in **Lithuania**, collective labour agreements now only cover 10% of the workforce in that country. Meanwhile, in **Hungary** many are now employed under civil contracts rather than employment contracts, and in this way are not covered by labour law. This is mirrored in other countries.

But the situation also varies from country to country. It is a huge region with many differences between countries, politically and economically. Some may soon join the European Union, some later, some never. The proportion of the informal economy ranges from 14% of Gross Domestic Product (GDP) in Poland, to 35% in Bulgaria, 50% in Moldova, and over 70% in Yugoslavia, though statistical data is unreliable.

As the formal workforce declines, women have been particularly badly hit. **Vanja Lesic** is from the **Association of Business Women** based in Belgrade, **Yugoslavia**. She notes that women constitute a higher proportion of the unemployed. Those in the new informal economy - the self-employed, the home-based workers, those getting only irregular work, etc. - again the majority of whom are women, are not registered and not protected in any way. She says that people realise they have lost the safety-nets that they had. "*Women have become increasingly impoverished and apathetic*", she adds.

Across all CEE countries, the state now takes little interest in workers' conditions, or in collaboration with social partners. Agreements with employers are only skeletal. Legal and juridical structures are poor. As elsewhere in the world, labour laws in CEE countries have been weakened through deregulation so that ever fewer workers are covered.

In any case many laws do not recognise those deemed to be 'self-employed' or at least not a 'worker' in a narrow sense. In many CEE countries, self-employed workers have little or no formal status. In some countries, there are steps to change this. In Yugoslavia, for example, the new labour law includes a new category of 'self-employed'. But there is little confidence that such changes will materially improve the conditions for most workers in the informal sector. This issue later received a lot of discussion at the FNV conference, as EU-European unions are struggling with the same question about whether and how trade unions can organise self-employed workers, as can be read in the conference report.

Another crucial issue for the entire CEE region as well as Western Europe is migration. Some CEE countries are sending very high numbers of workers outwards to find a living, suffering as a result a large drop in their own potentially productive workforce plus a serious 'brain drain' to Western Europe. Meanwhile, there is large-scale migration between CEE countries, plus inward and outward flows with countries further to the East, such as from the Ukraine to Poland and the Czech Republic, and from Moldova to Russia. All told, there is a vast and unstable movement of people.

"There is little in common between small, very poor and exploited micro-enterprises on the one hand, and large employers (who may be exploiting them through the sub-contracting system) on the other. We want to organise society - the "toiling masses". We

need to build coalitions to defend ourselves against exploiters, employers as a class. It is a political issue."

Dan Gallin, WIEGO

"The term 'self-employed' is used for workers in very different situations. Psychologically it is very different whether you work 14 hours a day to get rich or 14 hours a day to make someone else rich."

Mariana Petcu, National Association of Human Resources Specialists (AUR), Romania.

3.1 Rebuilding CEE Unions

"We have to recognise that unions are in decline, and the only way is to build a renewed trust in them", said **Plamen Dimitriov** from the **CITUB** union federation in **Bulgaria**. From countries as far apart as Estonia, Moldova and Yugoslavia, the story is similar.

The radical political and economic changes in CEE countries have thrown up huge challenges for the trade unions there. Many of the old union organisations that exist are still only organised in large, former state enterprises. Their orientation is rather formalistic or legalistic in a situation where deregulation has made using the law a less effective way of protecting workers. Originally government established, the need to go out and organise workers is for them a relatively new experience.

Meanwhile, new unions such as **Solidarnosc** in Poland, **CSRM** in Moldova, and **CITUB** in Bulgaria are able to be more flexible, but face difficult choices in strategy, especially because resources are limited.

There is still much to learn about the role of trade unions in a capitalist society. It is worth remembering that in Western Europe, trade unions were 'non-governmental' organisations first. By contrast, in Central and Eastern Europe, unions were 'governmental' organisations first. Unions in CEE countries are still discovering that there is a difference of interests between employers, the government and workers.

All CEE trade unions are largely preoccupied with retaining influence in the declining formal economy. They are aware that they are losing members to the informal economy, and some have begun to consider if and how to take on organising here. They include CITUB from Bulgaria and CSRM from Moldova.

Margareta Tuch, legal advisor to the **Confederation of Estonian Trade Unions (EAKL)**, considers that, since the trade unions have not fulfilled their potential in the formal economy, it is legitimate to ask how much of a priority it is to turn to the informal economy as well. And yet, as she says, these developments cannot be ignored.

It means that unions must widen their scope and their structures. For example, the Estonian telecommunications union changed its statutes so as to bring in individuals as members. Taxi drivers there have also registered a union. However, because their organisation is so small, it is difficult to take them into the confederation directly. They were advised to merge with a transport union but refused as they felt it would not meet their needs. It is true, she says, that unions are not very flexible. They are having to learn new branches of law so as to absorb new types of worker. Unions in Estonia do understand they have to be open to all those who work, even though their priorities are still with traditional issues of health and safety, wage payment, etc.

