

# Organizing Workers in the Informal Economy

Cape Town South Africa December 2011



**Keynote Address: Shawna Bader-Blau, Solidarity Center Executive Director**

## Welcome:

- Trade unions and worker organizations from around the world
- Labor educators and [IFWEA](#) members
- Our cosponsors, [Rutgers University School of Management and Labor Relations](#) and [Women in Informal Employment: Globalizing and Organizing \(WIEGO\)](#), whose papers will be foundational to our discussion and with whom we have embarked upon a five-year partnership to delve deeply into several critical areas of concern for workers in the global economy
- Representatives from our donor partner, [USAID](#), who made so much of this possible and without whose partnership we would not be here
- Solidarity Center staff
- Representatives of the [AFL-CIO](#)

I am very proud to be here today to welcome you all to our two-day conference, “Organizing Workers in the Informal Economy.” When you look at the agenda and the names of the participating organizations— from a dozen countries around the world— you feel a real sense of power and potential in this room.

Many of us heard brother Saliem (Patel) speak at the [Labor Research Service](#) reception last night. He reminded us that workers, especially low-wage workers, may not get a sense of their own power, particularly in the informal economy where the deck is so stacked against us. But he reminded us that power is everywhere with workers, diffused throughout our workplaces—be they homes or offices, fields or factories—and when we can harness it together through collective action, we can improve wages and working conditions. When we work together, it gets a little easier to speak up for what is right, speak more strategically to advance our interests, and speak out more often. When we do that, we build stronger, more democratic, and just societies.

Workers have the power to do this through organizing, the theme of our conference. Over the next two days, we will hear how improving the lives of workers in the informal economy is a critical economic development need for all of our countries, and how worker organizing can make cracks in the glass ceiling of democratic participation.

So I would like to take a couple of minutes as we open this conference to talk a little about the politics and economics of informality, the right to organize, and why we think the theme of the conference is so important.

A key resolution by the International Labor Organization (ILO) in 2002 was called “Decent Work and the Informal Economy.” With that resolution, for the first time, the ILO recognized that there are huge barriers to organizing the majority

of informal workers. They are either unprotected by the law or, in practice, excluded from legal protections and social benefits—which means vulnerability, limited access to rights, lack of political voice, and often poverty. The ILO discussion highlighted how, as a general rule, that means exploitation and even abuse, especially for women working on the margins or doing hidden work in the economy. The ILO resolution called on member states to treat the goal of decent work as an equal aspiration for all working people, formal and informal workers alike, and for governments to create conditions for all workers to achieve decent work and a decent life in conditions of dignity and equality.

An ideal worth striving for. Yet it is a tough road ahead in this economy.

We know that the informal economy grows in times of economic crisis or contraction, and the informal economy can be an insecure, low- or poverty-wage system. Following the pattern of the economic crises in Latin America and Asia in the previous three decades, laid-off workers in today's economic crisis may only be able to generate income in the informal economy. And if history is prologue, employers and governments facing economic crisis are sure to find more and more ways to limit their responsibility by cutting social protections, outsourcing, subcontracting, and creating temporary positions that offer no benefits or job security, cannot support a family, and do not build a career.

The informal economy may grow in times of economic crisis, but it has also remained a permanent and expanding feature of economies in Latin America and Asia post-crisis, in the 1980s and 1990s. Indeed, as our presenters this morning will discuss, the informal economy is a permanent feature of the entire global economy. And this is likely to be as true for the North as for the South going forward, although the percentage of informal economy work is greatest in the global South.

For those of us who care about social justice, there is no way around the critical question of how to build and rebuild our power through organizing, the theme of our conference. And we do need to focus on organizing. For the global working class, and especially for the most poor and vulnerable workers, it is through organizing that they can make their voices heard with employers and governments. And it is through organizing that once isolated and exploited individual working people can come together and challenge their conditions—and improve them.

I think it is important to talk about what we are REALLY talking about here. When we are talking about informal economy workers over the next two days, we are talking about shining a light on how a global economy thrives off flexible forms of employment. We are talking about economic systems that are designed and structured specifically to reduce and mitigate ways workers contribute to their structures of pay, benefits, and working conditions. In short, much of the global economy counts on the ability to distance working people from their own potential, collective power. And this is a deeply political thing. Because who exactly are the workers we are talking about?

The great excluded masses in our societies work in the informal economy. They are the very poor, the indigenous, the unemployed and underemployed, the working class, the ethnic or racial minorities, the rural dwellers, the non-literate. And the majority of them are women. In many countries, and I would count my own country among them, there is an ongoing struggle for democracy for these groups, who live and work along the margins of economic and political systems, disenfranchised. Their justice fights are central to democracy for their societies. Because what is a just society, what is a democracy, when it does not work for everyone equally—when only the strong and the powerful and the “included” have a voice? What are democratic institutions and legal protections worth, when huge swaths of societies cannot access them? The right to organize is therefore a fundamental right for informal economy workers. It is part of how they—and we—challenge inequality of wealth and inadequate democracy in our societies.