Unions in CEE countries are historically company-based, not craft-based. Nor are they usually open to membership by individual workers. In Hungary, for example, labour law still recognises rights only at the enterprise level. Only workers in enterprises and under

employment contracts can be represented by unions. As **Judit Czugler**, legal advisor to the **National Confederation of Hungarian Trade Unions (MOSZ)**, says, this implies a big legal and political challenge for unions who want to change their structures, for example to become sector- or regional-based organisations.

In Romania, there is a new law proposed which will open union membership to individual workers in enterprises that are too small to form a union base. These workers can join together and affiliate to one of the five union confederations. But unions are expecting negative pressure from foreign investors and so are not optimistic that this law will be passed.

Other unions that are now experimenting with individual membership and regional structures include CITUB in Bulgaria. The Estonian telecommunications union has also revised its statutes so as to bring in individuals as members.

Pat Horn of **Streetnet**, the international network for street vendors, replied from the experience of Asia and Africa. *"We have found that a union is not necessarily the old model of an organisation for employed workers. It can be any organisation of workers. It may well have a different shape and activities precisely so that it can have members from the self-employed. And this does not have to be called an 'NGO'."*

The primary functions of a union are (1) to represent workers, typically in collective bargaining, and (2) to offer services to the members. For 'informal' economy workers, we are seeing the development of new types of unions that are able to represent them, as well as restructuring within existing unions." (See also 'Changing union mind-sets')

As **Sergejus Glovackas** of the CEE-Unit of the **International Confederation of Free Trade Unions (ICFTU)** said, for increasing numbers of workers these days there is often no 'employer', or one is not apparent, and so it is difficult to know with whom to bargain. **Dan Gallin** of **WIEGO** replied that, while in the past unions largely identified themselves on the nature of the employment relationship, this does not have to be so. Some unions consist of members who do not have an employer at all or, indeed, have many employers. There are often other parties with whom the union can negotiate, such as local authorities. This is one of the key issues for all trade unions to reconsider.

3.2. Reaching out to workers

The structures and activities of the old state-led trade unions in CEE countries have led to great disenchantment with anything that might recall that kind of 'collective' organisation. Instead there is apathy on the one hand, and a free market ideology where individuals think only of themselves and those close to them on the other. *"People have lost their bearings"* in the words of **Vsevolod Barbaneagra** of the **CSRM** union federation in **Moldova**.

From Romania to Poland, the young in particular are seemingly not interested in their rights, only in a job and keeping it at any cost. They do not trust any kind of organisation.

Similarly, many women are not attracted to trade unions. Some do not identify themselves as a "worker", and most do not have enough time for union meetings.

Although she is not organising workers in the informal economy herself the work/task of **Marlena Pawlowska**, of the Polish **NSZZ Solidarnosc**, was a very good example of trade union policy. Her union decided to invest in organising workers in sectors where union membership was very low and which were relatively new in the Polish labour market. She was hired to organise workers in 'hyper(super)markets', where especially

young workers had little idea about nor confidence in trade unions. And her work had positive results.

Same policy was plead for in relation to organising 'informal(ised) workers'.

*"The language and message of unions - such as collective action, solidarity, co-operatives, etc. - may have different meanings, or be differently interpreted, between Eastern and Western Europe. But the problem of encouraging collectivity is common to all capitalist societies", said **Catelene Passchier**. "In Western Europe too, trade unions can be seen as rather old-fashioned institutions, or male-dominated. What is important is to find new ways of approaching people, including building coalitions with like-minded organisations."*

During a break on the second day, a lively discussion ensued about the special attention needed to organise women workers so as to reach their special needs. Virtually all women, whether they are young or old, married or unmarried, have family responsibilities and this is a major influence on the way that they view their work. And the experiences of the last few years in Central and Eastern Europe have made it clear that women tend to be thrown out of the workforce first, whatever their level of skill and education.

Above all, this implies a much greater emphasis on organising efforts. As **Vsevolod Barbaneagra** says, *"In the unions we have to change our mind-sets away from the traditional ways of organising labour. We have to train organisers, and especially to reach out to the young"*.

"The biggest problem we face is one of mentality. After 10-12 years there has been no improvement; everyone struggles to survive, and we are even seeing a nostalgia for the past, when there was at least minimum social protection for all.

Informal economy workers do not know about their rights, nor think that they need to know. After all, we did not need to know about them in the past. We call it 'juridical ignorance'. Also, people fear that they will lose their job. And there is a distrust of trade unions.

Employers structures too have become weak. Now, when we sign agreements with them, they are not implemented. And there is a deep lack of efficiency in the state system, for example labour inspection.

We see a role for NGOs in informing workers in the informal economy about their rights. We need special programmes on both information and on organising."

Moldova: an Acute Situation

In 2001-2, the **ILO** undertook a research project on the informal economy in Moldova, in collaboration with the **CSRM** union federation (**Consiliul Confederatiei Sindicatelor din Republica Moldova**). They found that the problem of unprotected labour in the country is "very acute".

Out of a labour force of only two million, between 600,000 and one million are leaving as migrant workers to countries such as Russia, Italy, Spain, Portugal and Greece.

Thousands of others have been pushed into the informal economy. For example, after the privatisation of land caused collective farms to disappear, agricultural workers who were organised in unions have become self-employed farmers. Plus some 85% of enterprises are not officially registered. Overall, the informal economy is thought to represent 55-60% of the total.

Some other highlights from the ILO study include:

- Over one-third of workers in Moldova do not know about their right to organise.
- Over 60% do not know about the existence of international labour conventions.
- Over one-quarter of workers only have an oral work contract with their employer.
- Over one-third have no faith in the usefulness of trade unions.

The CSRM realised there are other important aspects too, such as the disproportionate involvement of women and young workers in the informal labour force. Also they saw how the formal and informal economies are intertwined since many people on low pay in the state sector must seek out additional incomes from the informal sector to survive.

As part of its strategy to deal with this situation, the CSRM has set up some new trade union organisations to recruit workers in micro-enterprises, the self-employed, market-sellers and owner-operator taxi drivers. Plus they have established territorial organisations based in the regions.

See: 'Unprotected Labour in the Republic of Moldova: Reality, Challenges, Strategies', Labour Institute CSRM – ILO project in Moldova, 2001-2002.

Union Restructuring in Bulgaria.

Plamen Dimitriov, Vice-President of the **Confederation of Independent Trade Unions in Bulgaria (CITUB)**, explains how they are restructuring to confront the growing informal economy in Bulgaria.

"In 1998 CITUB took the decision to organise in both the formal and informal economy. One estimate says that one-third of GDP in Bulgaria comes from the informal economy, involving 1 million out of a workforce of 3.4 million. On top of that, there is a 'shadow' or criminal economy.

It has grown so much because of economic policies driven by the 'Washington Consensus' and the international financial institutions (IFIs), particularly privatisation and deregulation through the Structural Adjustment Programmes (SAPs). Investment grows - and yet so does the informal economy, particularly small enterprises in both the legal and 'shadow' or 'illegal' economy - and in the 'grey' economy in between.

We have also been building new structures - branches which allow individual membership. This should be more suitable for informal economy workers compared to the enterprise-based structures of the past. We have also set up regional federation structures. They do not exist yet in all regions, and membership is still low. But we see it as a first step. And something new to consider is life-long union membership.

We have to fight a huge battle between individualism and collective values. Step-by-step, collective thinking has been replaced by individual responses; people think first or solely of themselves and their close family. Many believe they will succeed through self-management and do not want to be organised. We have to rebuild the diminishing confidence among workers towards unions which, after all, did not save their jobs. We have to fight for a new identity, and show clearly that we are not part of the political establishment of the past, nor indeed of today.

Who are our partners? We have been working with labour-friendly NGOs, and of course we need a clear division of labour. Representation of workers is the job of unions because they have democratic structures. Meanwhile, servicing can be shared with NGOs. Mutual respect is important; we have to trust each other, especially in difficult times.

We encouraged some 40 women's NGOs to come together and one result is a Women's Parliament. We also have built a new, non-union structure for the youth, called the Youth Forum for the 21st Century, which acts as a bridge between young workers and students.

What services can we offer informal economy workers whose social protection is very poor. Credit unions are an important initiative. CITUB is also looking at how union-established pension and health-insurance schemes can be extended to self-employed workers.

We also need the international trade union structures, the ICFTU and the Global Union Federations, to recognise that our region is the main area in Europe where the informal economy is growing. We need them to take this up more, especially to give us more support for training organisers."

4. A South/East Encounter

Four specialists were invited for the East/South encounter at the IRENE workshop as well as for the FNV conference that followed. Each has a wealth of experience which provided great insight for the Central and Eastern European situation, as well as for the EU-Western European situation.

* **Pat Horn** is a long-standing trade union organiser who started to work with informal economy workers in 1991, building SEWU (the Self Employed Women's Union) in **South Africa**. She is now co-ordinator of the international network for street vendors **Streetnet**. A core question for her was what are the forms of co-operation that can be built between unions and other organisations in order to organise informal economy workers and to fight for these workers' interests.

* **Francis X. Owusu** is head of the Informal Sector Desk of the **Ghana Trades Union Congress**. He was asked to share with us the Ghanaian experience where the 17 national unions affiliated to the GTUC have each set up informal sector desks in order to reach out to workers in the informal economy.

* **Teresita Borgoños** is the Chair of **Makalaya** in the **Philippines**, an organisation that has 3,000 members among women workers in the informal economy in that country. She was asked to inform us about their programme to include informal economy workers in state social security provision. This is a programme in which trade unions, the government and Makalaya work hand-in-hand.

* **Manali Shah**, Vice Secretary General of **SEWA** (the Self Employed Women's Association) in **India**, could have informed us about many aspects of organising and supporting informal economy workers. This time, however, her specific task was to concentrate on their experience of organising 'self-employed' workers.

4.1. Changing Union 'Mind-Sets'

Pat Horn, co-ordinator of the international network for street vendors **Streetnet**, speaks about the changes she feels are necessary in trade union thinking so that informal economy workers can be brought into the union movement.

"We have to ask: what is it that prevents us from organising in the informal economy? We have to turn upside-down old assumptions which we may not even know we have. After organising in the paper and chemicals unions in South Africa from 1976-1991, I turned to the informal economy. And I did this from a union perspective. I believe that trade unionism does work in the informal economy, as long as we think 'outside the box' and then build a strategy for organising, while constantly rechecking our assumptions.