Unions historically have carried the fight for opportunity and access for working people to the halls of official power. And so a lot of this conference, centered on organizing in the informal economy, implies a challenge for trade unions, the historic voice of workers: How are trade unions responding to the informal economy, now a permanent feature of global capitalism?

Trade unions are unique institutions in that they have a dual identity: both as an institution and as a movement. That is, unions are both “organized labor” and “the labor movement.” As organized labor, unions are the institutions that preserve the gains that workers make on the ground. If you go back to our preindustrial origins, you find that all workers were informal workers until the labor movement fought and won rights and formalized the economy. And that side of our identity,

as organized labor, is traditionally measured by union density. Unions around the world, however, are faced with declining membership. Work is becoming more and more informal. And workers are found in non-traditional workplaces.

But unions also are about collective experiences that have transformational possibilities—in other words, social movements that impact economic, political, social, and democratic change. Behind the chosen emphasis of this conference is a felt need that we must focus on the movement side of our identity as trade unions. This challenges us to think differently about our structures and ourselves. It means that we have to look at collective power as more than just collective bargaining. And it means that we have to recognize that the labor movement is more than the sum of our unions: It is the world of workers—including the communities in which they live and the non-traditional workplaces in which they are found.

For the global labor movement, our work in the informal economy is about re-conceptualizing worker collective power. This is a challenge for the global labor movement that many union organizations we have here with us in Cape Town have already been confronting for years. We have several discussions arranged over the next two days for unions that have successfully formed alliances with informal economy organizations to share their experiences. If unions are indeed open to new structures, then we can learn from the unique and powerful modes of organizing dreamed up by the creativity of informal economy workers, who organize in the toughest of environments.

Unions are at their best when we are a voice for the most marginalized and when we include those workers in our organizations. Yes, we can gain more power and BE more powerful, but when we wield [power] on behalf of the working poor, the unemployed, the excluded workers, when we in fact bring in these masses of working people, they also *make us a more powerful force for social justice and democracy in our societies. They bring back the "movement" in our labor movements.*

So as we move to discuss and develop organizing models over the next two days, we should begin with a common starting point that recognizes the interconnectedness between informal workers and formal workers, and the single fabric that is our economic life and our economic vision for decent work. It does not matter if you are a waste picker, a domestic worker, a nurse, a temp agency worker, or a miner—or maybe even an NGO worker—you have the right to decent work that is protected under law and enforced.

And perhaps some of the presentations and discussions today and tomorrow will bring us back to the original question of politics. What are the origins of economic exclusion in your countries? In the United States, two of the largest groups of workers historically excluded from parts of our labor laws are domestic workers and agricultural workers. Not by coincidence, these are sectors that suffer our horrific legacy of slavery. To fight for their inclusion as they have, and as our labor movement has by their side, is a deeply political and profound act. It is part of eradicating the scourge of our history of slavery and refusing to stand by and continue to codify these legacy systems of exclusion.

Many unions and worker organizations represented here today have stepped up to this challenge—organizing in non-traditional ways with non-traditional partners, and breaking all kinds of social and political barriers in the process. We will hear today and tomorrow how unions are finding innovative and diverse ways to address the economic and democratic deficit as they reach out to workers in the informal economy—often with the help of community organizations, NGOs, political groups, and other allies.

To end on a victorious note, unions around the world partnered with domestic workers and their organizations to negotiate the International Labor Organization Decent Work for Domestic Workers Convention. We have many domestic worker organizations with us here, and we will be hearing about how they have succeeded in making the gains they have for this largely female workforce. As Juan Somavia, ILO director-general, noted after passage of the convention, "We are moving the standards system of the ILO into the informal economy for the first time, and this is a breakthrough of great significance. History is made." The negotiation process was also significant in other ways for the labor movement. Many unions gave up their seats on the committee to domestic workers, symbolically bringing domestic workers to the table as workers for the first time.

This is obviously easier said than done, and behind that convention are decades of struggle—and organizing—by the champions of informal and women workers, some of whom are actually in this room. But what I hope we can accomplish in the next two days is to learn from political and policy victories like those won by domestic workers at the ILO, and organizing successes of informal workers represented here, to make real progress toward defining organizing models that can be adapted, shared, and modeled by practitioners on the ground. Because as I noted at the beginning of this, we have everyone in the room we need to do it, together.

Thanks, and I'm looking forward to spending this time with everyone.