For example, there is an assumption that to be a union you have to be enterprise-based or craft-based. But a union is an organisation of workers. If workers are not in an enterprise or a craft, why then is your union based on this?

Why does a union have to relate to an employer? Perhaps there is another organisation with whom you can bargain.

Unions are not only about wages. We must ask the workers what are their issues.

Some say that unions only exist if their members are able to go on strike. Why? Striking is a useful but not essential tool.

If you only accept as 'workers' those who are so defined legally, why are you accepting the government's definition? In South Africa before 1979, black workers were not defined as 'employees' under law. So we organised black workers and got the law changed. We do not need someone else's permission.

We must rethink our approach to legality, because what is deemed 'illegal' is not necessarily criminal or anti-social. There can be stupid laws that need changing. Criminal activities also happen in the formal economy. White-collar crime does not stop us from organising white-collar workers. In the South, we do not have such a strong idea of linking the informal economy with criminality.

So, it becomes necessary to reconceptualise. Are 'workers' necessarily employees? We may need to redefine the 'employment relationship', the 'labour market', the 'working class', etc. Even common notions of the economy may have to be rethought, recognising that it does not simply divide into the 'formal' and 'informal'.

Above all, though, we do not need to get our terminology right before we start organising. The informal economy is like a giraffe: it may be difficult to describe it, but you know one when you see it.

Unions can be creative and they know how to use power to get change. But unions can also be conservative, and think only of the employer-employee relationship. Unions were formed when workers looked at the rise of capitalism and how it worked in the 19th century. We need to look at it now, with globalisation, mass migration, etc., and decide on our organisational response.

You may need to start a new union, such as SEWA did in India. Or the established unions may need to start something new, as they did in Ghana. In this case, you need to win the support of existing members, by appealing to their long-term self-interest in the benefits of common membership.

How to fund these activities if you cannot collect dues from informal workers? But perhaps you can. The public employees' union in Uganda affiliated an association of informal sector workers, charging a flat rate per member of the association.

It does mean making a commitment to build the human resources, train organisers, etc. It means building up the political will to organise in the informal economy. These are investments which not a lot of unions are making as yet.

We do have to drop the idea that we need to finish organising in the formal economy first. Because it is disappearing. So, we may as well do both at once.

We need to stop using caricatures of the informal economy that prevent us from seeing the workers who are there. Some ignore them because they fall outside the existing legal framework. They say, "Street vendors are not tax-payers". But in fact they pay revenues to local authorities. Ask them if they want to continue being 'outside'. Most people want to be officially recognised by society, pay appropriate taxes and get appropriate benefits. Those who do not are by-and-large in the criminal economy or are tax-dodgers, and they are in the minority.

What is 'regulated' and 'de-regulated'? Many street vendors, for example, are 'regulated' by removal in police vans. Or the mafia impose their own kind of regulation if there is an official vacuum. Market regulation is another form of regulation; it is not a lack of regulation.

The workforce does not simply divide into the 'employed' and the 'unemployed'. There are people who do not have jobs that we call 'jobs' but they work 60-70 hours a week.

Job creation schemes sometimes do not work because the unemployed are too busy to join them!

So, we must decide:

- *who are the workers we want to organise?*
- *create a framework in which to organise them*
- *organise them.*

It is not very different organising people in the informal economy from the formal economy. Whether you are scared of your employer or the local maffia boss, it is much the same.

Ask the workers what their needs are. Don't tell them; don't presume. In a union, you turn the workers' needs into a set of demands. You identify who is the most appropriate authority with whom to negotiate these demands. There can be multiple partners for different issues, for example the local municipality (one or more departments), the provincial government, the police, traditional leaders, etc. Then you initiate collective bargaining. Usually no kind of bargaining framework yet exists, and so you must be creative and experiment. If the law is not appropriate, the union project must be to change the law. You campaign, lobby, mobilise mass support. Assume you will be creating new institutions.

You need to find allies. Here, existing unions have the advantage over new organisations. You also need research data which may well not exist. WIEGO commissions research that we can use in bargaining forums. Authorities must be shown the vast numbers of people who are involved, and the economic activity that they are generating.

www.streetnet.org.za

Publications include: Streetnet Association newsletter, in English and French.

4.2. Ghana: Where the Strong Help the Weaker

The term 'informal sector' was first used in the early 1970s when the ILO World Employment Programme investigated the labour market in Kenya and Ghana. There, it concluded, the principal social problem was not unemployment but the existence of large numbers of 'working poor' struggling to produce goods and services without their activities being recognised, registered or protected by public authorities.

In 1996, the **Ghana Trades Union Congress** and its 17 affiliated trade unions, with half a million members, took up the challenge of organising informal economy workers. In Ghana today, 80-85% of the workforce is in the informal economy. **Francis Owusu** is the head of the GTUC Informal Sector Desk, responsible for co-ordinating informal sector activities in each affiliate. He explains the GTUC's strategy:

"We were motivated by three factors:

- *Solidarity with informal sector workers who are the most vulnerable and disadvantaged of the entire working population.*
- *The dramatic drop in the unions' own membership.*
- *The growing similarities between the conditions of work in the formal and informal sectors, due to the 'informalisation' of work.*

GTUC unions are organised on industrial or sector basis, such as mineworkers, transport, agriculture, etc. The new policy encouraged the unions to bring in informal economy workers. They could either recruit them into their existing structures, or recognise and affiliate existing informal sector associations. We did not say that one model had to be followed by all. They were asked to review their own constitution and structures so that

they could mainstream informal sector workers into their activities. Some of this was already underway in some affiliates.

At the basis of trade union structure is a coherence of interests among wage-workers. The interests of self-employed workers are more fragmented. So, what structure can be adopted to bridge this difference? At one end of the spectrum, informal sector workers' organisation is brought into existing union structures. At the other, informal sector workers' organisation exists autonomously but has on-going interaction with the trade union movement. GTUC policy recognises both.

Organisation of informal sector workers into our trade unions did not come on a silver platter. It is a challenge to ensure their active participation. They ask why unions might be interested in them. They barely have time to attend union meetings. We needed to find new ways of approaching and organising them. Some unions won confidence in the communities and marketplaces by, for example, voluntarily solving problems with local authorities. They took initiatives before they knew what the benefits would be.

Trade unions depend on dues paid by members. The ability to pay dues depends on regular income, which is difficult for informal sector workers. So we did not expect them to pay dues at first. The union members were sympathetic, and operated on the principle of the stronger helping the weaker.

Another example of support comes from the General Agricultural Workers' Union (GAWU). The members of its Rural Workers' Organisation Division, who are mainly women, now have access to revolving loans, basic tools, fertilisers, storage facilities, and classrooms for literacy classes.

We also researched local and national 'labour friendly' NGOs with whom we could co-operate - those that have experience, that have developed services related to the needs of the (often women) workers in the informal economy; they are usually better than us at making project proposals. We, as unions, are good at bargaining. We also co-operate with Streetnet to organise street vendors and hawkers, and via WIEGO research can be initiated.

A big challenge is how to develop collective bargaining for informal economy workers. But we in the unions have benefited. Union membership was dwindling but now it is growing again."

4.3. Philippines: Support for Women in the Informal Economy

The **Manggagawang Kababaihang Mithi ay Paglaya**, which means Women Workers Aiming for Freedom, or **Makalaya** for short, was set up in 1998 in the Philippines by women trade unionists, community leaders and women working in informal employment. Their aim was to challenge the trade unions to be more responsive to the issues of women workers including in the informal economy.

Today, Makalaya has 3,000 members organised into 7 chapters throughout the country (though it is difficult to keep up activities in the conflict-ridden South). It focuses on developing leadership capacity among women workers, strengthening the women's structures in mixed organisations, and organising women in informal employment.

Teresita Borjoños of Makalaya, says:

"Makalaya is trying to mix two perspectives in organising - those of trade unionism and community organising. In this way, we are acting as a pressure group within and outside the union movement. There is a big debate whether to be separate from the union or let women members in the union take it forward.

There are numerous government agencies where informal sector operators can be registered, from local authorities (barangay) and municipal offices to national government structures. In 1995, the social security system was extended to cover the self-employed under a voluntary membership scheme. There is also a programme for informally employed individuals in the Philhealth medical aid scheme. But throughout these formal systems, rules and procedures are very cumbersome.

So, we provide a link between the informal economy workers and these official institutions. We lobby and negotiate, and provide practical support. For example, in the rural areas, we collect in social security contributions from our members and submit them to the local government system. In particular, we provide training and empowerment for women so that they can do their own negotiating so they can get access to the social protection that they need and are entitled to. But as an alternative, we have been encouraging indigenous mutual insurance schemes to be set up, though these are still very limited because informal economy workers can make only very small contributions.

We are also using government job creation schemes in rural areas to encourage skills training and, as an alternative, encouraging the formation of workers' co-operatives. In partnership with local government, we are developing schemes that give access to small capital and non-finance inputs.

In these kinds of ways we are trying to assist informal economy workers move into and benefit from the formal systems. We find many of them do want this.

But empowerment relies on the quantity and quality of our members, so it means organising and education. The first step is to organise them through their particular issues, in the community, in the workplace, in the home.

It doesn't stop there, though. It is also important to be visible at the political level, lobbying a wide range of national and local government bodies on the issues of women workers and the informal economy."

4.4. India: The Largest Self-Employed Union in the World

The **Self-Employed Women's Association (SEWA)** is a trade union for women workers in the informal economy in India. It was founded in 1972 and today is the largest informal economy organisation in the world, with a total membership of 687,000 people, in 86 different trades in seven states.

Manali Shah, SEWA's Vice Secretary General, says that in India today 93% of the total workforce is in the informal economy, up from about 82% in 1981, and still growing. The informal economy contributes 66% of the total Gross Domestic Product of the country, 50% of the national savings, and 39% of the exports. She continues:

"SEWA was born in the labour movement with the idea that casual workers, vendors etc., have the right to fair and decent wages and working conditions, and protective labour laws, and as a result dignity and visibility. SEWA also encourages self-employed women to set up co-operatives, to develop an alternative economic system. Today we have 102 co-operatives, some land-based, others livestock-based, trading and vending, and service-based.

After careful research into our members' needs, step-by-step SEWA has built up specially designed services such as a savings and credit bank, plus social security and insurance schemes. We have an integrated approach, believing that for women workers

the whole family is involved. So **eleven points have been identified**: employment, income, nutritious food, childcare, healthcare, housing, ownership, union strength, leadership, self-reliance, and education. Even as big as we are, we get members to become active in our structures by reaching out to them.

Home-based 'bidi' (cigarette) rollers were among our first members. None of them knew about the law. We organised some socio-economic surveys and found out what their problems were. We reached out to them by issuing the ID cards that they were entitled to under the welfare laws, and gradually helped them fight for their entitlements. We negotiated with middlemen and employers to stop them making extortionate demands. Also we fought a long case against the biggest 'bidi' employer in Gujerat to win rights to the Provident Fund. The employers tried to say that these workers were not their employees, but we eventually proved it by tracing the production chain through the labels on the 'bidis'. The employers and contractors were very angry and withdrew work all over Ahmedabad city. It led to a one-month strike. After talks with the Labour Department, we are now trying to form a tripartite provident fund. This case has been seventeen years of struggle.

SEWA's struggle for vendors' rights began in 1974 when we took a case to the Supreme Court on behalf of 525 street vendors. We argued that under the Indian Constitution everyone has the right to an occupation. After a long struggle, we won. Today vendors are trading peacefully on the streets. They are no longer harassed by the police or municipal authorities. They don't have to pay fines or bribes. We have 40,000 street vendors organised. They actively lead their own campaigns for space, licences, ID cards and representation on the boards which formulate policies and law for urban development.

In 1998, SEWA initiated the National Alliance of Street Vendors of India (NASVI), which has 320 membership-based organisations from 49 cities in 22 states. Recently, consultation with the Urban Development Minister led to a special task force which has been working out a national policy for street vendors. So, instead of collective bargaining with an employer, for vendors we negotiate with other structures, including municipal authorities, the police, and traffic authorities."

www.sewa.org

5. Organising Undocumented Migrant Workers

Across the CEE region, trade unions are clearly aware of the scale of migration in and out but have barely started to consider how to grapple with the issues of organising migrant workers. For many, like their counterparts in Western Europe, the status of many migrant workers as 'illegal' means that they are not willing to organise them. A number said that their unions can only organise in the 'informal' economy where this consists of legal activities, and they are not yet prepared to consider organising 'illegal' workers.

Within CEE countries, the status of migrants from other CEE countries is very unclear. There is also a lot of concern about the situation of migrants from their own countries to EU countries, knowing the hard situation that they face as 'illegal' workers.

During the FNV conference these issues were discussed at length, and support grew for the idea of making a clear distinction between legitimate economic activities - irrespective of the legal status of the individual workers involved - and the criminal economy including people-trafficking. Many migrant workers are channelled by unscrupulous agents that are little more than criminal gangs. However, it should be possible to develop policies that are humane towards migrant workers whose activities and intentions are not criminal, and at the same time harsh towards the gangs that control them. Also, support grew for the idea that unions should resist using the term "illegal" workers and replace it with "undocumented" workers, which better describes their status as workers without correct papers.

Catalene Passchier explained that the FNV in the Netherlands makes a distinction between the immigration status of workers on the one hand and criminal activities on the other, which of course the FNV avoids. The FNV principle has become "every worker is a worker, independent of their legal status". An example of this policy in action is that of the 'undocumented' sex-workers in Holland, (see the 'Red Thread' case study).

Francis Owusu of the **GTUC** reminded the meeting that *"Poverty anywhere constitutes a danger to prosperity everywhere." So says the **ILO Declaration of Philadelphia, 1944.** It goes on to say that human beings, whatever their colour, race, gender, or creed have a right to pursue their material well-being and spiritual development in conditions of freedom and dignity, of economic security and equal opportunity. ILO standards are not the preserve of any group of workers, because we are dealing with human lives not commodities".*

Forced Migration = Trafficking

Among the migratory flows are thousands of forced migrants, human beings - mostly women and children - who are trafficked, many of them to work in the sex industry.

Liliana Makovei spoke of the work of **Partners for Change**, an NGO based in **Romania**.

From Romania alone, some 10,000 women are thought to be trafficked each year, each sold for a few hundred Euros. Partners for Change focuses on support for victims, and awareness-raising for women about forced migration. They are currently looking at how to find employment for rehabilitated victims.

Trafficking is growing throughout CEE countries. Partners for Change believes there is a need for special legislation, better policing, public information campaigns, and much greater bilateral and sub-regional co-operation.

"People are disappearing to Western Europe but they are not joining unions there. They are disappearing off the union map."

Sergejus Glovackas, Co-ordinator, **ICFTU Central/Eastern Europe Unit**

"Let everyone who migrates with a legitimate cause be a trade union member. Let us remember that they bring culture as well as an ability to clean floors."

Leo Mesman of the **FNV Mondiaal's Central and Eastern European Programme.**

6. A visit to Amsterdam

Travelling to the Netherlands to stay in a conference centre in the middle of a wood is good, but not enough. After a visit to the trade union museum in Amsterdam, a boat tour was taken through the canals, with a guide pointing out those places in the city which are important in the history of the trade union and/or women's movement.

Finally, the participants paid a visit to a contemporary project that is giving rights and protection to a group of extremely vulnerable workers. It is the new trade union in the Netherlands for sex-workers, and the visit provided a good connection point to the discussions at the FNV conference that were to follow.

Organising Sex-Workers in Holland

The **Red Thread** (De Rode Draad) is a trade union for sex-workers in the Netherlands that is affiliated to the **FNV**. In many other countries, sex-workers are 'illegal' and not considered as 'workers'. For these and other reasons, the trade union movement usually has little to do with them officially. **Sietske Altink** explains how the Red Thread and the FNV work together:

"Twenty years ago, there was no 'Red Thread'. At that time, I met a big shot from the FNV in a pub. I asked him if he would accept sex-workers as union members. 'Over my dead body'", was his answer. Little did he know that shortly after his death, the FNV would indeed accept sex-workers as members.

The Red Thread came into being in 1985, founded by a self-help group of sex-workers with the aid of some prominent feminists. In 1987 it received funding from the Ministry of Labour and Emancipation. (Now it is funded by the Welfare Department.) The decriminalisation of prostitution was in sight.

In 1991, we had first contact with the trade unions. The good news was that they were no longer totally opposed to sex-work as a concern of the labour movement. The bad news was that they felt they couldn't do anything for sex-workers. They only took on members who were employees in a clear employer-employee relationship.

At the time, Red Thread members preferred the status of independent entrepreneur or self-employed contractor, as this gave them anonymity, which an employment contract could not do. But legalisation of brothels meant 'normalisation', and the taxman. And there is no way to pay tax anonymously. So, the Red Thread gave up the idea that employment with a labour contract was out of the question.

Meanwhile, and more importantly, the FNV set up a department for sole entrepreneurs. This paved the way for a second round of contacts, right before the legalization of brothels. The FNV Executive Board decided that they should take up prostitutes' rights. Formally, members could stop them, but in fact they never did.

We see the working with a regular trade union as a great step forward. We get:

- *official recognition*
- *expertise in the case of labour conflicts, e.g. with brothel-owners*
- *a weighty partner in political issues because the FNV is fully recognised by the government as a social partner.*

The FNV also:

- *supports us in building our union for sex-workers. We recruit the members, in our own office. Women do not have to state their names, etc. as they would in a regular*

trade union. Self employed sex-workers can also become members. Now we have a small but growing number of members.

- is developing a tailor-made training programme for sex-workers so that they can become fully-fledged shop stewards.
- has developed other publicity materials for us.
- last but not least, is entitled to make a collective labour agreement that should be valuable nationwide for those sex-workers who want to enter into an employer-employee relationship.

According to the FNV, all this is only possible because legalisation gave them the authority to defend our case against their 'traditional members' and to lobby the government.

But can a union only do something for a 'legal' workforce? Now we are debating about the exploitation of 'undocumented' sex-workers. Is there some kind of action possible parallel to that for people in garment sweatshops or domestic work in conditions of slavery? Undocumented sex-workers should have a means of redress that is better than just deportation.

We want more women to be documented. Our view is that migrant sex-workers should enjoy the same rights and restrictions as migrants in other professions.

So the 50,000 Euro question is: what can we offer to a sex-worker who won't or can't join the union, such as the undocumented women? Or to sex-workers who don't see themselves as sex-workers and have taken up the work 'just for a few days, for a bit of money'?

The answer is simple: they should be able to apply for support, even if we don't know their names and legal status. We, as a union, are not the police. We don't check residence permits or other papers. We don't do the work of the police.

How have the brothel-owners reacted? We encouraged the organisations of brothel-owners to become members of the official organisations for employers. Some of them had come up with the idea themselves. Some are willing to take their seat at the negotiating table. But on the whole, they have been aggressive, not unlike the great captains of industry in the nineteenth century when workers got organised. In practice, we get often kicked out of brothels. There is a long way to go. We don't expect we will succeed within the next year.

But there is one thing worse than fighting brothel-owners and that is not fighting brothel-owners. There is one thing worse than fighting exploitation, and that is not fighting exploitation. There is one thing worse than organising and that is not organising. And there is one thing worse than just a small group of organised sex-workers, and that is no group at all."

info@rodedraad.nl

7. Proposals for action

Participants from CEE countries also had a separate workshop towards the end of the FNV conference. From their report back and discussion that followed, it became clear that the conference had caused them to think anew on various issues.

On the question of migrant workers, they stressed:

- unions must represent 'undocumented' workers; they must organise all workers in their territory, not just according to their legal status. "Illegal" is a state word. It is not a union word, and we should not use it.
- greater collaboration is needed East-West on organising migrant workers across borders; there is a need to promote bilateral agreements between unions to support cross-border union recognition.
- the ICFTU/ETUC should pay greater attention to fighting for less restrictive migration policies, making clear the distinction between migration and trafficking (and supporting the prosecution of criminal employers); and on facilitating the development of new union structures to include migrant workers.
- more effective use of Global Union Federations should be explored, perhaps opening them up membership by individuals on a global basis, as does the International Transport Workers' Federation (ITF) (for seafarers).
- more pressure must be put on governments to implement United Nations declarations and ILO Conventions, especially those which deal with the rights of migrant workers.

Henk van der Kolk, President of the FNV Bondgenoten, told the FNV conference (and later repeated it at a public meeting, as reported in the Dutch press), *"We could look at European union membership - that is, if you are a union member in one country then you are a member in another. In this way, a migrant worker would be recognised as someone who is part of the union movement, and his or her rights could be properly defended."* It is a very interesting suggestion that will need to be translated into policy by the FNV, and by the ETUC and its affiliated unions.

The CEE participants also went home with proposals for action in their own unions. Common themes included the need to look at how unions can be restructured so that informal and/or self employed workers can become union members, and the need to invest in the education of union organisers.

Participants at the East/South Encounter

From Eastern and Central Europe:

- **Vsevolos Barbaneagra, CSRM** trade union federation, **Moldova**
- **Svetlana Boincean, CSRM** trade union federation, **Moldova**
- **Helena Cornejova, CMKOS** trade union federation, **Czech Republic**
- **Plamen Dimitrov, CITUB** trade union federation, **Bulgaria**
- **Ilse Gabrane, LBAS, Latvia**
- **Sergejus Glovackas, ICFTU Central/Eastern European Unit, Lithuania**
- **Judit Ivanv Czugler, MOSZ** trade union, **Hungary**
- **Vanja Lesic, Association of Business Women , Yugoslavia**
- **Liliana Makovei, Partners for Change, an NGO based in Romania**
- **Marlena Pawlowska, NSZZ Solidarnosc** trade union federation, **Poland**
- **Mariana Petcu, AUR** women's NGO, **Romania**
- **Ruzo Rudic Franic, Femina Creativa** women's NGO, **Yugoslavia**
- **Natalia Stelmascionok, Solidarumas** trade union federation, **Lithuania**
- **Janka Takeva, the teachers' union affiliated to CITUB, Bulgaria**
- **Margarita Tuch, EAKL** union federation, **Estonia**

From the South:

- **Teresita Borgoños, Makalaya, the Phillipines**
- **Pat Horn , the international network Streetnet, South Africa**
- **Francis X. Owusu, Ghana Trades Union Congress**
- **Manali Shah, the Self-Employed Women's Association, India**

Also present:

- **Dan Gallin, Organisation and Representation Programme, Women in Informal Employment Globalising and Organising (WIEGO), and Global Labour Institute**
- **Anneke van Luijken, IRENE**
- **Leo Mesman, Central and Eastern European Programme, the Dutch union federation's solidarity organisation FNV Mondiaal**
- **Catalene Passchier and Wim Sprenger, FNV Netherlands, responsible for organising the FNV Conference.**

How Employers Side-Step the Law

Annex 2

At the International Labour Conference in June 2003 a major discussion on the employment relationship was scheduled. Discussions might just be an exchange of ideas or might lead to a recommendation for a new ILO standard. Much would depend on how the trade unions take it up.

Enrique Marin from the **ILO In Focus Program in Social Dialogue**, reported to the FNV conference that research in 39 countries has found that problems in the employment relationship exist everywhere, but are more intense in some places than others.

"International standards and protections are designed for waged workers. But increasingly, the status of the worker is not clear and labour protection fails. Certain employers have found they don't need to have the law changed; they just side-step it by changing the employment relationship. They vacate the law.

First, there are those who are in employment relationships which are disguised to look like something else so that they are excluded from labour law. For example, the worker is dependent on a single employer but looks like an independent operator in a civil or commercial relationship.

Then there are those in ambiguous employment relationships where it is difficult to identify who is the worker and who is the employer. The worker may start as independent 'freelancer' but after some years become dependent on one employer. Or, vice versa, employees are forced to become 'free' and then be rehired as 'self-employed'. Many truckers have been experiencing this, when they still work for the same company but must buy or rent their truck.

An employment relationship may not be bilateral but trilateral: the worker - the employer - and another client or user, such as an employment agency or sub-contractor. This is true of many construction workers, perfume vendors in department stores, security guards, etc. The triangular employment relationship can also be 'false', where the supposed employer is actually only an intermediary. The 'bidi' cigarette workers in India, seem to be such a case. Their employment relationship is disguised by apparently working for sub-contractors.

Airport workers such as check-in and security staff were once employees but now they are largely hired through sub-contractors. This practice in US airports came into the spotlight after the September 11th hijackings. 80% of security staff in the French nuclear industry are sub-contracted.

Labour law defines who is a worker. Their type of work, how they work, and for whom can be analysed by factual observation. But these disguised and ambiguous forms of employment relationship place the workers concerned on the borderline of labour law. Who is a salaried employee? Very often the workers themselves do not even know.

In a triangular relationship there are three main questions. Who is the employer: is it the end user or the agency/subcontractor? Do the workers enjoy the same rights as direct employees? And who is liable for these rights under law?

The challenge for the ILO Conference in 2003 is how to reconcile flexibility with equity. In 1998, the Conference broke down on this topic but agreed to more research. Now we have a better understanding of the reality. The question remains, though, what are we going to do about it, nationally and internationally?"

For more information and to download Enrique Marin's Powerpoint presentation for this talk, see: www.ilo.org/public/english/dialogue/